

Date: June 18, 2020
SE/2020-21/013

To,

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

Sub: Outcome of the Board meeting

1. Enclosed herewith are the Audited Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2020, along with the Auditor's Report submitted by Khimji Kunverji & Co., Chartered Accountants, (ICAI FRN – 105146W) statutory Auditors of the Company as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. The Board of Directors has recommended, subject to the approval of shareholders a final dividend of Rs. 2.50 per equity share of face value of Rs.10 each for the Financial Year 2019-20.
3. The meeting of the Board of Directors of the Company commenced at 12.00 noon and concluded at 08.05 p.m.

Please take note of the above.

For CARE Ratings Limited



Navin Kumar Jain

Executive Director & Company Secretary



Encl: As above

CARE Ratings Ltd.

Date: June 18, 2020

SE/2020-21/014

To,

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

Sub: Declaration pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2020.

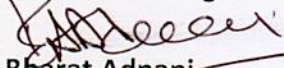
Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. I, Bharat Adnani, Chief Financial Officer of CARE Ratings Limited ("the Company") hereby declare that M/s. Khimji Kunverji & Co., Chartered Accountants, Statutory Auditors have issued an Audit Report on the Annual Audited Standalone Financial Results of the Company for the financial year ended March 31, 2020 with unmodified opinion.

We request you to kindly take the same on record,

Thanking you,

Yours faithfully,

For CARE Ratings Limited



Bharat Adnani

Chief Financial Officer



CARE Ratings Ltd.

Statement of Consolidated Audited Financial Results for the year ended March 31, 2020

(* in Lakhs)

SN	Particulars	3 Months ended	3 Months ended	3 Months ended	Year ended	Year ended
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited (Refer Note 10)	Unaudited (Refer Note 10)	Audited (Refer Note No.10)	Audited	Audited
I	Revenue from Operations	6,597.41	5,611.46	8,943.47	24,364.03	31,896.91
II	Other Income	743.40	713.57	961.21	3,146.76	3,039.21
III	TOTAL INCOME (I + II)	7,340.81	6,325.03	9,904.68	27,510.79	34,936.12
IV	EXPENSES					
	Employee Benefits Expense	2,768.50	2,643.04	2,802.46	10,927.37	10,280.67
	Depreciation and Amortisation Expense	201.15	201.49	94.09	776.79	333.04
	Finance Cost	21.79	24.64	-	92.75	-
	Other Expenses	2,312.96	1,209.18	1,224.71	5,304.62	4,149.63
	TOTAL EXPENSES (IV)	5,304.34	4,078.35	4,121.26	17,101.53	14,763.34
V	Profit before Exceptional Items and Tax (II)-(IV)	2,036.47	2,246.28	5,783.42	10,409.26	20,172.78
VI	Exceptional Items	-	-	-	-	-
VII	Profit before Tax Expenses (V - VI)	2,036.47	2,246.28	5,783.42	10,409.26	20,172.78
VIII	Tax Expenses:					
	Current Tax	526.22	365.04	1,679.48	2,113.86	6,024.03
	Deferred Tax	(38.34)	123.27	493.00	(152.90)	341.97
	Adjustment of tax of earlier years	(19.66)	-	-	(19.66)	-
	Total Tax Expense	468.22	488.31	2,172.48	2,061.30	6,366.00
IX	Net Profit for the period (VII - VIII)	1,568.25	1,757.97	3,668.94	8,347.96	13,806.78
	Profit for the period attributable to:					
	Non-Controlling interest	39.82	16.29	24.32	110.95	59.55
	Owners of the Parent	1,528.43	1,741.68	3,644.62	8,237.01	13,747.23
X	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit & Loss	130.01	(45.41)	(334.88)	(103.36)	(315.74)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(32.47)	11.43	114.27	26.16	110.16
	B (i) Items that will be reclassified to profit & Loss	(10.48)	3.05	(4.44)	(11.93)	0.19
	(ii) Income tax relating to items that will be reclassified to profit or loss	2.64	(0.92)	-	3.00	-
	Other Comprehensive Income for the period	89.70	(31.25)	(225.05)	(86.03)	(205.39)
	Other Comprehensive Income for the period attributable to:					
	Non-Controlling interest	(1.73)	0.60	-	(1.96)	-
	Owners of the Parent	91.43	(31.85)	(225.05)	(84.07)	(205.39)
XI	Total Comprehensive Income for the period (IX + X)	1,657.95	1,726.72	3,443.89	8,261.93	13,601.39
	Total Comprehensive Income for the period attributable to:					
	Non-Controlling interest	38.09	16.89	24.32	108.98	59.55
	Owners of the Parent	1,619.86	1,709.83	3,419.57	8,152.95	13,541.83
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,946.12	2,946.12	2,946.12	2,946.12	2,946.12
	Other Equity				50,380.27	52,051.30
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised)					
	Basic (₹)	5.19	5.91	12.37	27.96	46.66
	Diluted (₹)	5.19	5.91	12.37	27.96	46.66



Statement of Assets and Liabilities (Consolidated)

(₹ in Lakhs)

Particulars	Consolidated	
	As at	As at
	31-March-2020 (Audited)	31-March-2019 (Audited)
Non Current Assets		
Property Plant and Equipment	7,356.58	7,367.47
Right of use assets	1,074.99	-
Goodwill on consolidation	795.03	795.03
Other Intangible Assets	84.25	147.14
Intangible Assets under Development	51.87	-
Financial Assets		
Investments	22,610.32	24,947.20
Loans	177.22	192.88
Other Non Current Financial Assets	7.74	9.44
Deferred Tax Assets (Net)	98.12	70.53
Other Non-Current Assets	20.17	46.37
Total Non-current Assets	32,276.29	33,576.06
Current Assets		
Financial Assets		
Investments (Current)	11,285.46	18,919.00
Trade Receivables	4,089.38	4,725.91
Cash and Cash Equivalents	699.47	1,982.16
Bank Balances other than Cash and Cash Equivalents	10,757.86	1,037.18
Loans	70.07	66.00
Other Current Financial Assets	332.20	184.03
Contract Assets	867.94	560.74
Current Tax Assets (Net)	1,221.54	125.85
Other Current Assets	302.20	336.20
Total Current Assets	29,626.12	27,937.07
Total Assets	61,902.41	61,513.13
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	2,946.12	2,946.12
Other Equity	50,380.27	52,051.30
Non-controlling Interest	324.63	237.55
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
Other Current Financial Liabilities	830.80	-
Provisions	829.09	642.37
Deferred Tax Liabilities (Net)	609.49	740.86
Total Equity & Non-Current Liabilities	55,920.40	56,618.20
Current Liabilities		
Financial Liabilities		
Other Current Financial Liabilities	1,195.72	927.93
Other Current Liabilities	1,443.02	1,333.92
Contract Liabilities	2,868.21	2,038.55
Provisions	450.39	405.36
Current Tax Liability (Net)	24.67	189.17
Total Current Liabilities	5,982.01	4,894.93
Total Equity and Liabilities	61,902.41	61,513.13



Statement of Cash Flows (Consolidated)

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Cash flows from Operating Activities		
Profit before tax	10,409.26	20,172.78
Adjustments for		
Income from investments	(1,278.51)	(1,443.10)
Notional Income on Fair Value of Security Deposits	(11.28)	(11.01)
Unrealized Gain on Fair Valuation of Investments through Profit and Loss	(1,761.97)	(1,427.69)
Provision for doubtful debts	769.24	-
Gain on sale of Investment	-	(60.62)
Gain/(Loss) on defined benefit plan	-	(315.74)
Deferred Lease Expense	-	10.40
Bad Debts written off	262.01	-
Loss/(Gain) on Sale of Fixed Assets	10.03	(2.81)
ESOP Expense	534.51	1,273.73
Amortization of Premium	17.09	17.04
Finance cost on Lease Liabilities	92.75	-
Depreciation	776.79	333.04
Operating Profit before working capital changes	9,819.90	18,546.02
Movements in working capital		
Decrease/(Increase) in Trade Receivables	(394.72)	(801.90)
Decrease/(Increase) in Non Financial Assets	60.21	(158.98)
Decrease/(Increase) in Financial Assets	(10,162.76)	(732.04)
(Decrease)/Increase in Non Financial Liabilities	109.10	314.14
(Decrease)/Increase in Financial Liabilities	808.02	(220.87)
(Decrease)/Increase in Provision	186.72	168.99
Increase/(Decrease) in Provisions for Current Liabilities	45.03	(21.65)
Total Movements in working capital	(9,348.40)	(1,452.30)
Taxes paid	(3,451.87)	(6,237.48)
Net cash from operating activities	(2,980.37)	10,856.24
Cash flows from Investing Activities		
Income from investments	1,278.51	1,443.10
Sale of fixed assets	22.20	2.81
Purchase of fixed assets	(457.91)	(2,622.03)
Purchase of investments	(2,700.00)	(17,870.41)
Sale of investments	14,250.63	27,308.40
Net cash from investing activities	12,393.43	8,261.83
Cash flows from Financing Activities		
Dividend and Dividend Tax paid	(10,333.50)	(19,534.49)
Transfer to/from Retained Earnings	-	(0.59)
Repayment of Lease Liability	(269.53)	-
Net cash from financing activities	(10,695.77)	(19,535.08)
Effects of Unrealised Exchange gain on Cash & Cash Equivalents		
Net increase / (decrease) in cash and cash equivalents	(1,282.70)	-417.01
Cash And Cash Equivalents At The Beginning	1,982.17	2,399.17
Cash And Cash Equivalents At The End	699.47	1,982.16



Statement of Standalone Audited Financial Results for the year ended March 31, 2020

(₹ in Lakhs)

SN	Particulars	3 Months ended	3 Months ended	3 Months ended	Year ended	Year ended
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited (Refer Note III)	Unaudited (Refer Note III)	Audited (Refer Note 10)	Audited	Audited
I	Revenue from Operations	5,766.71	4,978.50	8,148.95	21,910.23	29,735.74
II	Other Income	721.92	744.43	966.90	3,133.60	2,983.40
III	TOTAL INCOME (I + II)	6,488.63	5,722.93	9,095.85	25,043.83	32,719.14
IV	EXPENSES					
	Employee Benefits Expense	2,385.25	2,327.35	2,566.53	9,669.54	9,354.03
	Depreciation and Amortization Expense	376.90	373.87	88.30	690.75	306.30
	Finance Cost	16.91	17.96	-	73.87	-
	Other Expenses	2,091.50	1,080.93	894.17	4,584.98	3,254.23
	TOTAL EXPENSES (IV)	4,870.56	3,800.11	3,549.00	15,019.14	13,014.65
V	Profit before Exceptional Items and Tax (III)-(IV)	1,618.07	1,922.82	5,546.85	10,024.69	19,804.49
VI	Exceptional Items	-	-	-	-	-
VII	Profit before Tax Expenses (V - VI)	1,618.07	1,922.82	5,546.85	10,024.69	19,804.49
VIII	Tax Expenses:					
	Current Tax	461.30	352.71	1,673.21	2,100.00	5,989.64
	Deferred Tax	(18.44)	122.59	410.03	(105.83)	316.16
	Adjustment of tax of earlier years	(19.06)	-	-	(13.66)	-
	Total Tax Expense	423.20	475.21	2,083.23	1,974.51	6,305.80
IX	Net Profit for the period (VII - VIII)	1,194.87	1,447.61	3,463.62	8,050.18	13,498.69
X	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit & Loss	139.50	(45.41)	(325.00)	(93.87)	(113.29)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(35.11)	11.43	113.58	23.62	109.48
	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	104.39	(33.98)	(211.48)	(70.25)	(203.81)
XI	Total Comprehensive Income for the period (IX + X)	1,499.26	1,613.63	3,252.14	7,979.93	13,294.88
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,946.12	2,946.12	2,946.12	2,946.12	2,946.12
	Other Equity	-	-	-	50,211.98	52,019.76
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised)					
	Basic (₹)	4.73	5.59	11.76	27.32	45.82
	Diluted (₹)	4.73	5.59	11.76	27.32	45.82



Statement of Assets and Liabilities (Standalone)

(₹ in Lakhs)

Particulars	As at	
	31-March-2020 (Audited)	31-March-2019 (Audited)
Non Current Assets		
Property Plant and Equipment	7,283.40	7,323.47
Right of use assets	862.71	-
Other Intangible Assets	117.05	156.49
Intangible Assets under Development	34.14	-
Financial Assets		
Investments	25,154.16	27,433.54
Loans	554.94	268.30
Other Non Current Financial Assets	7.74	9.44
Other Non-Current Assets	29.92	73.42
Total Non-current Assets	34,044.06	35,264.66
Current Assets		
Financial Assets		
Investments (Current)	10,785.84	18,382.76
Trade Receivables	3,601.74	4,352.80
Cash and Cash Equivalents	392.70	1,832.63
Bank Balances other than Cash and Cash Equivalents	9,726.51	220.44
Loans	63.72	64.51
Other Current Financial Assets	356.14	169.90
Contract Assets	30.14	68.70
Current Tax Assets (Net)	1,090.21	-
Other Current Assets	222.62	246.29
Total Current Assets	26,269.62	25,338.03
Total Assets	60,313.68	60,602.68
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	2,946.12	2,946.12
Other Equity	50,211.98	52,019.76
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
Other Current Financial Liabilities	648.90	-
Provisions	764.84	609.00
Deferred Tax Liabilities (Net)	608.97	738.43
Total Equity & Non-Current Liabilities	55,180.81	56,313.31
Current Liabilities		
Financial Liabilities		
Other Current Financial Liabilities	1,041.50	873.01
Other Current Liabilities	2,430.48	1,694.01
Contract Liabilities	1,229.21	1,151.59
Provisions	431.68	396.91
Current Tax Liability (Net)	-	173.85
Total Current Liabilities	5,132.87	4,289.37
Total Equity and Liabilities	60,313.68	60,602.68



Statement of Cash Flows (Standalone)

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Cash flows from Operating Activities		
Profit before tax	10,024.69	19,804.49
Adjustments for		
Income from investments	(1,210.42)	(1,377.16)
Notional Income on Fair Value of Security Deposits	(9.98)	-
Unrealized Gain on Fair Valuation of Investments through Profit and Loss	(1,819.47)	(1,427.69)
Provision for Compensated Absence	96.31	133.05
Provision for Gratuity	81.61	(24.20)
Provision for Leave Travel Allowance	12.69	26.31
Provision for Bad Debts	712.19	124.75
Bad Debts written off	237.38	64.21
Deferred Lease expenses	-	10.40
Loss/(Gain) on Sale of Fixed Assets	10.03	(2.81)
ESOP Expense	534.51	1,273.73
Profit on sale of investments	-	(60.62)
Amortisation of bonds	17.09	17.04
Finance cost on Lease Liabilities	73.87	-
Depreciation	690.75	306.39
Operating Profit before working capital changes	9,451.25	18,867.89
Movements in working capital		
Decrease/(Increase) in Financial Assets	(9,874.97)	(1,014.53)
Decrease/(Increase) in Other Assets	30.83	(45.46)
Decrease/(Increase) in Current Financial Assets	38.56	(0.93)
Decrease/(Increase) in Other Current Assets	23.67	(68.87)
Decrease/(Increase) in Financial Liabilities	(76.44)	(93.42)
Decrease/(Increase) in Contract Liabilities	736.48	(289.91)
Decrease/(Increase) in Other Liabilities	77.62	(150.48)
Total Movements in working capital	(9,044.25)	(1,663.60)
Taxes paid	(3,344.41)	(6,127.94)
Net cash from operating activities	(2,937.41)	11,076.34
Cash flows from Investing Activities		
Income from investments	1,210.42	1,377.16
Sale of fixed assets	22.20	2.81
Purchase of fixed assets & capital advances	(385.80)	(2,638.91)
Loan Given	(300.00)	-
Purchase of investments	(2,700.00)	(16,374.22)
Redemption of investments	14,252.54	25,738.47
Net cash from investing activities	12,099.35	8,105.32
Cash flows from Financing Activities		
Dividend and Dividend Tax paid	(10,299.95)	(19,534.38)
Repayment of Lease Liability	(228.05)	-
Payment of Interest on Lease Liability	(73.87)	-
Net cash from financing activities	(10,601.87)	(19,534.38)
Net increase / (decrease) in cash and cash equivalents	(1,439.93)	(352.73)
Cash And Cash Equivalents At The Beginning	1,832.63	2,185.36
Cash And Cash Equivalents At The End	392.70	1,832.63



Segment Information based on Consolidated Financial results of the Group

(₹ in Lakhs)

SN	Particulars	Quarter Ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited
a	Segment Revenue					
	Ratings and related services	5,986.99	5,132.18	8,284.06	22,602.50	30,117.29
	Others	620.59	510.84	699.92	1,881.70	1,873.07
	Total Segmental Revenue	6,607.58	5,643.02	8,983.98	24,484.20	31,990.36
	Less: Inter Segment Revenue	(10.18)	(31.56)	(42.51)	(120.17)	(93.45)
	Total Revenue from Operations (Net)	6,597.40	5,611.46	8,941.47	24,364.03	31,896.91
b	Segment Results (Profit before Finance Costs and Tax)					
	Ratings and related services	1,275.92	1,495.93	4,415.83	7,394.93	16,765.38
	Others	38.88	61.42	404.38	(39.69)	368.19
	Total Segment Result	1,314.80	1,557.35	4,820.21	7,355.24	17,133.57
	Less: Finance Costs	21.73	24.64	-	92.75	-
	Add: Other Un-allocable Income - net	743.40	713.57	961.21	3,146.76	3,039.21
	Profit before Tax	2,036.47	2,246.28	5,781.42	10,409.25	20,172.78

SN	Particulars	As on	As on	As on	As on	As on
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
c	Segment Assets					
	Ratings and related services	25,066.75	23,486.93	15,399.61	25,066.75	15,399.61
	Others	2,144.85	2,165.30	1,452.30	2,144.85	1,452.30
	Unallocated Assets	34,690.81	36,563.20	44,661.23	34,690.81	44,661.23
	Total	61,902.41	62,215.43	61,513.14	61,902.41	61,513.14
d	Segment Liabilities					
	Ratings and related services	7,537.25	7,249.17	5,807.12	7,537.25	5,807.12
	Others	727.33	848.61	471.06	727.33	471.06
	Unallocated	-	-	-	-	-
	Total	8,264.58	8,097.78	6,278.18	8,264.58	6,278.18
e	Capital Employed					
	Ratings and related services	17,529.50	16,237.75	9,592.49	17,529.50	9,592.49
	Others	1,417.52	1,316.69	981.25	1,417.52	981.25
	Unallocated	34,690.81	36,563.20	44,661.23	34,690.81	44,661.23
	Total	53,637.83	54,117.64	55,234.97	53,637.83	55,234.97



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 June 18, 2020.
- 2 The Board of Directors of the Company have declared final dividend of ₹ 2.50/- 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 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.
- 5 Pending outcome of adjudication proceedings initiated by Regulator / Government agencies pertaining to certain Credit ratings assigned by the Company to its clients, which is being responded by the Company, the Company has made provision for penalty of Rs.1 Crore in one of the case on prudent basis.
- 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.
- 7 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. As per Ind AS 102 - Share Based Payment, total cost of ESOS 2017 will be charged over vesting period, accordingly the Employee Benefit Expenses includes ESOP charge under respective periods as under:

	Quarter Ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
ESOP Charge	-	-	288.64	534.51	1,273.73

- 8 From April 1, 2019, the new accounting standard i.e. Ind AS 116 "Leases" became effective. The Company has adopted the new standard with modified approach in accordance with para C8(b)(i) of IND AS 116 and recognized asset in the form of 'Right of use' (representing its right to use the leased asset over the lease term) and also liability towards present value of the balance of future lease payments) for the leases where lease agreements exceeds twelve months. The difference between 'Right of use' and Lease liability has been adjusted in Opening Retained Earnings which amounted to Rs. 22.29 Lakhs.

In the statement of profit and loss for the year ended March 31, 2020 ('period'), the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Due to said change, profit is reduced by Rs. 51.09 lakhs for the period.



- 9 The Company has assessed the impact of COVID-19 pandemic on its financial statements based on the internal and external information upto the date of approval of these financial statements 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 statements. Due to current situation the Company has made an accelerated provision of Rs.7 Crore on account of trade receivables. Considering the Company's nature of business, management does not anticipate any serious challenges/ significant impact on continuity of its business.
- 10 The figure for three months ended March 31, 2020, December 31, 2019 and March 31, 2019 are arrived at as a difference between year to date figures of that financial year and the published figure for previous reporting period of the same financial year.
- 11 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, June 18, 2020



Independent Auditors' Report

To the Board of Directors of
CARE Ratings Limited

Opinion

1. 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 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (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 2020.

Basis for Opinion

2. 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 we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Emphasis of Matter

3. Attention is drawn to Note 9 of the Standalone annual financial results which describes the impacts of COVID-19 Pandemic on the financial results as also on business operations of the Company, assessment thereof by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our opinion is not modified in respect of this matter.

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

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Annual Financial Results that give a true and fair view of the state of affairs, profit and other comprehensive income, and other 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.

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 Company's Management and the Board of Directors are responsible for overseeing the Company's financial reporting process.

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

5. 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. Our audit process in accordance with the SAs is narrated in detail in Annexure 1 to this report.

Other Matter

6. Due to complete lockdown, imposed by the Government, to restrict the spread of COVID19, the audit finalization process, for the year under report, was carried out from remote locations i.e. 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.
7. The standalone annual financial results include the results for the quarter ended 31 March 2020 being the balancing figures 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 Khimji Kunverji & Co LLP

Chartered Accountants
FRN: 105146W/W-100621



Hasmukh B Dedhia
Partner (F-033494)
UDIN: 20033494AAAAFB8439

Place: Mumbai
Date: June 18, 2020



Annexure 1
(referred to in paragraph 8 of Independent Auditors' Report)

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism 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, to 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 on whether the Company has adequate internal financial controls system 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 Company's ability to continue as a going concern. 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.
- 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 Auditors' Report

To the Board of Directors of
CARE Ratings Limited

Opinion

1. We have audited the consolidated annual financial results of **CARE Ratings Limited** ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as ('the Group')) for the year ended 31 March 2020 ('the Statement'), 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').
2. In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements of the subsidiaries as aforesaid, these consolidated annual financial results:
 - (i) include the annual financial results 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 (Africa) Private Limited	Subsidiary
CARE Ratings (Nepal) Limited	Subsidiary

- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) 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 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards 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 ('ICAI') 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 along with the consideration of audit reports of the other auditors referred to in sub paragraph (b) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Annual Financial Results.



Emphasis of Matter

4. Attention is drawn to Note 9 of the Consolidated Annual Financial Results which describes the impacts of COVID-19 Pandemic on the financial results as also on business operations of the Group, assessment thereof by the management of the Holding Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our opinion is not modified in respect of this matter.

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

5. 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 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective 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 Company's Management and the 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

6. 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. Our audit process in accordance with the SAs is narrated in detail in Annexure 1 to this report.

Other Matter

7. We did not audit the financial results of CARE Risk Solutions Private Limited and CARE Advisory Research & Training Limited, subsidiaries whose financial results reflect total assets of Rs. 2,663.70 Lakh as at March 31, 2020.



total revenues of Rs. 1,987.77 Lakh and net cash outflow of Rs. 0.57 Lakh for the year ended on that date, as considered in the Consolidated Annual Financial Results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Annual Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of provisions of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

8. We did not audit 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 assets of Rs. 1,295.18 Lakh as at March 31, 2020, total revenues of Rs. 776.99 Lakh and net cash inflows of Rs. 144.19 Lakh for the year ended on that date, as considered in the Consolidated Annual Financial Results. These financial results have been audited by the other auditors as per the requirements of the applicable reporting standards of those countries and have been converted as per the requirements of Ind AS by the management of the Holding Company. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of provisions of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Annual Financial Results, and our report on Other Legal and Regulatory Requirements below, 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 and the financial statements/ financial information certified by the Management.

9. Due to complete lockdown imposed by the Central Government to restrict the spread of COVID19, the audit finalization process, for the year under report, was carried out from remote locations i.e. other than the Office of the Holding 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.
10. The consolidated annual financial results include the results for the quarter ended 31 March 2020 being the balancing figures 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 Khimji Kunverji & Co LLP

Chartered Accountants

FRN: 105146W/W-100621



Hasmukh B Dedhia

Partner (F-033494)

UDIN: 20033494AAAAFC8114



Place: Mumbai

Date: June 18, 2020

Annexure 1
(referred to in paragraph 6 of Independent Auditors' Report)

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism 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, to 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 on whether the Group has adequate internal financial controls system 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 made by Management and Board of Directors.
- Conclude on the appropriateness of 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 Group's ability to continue as a going concern. 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.
- 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.
- We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

