

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of CARE Ratings Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of CARE Ratings Limited

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") for the quarter ended 30 June 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
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 Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), 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.
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 Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.
5. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. 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 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 Indian Accounting Standard 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.
7. The financial information of the Group for the corresponding quarter ended 30 June 2021 has been reviewed by the predecessor auditor whose report dated 03 August 2021 had expressed an unmodified opinion.

Our conclusion is not modified in respect of this matter.

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8. We did not review the interim financial results of 2 subsidiaries included in the Statement, whose interim financial results reflects total revenues of Rs. 306.39 lakhs, total net profit after tax of Rs. 140.82 lakhs and total comprehensive income of Rs. 140.82 lakhs , for the quarter ended 30 June 2022, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion 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 and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

9. The abovementioned 2 subsidiaries are located outside India whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion 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 Parent and reviewed by us.

Our conclusion is not modified in respect of this matter.

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

Chartered Accountants

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



Ajit Viswanath

Partner

Mumbai

29 July 2022

Membership No.: 067114

UDIN:22067114ANUWCC6129

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Annexure I

List of entities included in unaudited consolidated financial results.

Sr. No.	Name of component	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



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Limited Review Report on unaudited standalone financial results of CARE Ratings Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of CARE Ratings Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of CARE Ratings Limited ("the Company") for the quarter ended 30 June 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is 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.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. 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 applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The financial information of the Company for the corresponding quarter ended 30 June 2021 has been reviewed by the predecessor auditor whose report dated 03 August 2021 had expressed an unmodified opinion.



B S R & Co. LLP

Our conclusion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

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

Ajit Viswanath

Ajit Viswanath

Partner

Mumbai

29 July 2022

Membership No.: 067114

UDIN:22067114ANUWBQ1565

Statement of Consolidated Unaudited Financial Results for the quarter ended June 30, 2022

(₹ in Lakhs)

SN.	Particulars	Quarter Ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations	5,456.86	6,588.13	4,919.96	24,763.28
II	Other income	752.31	717.66	732.22	2,719.11
III	TOTAL INCOME (I +II)	6,209.17	7,305.79	5,652.18	27,482.39
IV	EXPENSES				
	Employee benefits expense	2,886.57	2,964.30	3,259.23	12,641.27
	Depreciation and amortisation expense	228.18	213.33	185.28	770.59
	Finance cost	17.06	11.96	12.96	46.38
	Impairment loss on intangible assets	-	21.29	-	21.29
	Other expenses	957.24	1,355.43	797.10	4,139.86
	TOTAL EXPENSES (IV)	4,089.05	4,566.31	4,254.57	17,619.39
V	Profit before exceptional items and tax (III)-(IV)	2,120.12	2,739.48	1,397.61	9,863.00
VI	Exceptional items	-	-	-	-
VII	Profit before tax expenses (V - VI)	2,120.12	2,739.48	1,397.61	9,863.00
VIII	Tax expenses:				
	Current tax	622.71	589.23	745.07	2,932.09
	Deferred tax	83.69	(180.68)	(502.31)	(751.99)
	Total tax expense	706.40	408.55	242.76	2,180.10
IX	Net profit for the period (VII - VIII)	1,413.72	2,330.93	1,154.85	7,682.90
	Profit for the period attributable to:				
	Non-controlling interest	47.11	40.94	50.62	172.11
	Owners of the parent	1,366.61	2,289.99	1,104.23	7,510.79
X	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or Loss	(84.97)	1,004.53	(89.45)	936.69
	(ii) Income tax relating to items that will not be reclassified to profit or loss	21.42	(157.73)	22.46	(140.93)
	B (i) Items that will be reclassified to profit or Loss	(2.50)	(2.40)	(9.16)	(16.42)
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.63	0.60	2.31	4.13
	Other comprehensive income for the period	(65.42)	845.01	(73.84)	783.47
	Other comprehensive income for the period attributable to:				
	Non-controlling interest	(0.41)	(0.39)	(1.51)	(2.70)
	Owners of the parent	(65.01)	845.40	(72.34)	786.17
XI	Total comprehensive income for the period (IX + X)	1,348.30	3,175.94	1,081.01	8,466.37
	Total comprehensive income for the period attributable to:				
	Non-controlling interest	46.70	38.23	49.11	169.41
	Owners of the parent	1,301.60	3,137.70	1,031.90	8,296.96
	Paid up equity share capital (Face value ₹ 10 per share)	2,964.65	2,964.65	2,946.12	2,964.65
	Other equity				61,784.81
	Earnings per equity share (Face value ₹ 10 each) (Not annualised for the quarters ended)				
	Basic (₹)	4.61	7.72	3.75	25.45
	Diluted (₹)	4.61	7.68	3.65	25.31



Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2022

(₹ in Lakhs)

SN	Particulars	Standalone			
		Quarter Ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations	4,874.36	5,954.47	4,177.40	21,927.29
II	Other income	732.21	739.23	764.98	2,836.12
III	TOTAL INCOME (I +II)	5,606.57	6,693.70	4,942.38	24,763.41
IV	EXPENSES				
	Employee benefits expense	2,286.43	2,491.10	2,767.45	10,676.40
	Depreciation and amortisation expense	187.02	188.26	166.07	698.82
	Finance cost	9.68	8.66	11.40	39.64
	Other expenses	683.75	587.75	698.50	2,650.64
	TOTAL EXPENSES (IV)	3,166.88	3,275.77	3,643.42	14,065.50
V	Profit before exceptional items and tax (III)-(IV)	2,439.69	3,417.93	1,298.96	10,697.91
VI	Exceptional items	-	-	-	-
VII	Profit before tax expenses (V - VI)	2,439.69	3,417.93	1,298.96	10,697.91
VIII	Tax expenses:				
	Current tax	587.17	551.41	707.49	2,831.73
	Deferred tax	44.83	(25.24)	(497.94)	(581.06)
	Total tax expense	632.00	526.17	209.55	2,250.67
IX	Net profit for the period (VII - VIII)	1,807.69	2,891.76	1,089.41	8,447.24
X	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or Loss	(86.63)	997.43	(90.88)	918.61
	(ii) Income tax relating to items that will not be reclassified to profit or loss	21.80	(157.56)	22.87	(137.72)
	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	-	-	-	-
	Other comprehensive income for the period	(64.83)	839.87	(68.01)	780.89
XI	Total comprehensive income for the period (IX + X)	1,742.86	3,731.63	1,021.40	9,228.13
	Paid up equity share capital (Face value ₹ 10 per share)	2,964.65	2,964.65	2,946.12	2,964.65
	Other equity				62,058.29
	Earnings per equity share (Face value ₹ 10 each) (Not annualised for the quarters ended)				
	Basic (₹)	6.10	9.75	3.70	28.62
	Diluted (₹)	6.10	9.69	3.61	28.47



- 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 July 29, 2022 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 CARE Ratings' consolidated total income increased by 10% to Rs. 62.09 crore in Q1 FY23 from Rs. 56.52 crore in Q1 FY22. Net profit increased to Rs. 14.14 crore in Q1FY23 from Rs. 11.55 crore in Q1FY22, an increase of 22%.
 - 4 CARE Ratings' standalone total income was up 13% to Rs.56.07 crore in Q1FY23, compared with Rs. 49.42 crore in Q1 FY22. Net profit increased by 66% to Rs. 18.08 crore in Q1FY23 from Rs. 10.89 crore in Q1FY22.
 - 5 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.
 - 6 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 Board of Directors at its meeting held on July 20, 2022, approved a proposal for Buyback of upto 23,68,000 fully paid-up equity shares of face value of ₹10/- each (representing 7.99% of the total issued and paid-up equity share capital of the Company) at a price of ₹515/- per Equity Share, payable in cash for an aggregate amount not exceeding ₹1,21,95,20,000/- which is 19.30% and 19.39% of the fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively, in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended and the Companies Act, 2013 and the rules made thereunder. The Buyback is subject to the approval of the shareholders by means of a special resolution through Postal Ballot.

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 in standalone results includes ESOP charge under respective periods as under:

Particulars	Quarter Ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited	Unaudited	Audited
ESOP Charge	(214.93)	36.00	172.05	629.01



9 Segment Information based on Consolidated Financial results of the Group is as follows:					
(₹ in Lakhs)					
	Particulars	Quarter Ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
a	Segment Revenue				
	Ratings and related services	5,180.75	6,206.77	4,469.69	22,971.63
	Others	276.85	641.01	484.35	2,085.78
	Total Segmental Revenue	5,457.60	6,847.78	4,954.04	25,057.41
	Less: Inter Segment Revenue	(0.74)	(259.65)	(34.08)	(294.13)
	Total Revenue from Operations (Net)	5,456.86	6,588.13	4,919.96	24,763.28
b	Segment Results (Profit before Finance Costs and Tax)				
	Ratings and related services	1,869.59	2,264.17	763.36	7,982.15
	Others	(484.73)	(230.36)	(85.01)	(791.87)
	Total Segment Result	1,384.87	2,033.80	678.35	7,190.27
	Less: Finance Costs	17.06	11.96	12.96	46.38
	Add: Other Un-allocable Income - net	752.31	717.66	732.22	2,719.11
	Profit before Tax	2,120.12	2,739.48	1,397.61	9,863.00
c	Segment Assets				
	Ratings and related services	65,135.40	64,495.85	57,217.72	64,495.85
	Others	3,192.13	3,049.93	3,071.44	3,049.93
	Unallocated Assets	5,229.50	5,194.92	6,992.67	5,194.92
	Total	73,557.03	72,740.70	67,281.83	72,740.70
d	Segment Liabilities				
	Ratings and related services	5,553.69	5,980.26	5,876.54	5,980.26
	Others	1,624.83	1,479.56	905.95	1,479.56
	Unallocated	-	-	-	-
	Total	7,178.52	7,459.82	6,782.49	7,459.82
e	Capital Employed				
	Ratings and related services	59,581.71	58,515.59	51,341.18	58,515.59
	Others	1,567.30	1,570.36	2,165.49	1,570.36
	Unallocated	5,229.51	5,194.93	6,992.67	5,194.93
	Total	66,378.52	65,280.88	60,499.34	65,280.88



10

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.

For and behalf of the Board of Directors
CARE Ratings Limited



Mehul Pandya
Managing Director & CEO
DIN No- 07610232
Mumbai, July 29, 2022

