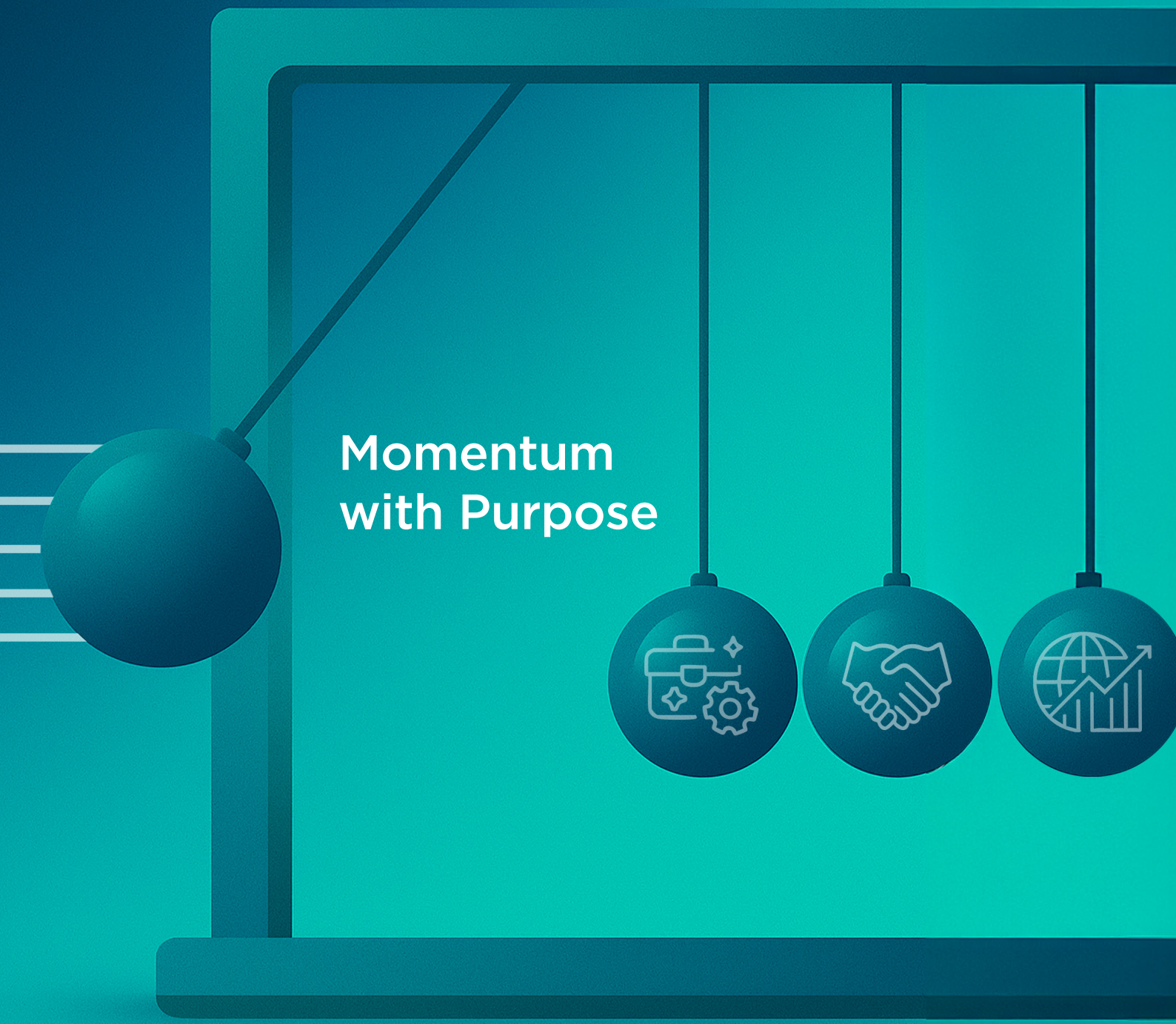
CareEdge

Ratings • Analytics • Consulting • Sustainability

Momentum with Purpose



Annual Report **2024-25**

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Consolidated Financial Statements

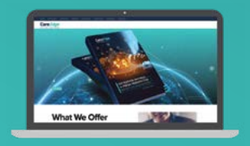
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Forward-looking statements

This report may contain forward looking statements which can be identified by specific terminology such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'should', 'could', 'will', or negative variations. These statements are subject to risks and opportunities beyond the Company's control, or the Company's current beliefs and assumptions about future events. The actual performance of the Company may differ from expected outcomes stated in this report. There is no guarantee that future results will be achieved as envisaged.

Visit our website at:
https://www.careedge.in/



Scan the QR code to view the report online

In a rapidly evolving global landscape, we are proactively consolidating our capabilities, with our wide-ranging transformation initiatives.

CareEdge's theme for this year's Annual Report is

Momentum with Purpose

articulates our bold steps towards achieving our goals. Our mission is to provide best-in-class tools, analyses, and insights to our clients, powered by high-tech infrastructure.

Our unwavering belief in our mission continues to be the key engine behind our progress. We are marching ahead with a clear vision and a strong sense of purpose. Our journey is conviction-driven, guided by a subtle yet effective strategy. Each step we take is carefully planned and executed with precision, ensuring that we continue to gain momentum with purpose at our core.

Our approach is subtle, powerful, and impactful, enabling us to cross significant milestones. The commitment to excellence and our belief in our capabilities have been the cornerstones of our success. We are confident that with continued dedication and strategic planning, we will reach even greater heights in the years ahead.

CareEdge at a Glance

Where Knowledge Drives Momentum

CareEdge is a knowledge-based analytical group, offering services across credit ratings, research, advisory, and sustainability. Since our inception in 1993, we have built a strong presence in India and several international markets, working with a wide range of financial institutions, corporates and regulators.

Our Group structure enables us to deliver offerings through specialised entities, each addressing distinct areas such as ESG ratings, risk and analytics solutions, and global scale credit assessments. These capabilities enable us to respond to evolving market requirements, with a combination of domain expertise, sector understanding and data-backed insights.

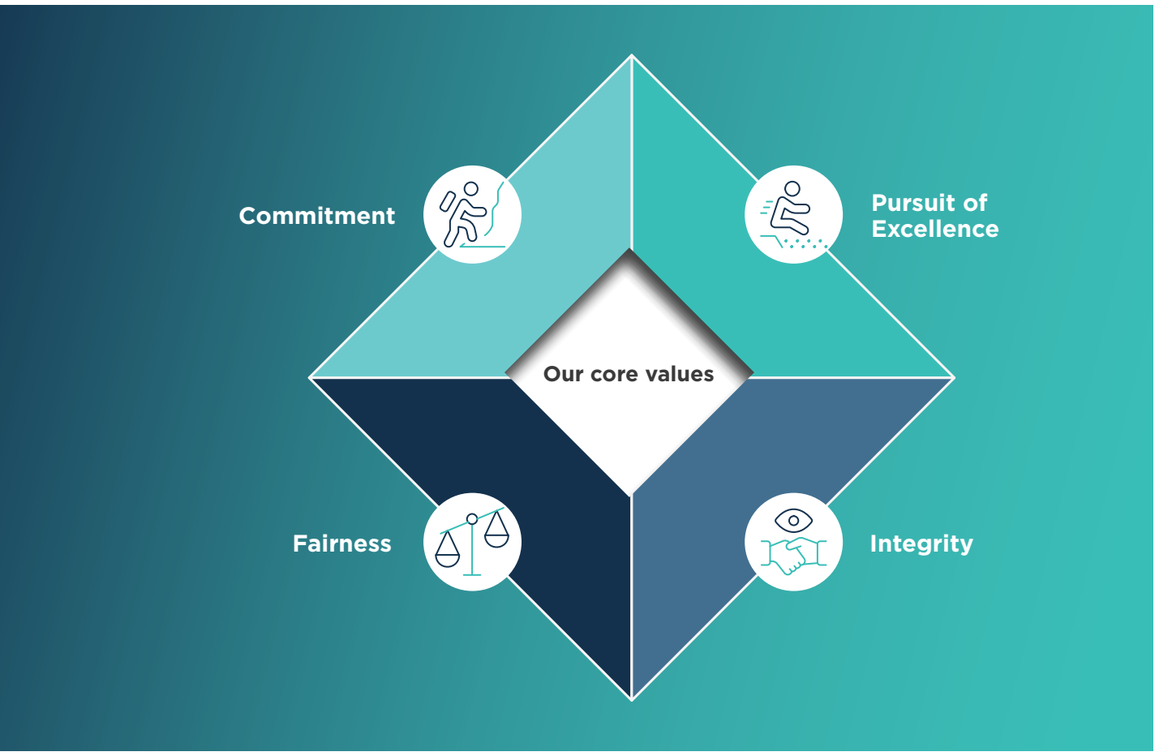
We continue to expand our reach by strengthening operational platforms and building relevant partnerships. With an empowered team grounded in analytical rigour and supported by technology, we aim to support informed decision-making and contribute meaningfully to market development.

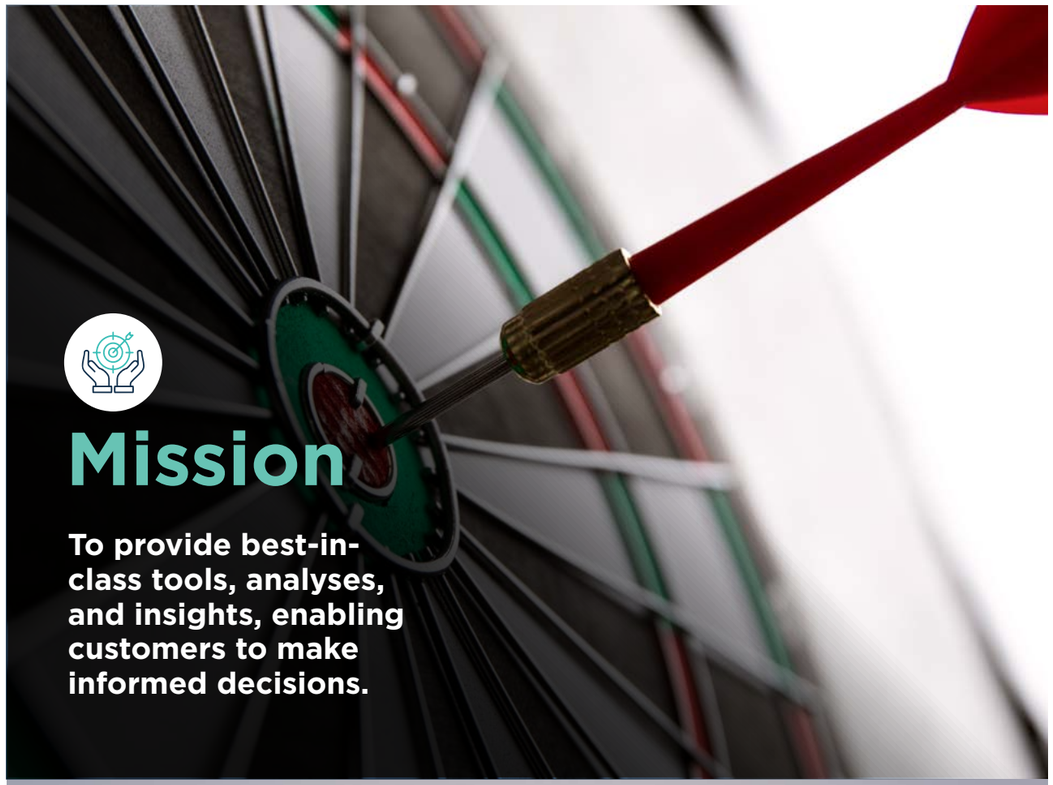
₹140 crore
Profit After Tax (PAT)

₹155.3 crore
EBITDA

39%
EBITDA Margin

Consolidated figures for FY 25





Mission

To provide best-in-class tools, analyses, and insights, enabling customers to make informed decisions.



Vision

To be a global research and analytics company that enables risk mitigation and superior decision making.

We have achieved numerous milestones since our inception, reflecting our purposeful business momentum. Our commitment to excellence and confidence in our capabilities have been the foundation of our success over the years, inspiring us as we move forward.

Milestones

Our Journey across the Decades



1993

Incorporated as a credit rating agency in India

2012

Launched initial public offering, which was subscribed over 34 times, and listed on Indian Stock Exchanges

2014

Established rating subsidiary in Mauritius, Africa

2018

Established Rating subsidiary in Nepal

2021

CARE Group rebranded as CareEdge Group

2022

Integration of CARE Advisory Research & Training into CARE Analytics and Advisory Private Limited to streamline risk solutions, advisory, and ESG related offerings

2023

Celebrated 30 years of operations through a national series of high-octane 'CareEdge Conversations' events

2024

Launched Sovereign Ratings methodology, becoming India's first CRA in this space

Incorporated CareEdge Global IFSC Limited to offer global scale and sovereign ratings from IFSC GIFT City

CARE ESG Ratings Limited received the license from Securities and Exchange Board of India (SEBI) as a Category I ESG Rating Provider

Received the regulatory license to commence rating operations in South Africa

Chairman's Message

Growing Responsibly



As we look ahead to FY 26 and beyond, our vision remains clear: to be a trusted knowledge partner, a pioneer in risk intelligence, and a catalyst for sustainable development. We have aligned our strategic roadmap with initiatives like "Viksit Bharat" and India's ambitious journey towards Net Zero and are poised to make a significant contribution to the nation's economic and environmental goals.

Dear shareholders,

It is with a sense of quiet pride that I present the CareEdge Group's Annual Report for the financial year 2024–25.

This year has been a time of transformation, strategic expansion, and renewed commitment to delivering value through trusted insights, technology-enabled solutions, and thought leadership. We have strived to stay ahead of the curve at every step—understanding the evolving market landscape, reimagining our offerings, and embracing innovation to create meaningful impact for our clients, stakeholders, and the broader financial ecosystem.

CareEdge Ratings, our flagship business, performed very well in FY 25 – this despite slowing economic growth, weak external demand, and an uncertain global environment. We transitioned from a geographically segmented business development model to a verticalized structure. This move has brought a sharper focus to our sectoral strategies and enhanced client engagement and operational agility. As a result, we recorded a notable increase in new business acquisitions. We strengthened our market share in the credit ratings space, particularly in capital market issuances, both public and private. Our success in the securitisation segment, where we achieved over 55% growth in rated volumes, underscores our growing leadership and analytical depth in this critical domain.

One of the key developments this year has been our expanding role in the capital market. With SEBI entrusting credit rating agencies the responsibility for monitoring equity issuance proceeds, we quickly established ourselves as leaders in this space. Our adaptability and robust frameworks enabled us to deliver high-quality, timely, and transparent monitoring reports, reaffirming the trust regulators and market participants had entrusted in us.

International expansion was a significant milestone in FY 25. We proudly launched CareEdge Global IFSC Limited (CareEdge Global), the first Indian credit rating agency to enter the global scale ratings space. CareEdge Global is positioned to challenge the oligopoly in international credit ratings and offer credible alternatives to global issuers and investors. The unveiling of sovereign ratings for 39 countries and ratings for international bond issuances worth USD 2 billion marks the beginning of a new chapter for CareEdge Group on the global stage.

Beyond traditional ratings, our commitment to being a knowledge-driven institution is evident in the strides made by our Advisory and Analytics verticals. CareEdge Advisory continued its upward trajectory, offering deep sectoral research, strategic consulting, ESG advisory, and grading services. The division expanded into newer sectors, such as alternative investments, private credit, and industrial automation, and solidified its presence in established domains like infrastructure and BFSI. Our impact studies, third-party ESG opinions, and advisory work on green finance frameworks exemplify our thought leadership and resolve to support sustainable economic growth.

Our analytics arm, CareEdge Analytics, underwent a significant transformation this year. Reimagined as a FinTech entity, it now delivers Gen-AI-powered risk intelligence solutions to banks and financial institutions under our proprietary platform, EdgeAvira.ai. With more than 100 implementations across India and neighbouring markets and an active push into the Middle East and Africa, we are redefining what it means to offer technologically advanced credit and compliance solutions. Our expertise in credit risk modelling, regulatory reporting, and data governance is helping institutions streamline decision-making and manage risk more effectively.

CareEdge Africa celebrated its 10th Anniversary, a significant milestone for the CareEdge Group's commitment to Mauritius and Africa's financial ecosystem. In FY 25, CareEdge Africa experienced a 48% increase in revenue and an 81% increase in profitability, driven by a rise in the total volume of debt rated, stemming from new assignments and ongoing surveillance activities. Our subsidiary CareEdge Nepal also witnessed a robust performance. Despite market challenges, it achieved 26% revenue growth and a 15% increase in profitability to become the market leader in Nepal.

Technology has been a key enabler of our success in FY 25. We have implemented and are maintaining our Disaster Recovery Plan, ensuring we are fully prepared to maintain business continuity during any unexpected disruptions. Our Machine Learning models have been further enhanced to improve data quality and analyst productivity. Developing our comprehensive rating platform, incorporating advanced AI/ML capabilities, is underway and promising to revolutionise our rating processes.

None of these accomplishments would have been possible without the incredible people who power the CareEdge Group. Over the past year, we have invested heavily in talent acquisition, leadership development, and employee engagement. Our HR initiatives—from internal job rotations to focused learning modules and recognition programs—reflect our steady commitment to nurturing a motivated and future-ready workforce.

Our branding and visibility efforts have been significantly amplified in FY 25. We have effectively communicated our insights and thought leadership through targeted, high-quality outreach activities and a strengthened media presence. Our flagship event, "CareEdge Conversations," our sector-focused roundtables, "CareEdge Charcha", and events focused on Global debt issuances "CareEdge Dialogues", along with numerous webinars and knowledge-sharing forums, have reinforced our leadership in the industry.

As we look ahead to FY 26 and beyond, our vision remains clear: to be a trusted knowledge partner, a pioneer in risk intelligence, and a catalyst for sustainable development. We have aligned our strategic roadmap with initiatives like "Viksit Bharat" and India's ambitious journey towards Net Zero and are poised to make a significant contribution to the nation's economic and environmental goals.

My grateful thanks to our clients, regulators, investors, employees, and partners for their continued faith and support. Let us stride into the future with confidence, purpose, and a collective commitment to excellence.

Regards,

Najib Shah

Chairman, CareEdge Ratings

MD and Group CEO's Message

Driving Progress Through Innovation



CareEdge Group is no longer just a credit rating agency. We are becoming a comprehensive knowledge partner, offering insights that help our stakeholders manage risk, assess opportunities, and make informed choices. The journey ahead is not a destination but a continuum. We are strengthening our core, widening our horizons, and sharpening our edge to remain relevant, impactful, and ahead of the curve — in India and across all the geographies we serve.

Dear shareholders,

As I summarise our FY 2024 - 25 performance, I do so with a sense of pride, purpose, and anticipation. Pride for how far we have come, purpose in the vision that guides us, and anticipation of what we have yet to achieve. With a deep sense of pride and gratitude, I look back on what has been a defining year for the CareEdge Group.
FY 2024–25 has been a year of pace that not only validated the strength of our foundation but also the decisive steps we have taken to accelerate our transformation into a globally respected, future-ready analytical institution.

In the past year, we have taken bold and confident steps towards achieving our goals. Our unshakeable conviction about our mission has been the driving force that has pushed us forward. We are moving forward with a clear vision and strong purpose. Every step is thought out and taken with precision, making sure we continue on the path to achievement. Our approach may be subtle, but powerful and impactful, leading us to significant milestones. Our pursuit of excellence and our belief in our capabilities have been the pillars of our success. As we remain committed and plan strategically, we will make even greater achievements next year.

At the core of our journey, we remain committed to quality. Our initial ratings business recorded robust growth this year. This is not just a result of market expansion but a testament to our stakeholders' faith in our credibility, consistency, and clarity of opinion. In a world where market participants increasingly demand integrity and acumen, we lead with analytical rigour, sectoral expertise, and disciplined execution. This has strengthened stakeholder relationships, strengthened our brand equity, and solidified our position as a trusted partner in India's financial ecosystem.

Our goal to emerge as a credible global ratings player is taking clear and concrete shape. We took strategic steps to expand our presence internationally, particularly in Africa (Mauritius, South Africa, and Kenya) and Nepal, where our operations have gained meaningful traction. These markets facilitate diversification as well as the universal relevance of our analytical frameworks. Our growing success here validates our capability to provide value in varied economic environments while maintaining the highest standards of excellence.

Apart from this, we received approval from the South African Financial Sector Conduct Authority (FSCA) to be a domestic currency and sovereign ratings agency. This further strengthens our ability to deliver African regional markets with locally anchored and globally benchmarked insights. A landmark achievement this year was the launch of CareEdge Global, our global ratings business based in GIFT City, operating under the regulatory license of IFSCA. This marks our foray into Sovereign and Global Scale Ratings (GSRs). We have already completed sovereign ratings for 39 countries and a few GSR assignments, placing us firmly on the global map of sovereign risk and macroeconomic analysis.

Our long-term strategy remains clear: to diversify our revenue streams while continuing to reinforce our analytical core. This year, we witnessed a significant increase in the contribution from our non-ratings businesses, supported by a strong and expanding Ratings division. CareEdge Advisory and CareEdge Analytics have led this increase in contribution by the non-ratings segment, achieving topline growth with a significant improvement in profitability and inching towards a breakeven at a faster and sustainable pace.

Among the key developments was our registration with SEBI as an ESG Ratings Provider (ERP). Through CareEdge ESG, we completed our first set of ESG ratings — a crucial step in building a credible and transparent ESG rating framework aligned with India's sustainability ambitions.

Our growth is powered by our strategic pillars — Technology, People, and the Group Approach — each shaping the CareEdge Group of tomorrow. On the technology front, we are advancing with purpose. We are developing AI-enabled platforms to streamline our ratings workflow, business development processes, and client servicing. These platforms are designed to elevate efficiency and quality, not to replace human intellect but to empower it.

We have substantially invested in training, leadership development, and internal talent mobility. Homegrown leaders, a testament to our culture of ownership, trust, and continuous learning, are now leading several critical initiatives. Our Group Approach continues to deliver meaningful partnerships across business lines.

The outlook for FY 2025–26 is shaped by rising global uncertainty. There are many headwinds, from geopolitical tensions and inflationary pressures to evolving regulatory environments and fragile capital flows. These uncertainties already affect investment cycles and sentiment across developed and emerging economies. Yet, in such periods, the value of institutions like CareEdge Group becomes even more evident. As a trusted analytical partner, we help the financial system navigate complexity with confidence.
Our expanding global presence, diversified offerings, and technology-driven execution give us the agility and resilience to thrive amidst volatility. We do not see uncertainty as a pause but as a call to stay focused, prepared, and responsible.

CareEdge Group is no longer just a credit rating agency. We are becoming a comprehensive knowledge partner, offering insights that help our stakeholders manage risk, assess opportunities, and make informed choices. The journey ahead is not a destination but a continuum. We are strengthening our core, widening our horizons, and sharpening our edge to remain relevant, impactful, and ahead of the curve — in India and across all the geographies we serve.

As we enter a new fiscal year, I sincerely thank our clients, shareholders, regulators, and above all, our people for your trust, commitment, and belief in our vision. Your support has been instrumental in our journey, and we look forward to continuing to serve you with excellence and integrity.

Together, we are building a stronger CareEdge Group and a more resilient financial ecosystem.

Regards,

Mehul Pandya
MD & Group CEO, CareEdge

Board of Directors



Najib Shah
Chairman, Non-Executive Independent Director



V. Chandrasekaran
Non-Executive Independent Director



Sonal Desai
Non-Executive Independent Director



M Mathisekaran
Non-Executive Independent Director



Gurumoorthy Mahalingam
Non-Executive Independent Director



Sobhag Mal Jain
Non-Executive Non-Independent Director



Manoj Chugh
Non-Executive Independent Director



Rajiv Bansal
Non-Executive Independent Director



Indrani Banerjee
Non-Executive Independent Director



Mehul Pandya
Managing Director & Group CEO

Senior Management



Mehul Pandya
Managing Director &
Group CEO



Sachin Gupta
Executive Director & Chief
Rating Officer



Revati Kasture
Executive Director, CareEdge
Ratings & CEO, CareEdge Global



Rajani Sinha
Chief Economist



Manoj Kumar CV
Company Secretary and
Compliance Officer



Jinesh Shah
Group Chief Financial Officer



Aniruddha Sen
Chief Human
Resources Officer



Nadir Bhalwani
Chief Information &
Technology Officer



Rashi Shingal
Compliance Officer & Head - Legal



Saurav Chatterjee
Director & CEO, CARE Ratings
(Africa) Pvt. Ltd.



Ananda Prakash Jha
CEO, CARE Ratings Nepal Ltd



Rohit Inamdar
CEO, CARE ESG Ratings Ltd.



Swati Agrawal
President, CARE Analytics
and Advisory Pvt. Ltd.



Abhisheik Vishwakarma
President, CARE Analytics
and Advisory Pvt. Ltd.

CareEdge Group

We operate through a group structure that brings together capabilities across credit ratings, analytics, advisory, ESG assessments, and global scale evaluations.

Each subsidiary is focused on a specialised area, enabling us to support diverse client requirements in domestic and international markets.

FORESIGHT,

BACKED BY

EXPERT INSIGHTS

CARE Ratings Limited

Incorporated in 1993, India's second-largest credit rating agency, with a credible track record of rating companies across diverse sectors and a strong position across the segments

CareEdge Global IFSC Limited

- Based in GIFT City, focused on global scale and sovereign ratings
- Sovereign ratings completed for 39 countries

CARE Ratings (Africa) Private Limited

- Over 10 years of operations in the African region
- Backed by multilateral and institutional shareholders
- Holds a credit rating license from the Capital Market Authority of Kenya
- A decade of operations marked through regional engagement and stakeholder events, reaffirming our presence in African credit markets.

CARE Ratings South Africa (Pty) Ltd

- Step-down subsidiary under the Africa segment
- Licensed by South Africa's FSCA to offer credit and sovereign ratings

CARE Ratings Nepal Limited

- Incorporated and registered in Nepal, Licensed by SEBON, Institutional Shareholding
- Significant coverage of Nepal's financial services landscape

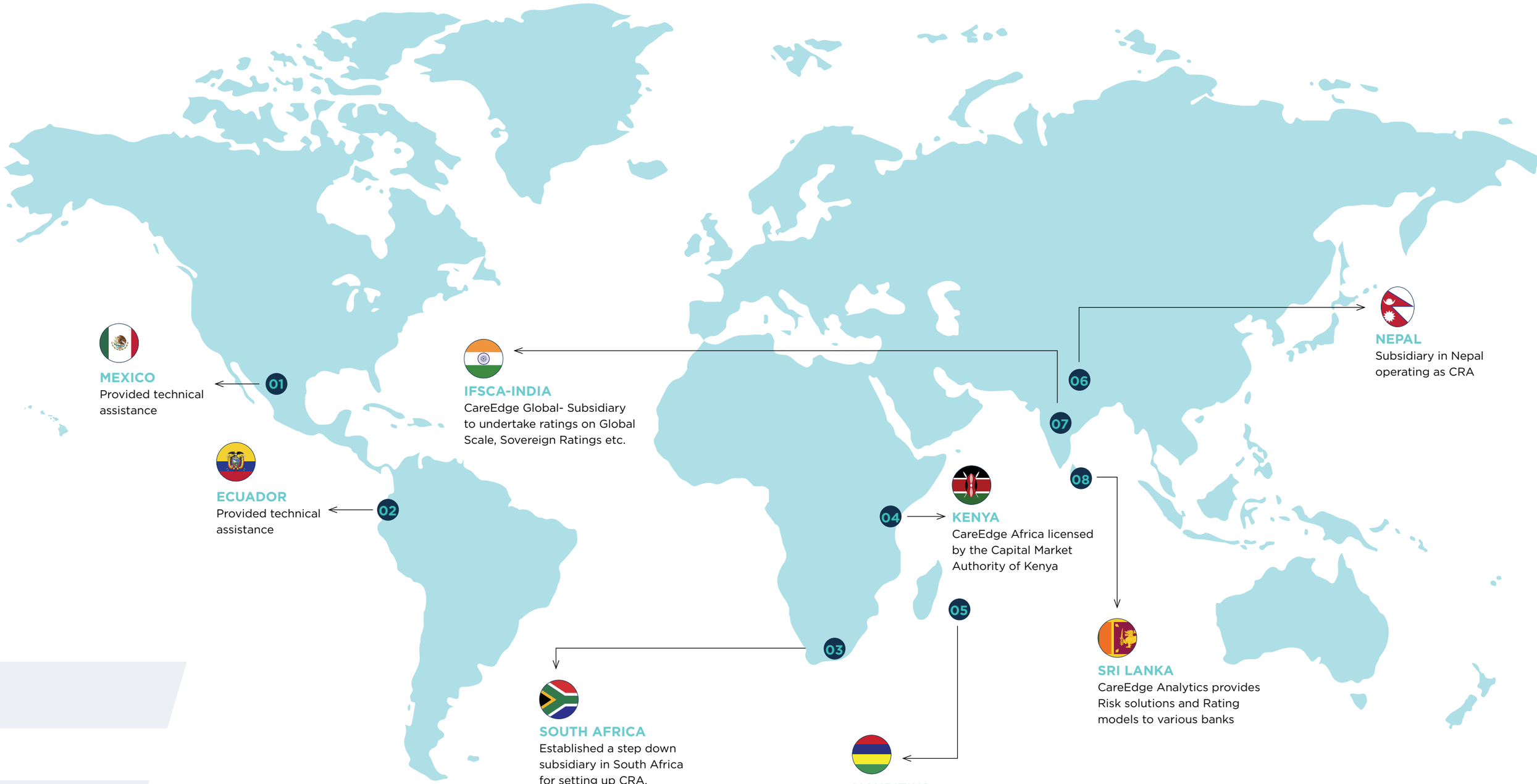
CARE ESG Ratings Limited

Wholly owned subsidiary registered as a Category I ESG rating provider by SEBI

CARE Analytics and Advisory Private Limited

Specialises in advisory, consulting, sustainability, research, and analytics services

Building Global Relevance



01 MEXICO
Provided technical assistance

02 ECUADOR
Provided technical assistance

03 SOUTH AFRICA
Established a step down subsidiary in South Africa for setting up CRA, licensed by FSCA

04 KENYA
CareEdge Africa licensed by the Capital Market Authority of Kenya

05 MAURITIUS
Subsidiary as a full service CRA in Mauritius, (CareEdge Africa) with African Development Bank as a shareholder

06 IFSCA-INDIA
CareEdge Global- Subsidiary to undertake ratings on Global Scale, Sovereign Ratings etc.

07 NEPAL
Subsidiary in Nepal operating as CRA

08 SRI LANKA
CareEdge Analytics provides Risk solutions and Rating models to various banks

Map not to scale, for representation purposes only

Performance and Strategy

Delivering Robust Financial Performance

We delivered strong growth across both our core ratings business and non-ratings verticals.

Despite a volatile macroeconomic environment, the reporting year saw our highest-ever revenue and profits, driven by volume growth, improved realisations and greater contribution from international subsidiaries and advisory services. Operational efficiencies and a disciplined approach to cost helped maintain margins.

Key financial indicators

Revenue from operations
(₹ in crores)



EBITDA
(₹ in crores)



PAT
(₹ in crores)



EPS
(₹)



Dividend
(₹ /share)



EBITDA margin
(%)



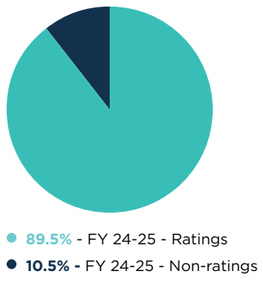
PAT margin
(%)



Revenue mix

Our revenue base is well diversified across geographies, client segments and service verticals. While the ratings business remains the primary contributor, non-rating segments such as advisory, analytics and ESG services are gaining traction. Our international operations have also seen increased participation, contributing meaningfully to overall performance.

By Business Verticals



Stakeholder Engagement

Engaging with Stakeholders for Inclusive Value Creation

We continue to engage with stakeholders through a wide range of events, partnerships and knowledge-sharing platforms.

These initiatives are aligned with our role as a sector-focused analytical organisation and are aimed at contributing meaningful dialogue across the financial ecosystem.



Industry forums and events

CareEdge

Global Launch

CareEdge has made history as the first Indian credit rating agency to enter the Global Scale Ratings space, through its subsidiary CareEdge Global IFSC Ltd.















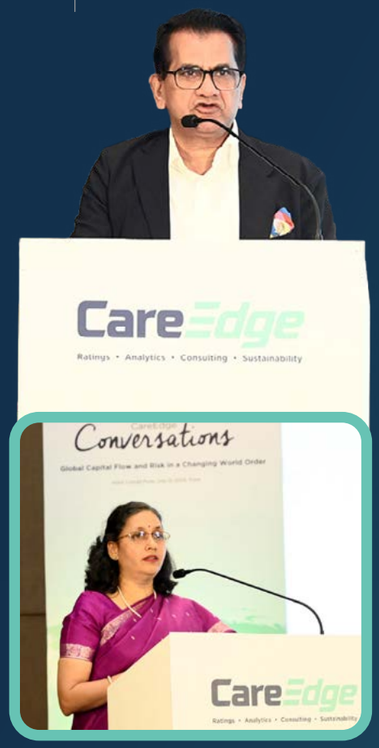




CareEdge

Conversations

Pune





CareEdge Ratings hosted its flagship event, "Conversations" at Hotel Conrad, Pune, on July 12, 2024, centered on 'Global Capital Flow and Risk in a Changing World Order.' Shri Amitabh Kant, G20 Sherpa and former CEO of NITI Aayog, delivered the keynote, stressing the need for home-grown credit rating agencies and unbiased global assessments. The event featured insights from Shri Babasaheb Neelkanth Kalyani, Chairman of Kalyani Group, and Shri Gulshan Malik, DMD of SBI, highlighting India's manufacturing and banking strength. CareEdge leaders - Mr Najib Shah, Chairman; Mr Mehul Pandya, MD & Group CEO, CareEdge; and Ms Revati Kasture, ED, CareEdge Ratings - shared perspectives on geopolitical shifts, sovereign rating transparency, and emerging market potential.

Mumbai



CareEdge Ratings hosted "Conversations" on July 22, 2024, at Taj President, Mumbai, focusing on 'BFSI – Navigating Growth and Risk'. Chief Guest Shri Rajeshwar Rao, Deputy Governor, RBI, emphasized the role of digital outsourcing and third-party dependencies in driving efficiency while managing risks. Mr Mehul Pandya, MD & Group CEO, CareEdge; highlighted the sector's financial resilience and evolving credit landscape. The event also featured a keynote from Shri Ravi Mohan P.R., Chairman of ESAF Small Finance Bank, and panel discussions led by Mr Sachin Gupta, ED and CRO; and Ms Revati Kasture, ED at CareEdge Ratings; with industry leaders from SBI, BOI, NaBFID, Deutsche Bank, Tata Capital, Aseem Infra, Piramal, and Norwest.





Nepal





CareEdge Nepal hosted "Conversations" event on November 24, 2024, in Kathmandu, themed "Enhancing Capital Markets in Nepal." The event brought together regulators, bankers, industrialists, and market leaders. Mr Ananda Prakash Jha, CEO, CareEdge Nepal; opened the session, followed by a keynote from Dr. Chiranjivi Nepal, former Governor of Nepal Rastra Bank. Ms Revati Kasture, ED, CareEdge Ratings; presented on sovereign and global scale ratings, and joined a panel with leaders from Nabil Bank, NIC Asia Capital, Dolma Advisors, and N.R.N Nepal Development Fund to discuss opportunities and challenges in Nepal's capital markets.

CareEdge

Knowledge Sharing Forums

Leadership in Focus














CareEdge
Charcha


mint ANNUAL
BFSI SUMMIT& AWARDS
17th Edition






The Dialogue
Navigating GIFT City Issuances


The Dialogue
Navigating GIFT City Issuances
15:19
Welcome
NSE



Strategic

Knowledge Partnerships

& Expert Webinars

CareEdge Group collaborates with leading industry bodies, policy institutions, and think tanks as a trusted knowledge partner. Our insights drive informed decisions and empower decision-makers across industries.

As a trusted think-tank, CareEdge curates webinars that deliver crisp, actionable insights on economic trends, sectoral developments, and global trends. These sessions serve as a forum for high-impact conversations among India's most respected voices and decision makers across industries.





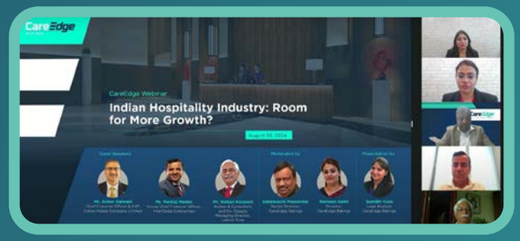
















CareEdge in Media

6800+

Media coverages

46

Opinion pieces published in leading business publications

26

TV interviews featuring leadership and sectoral experts



Consumption Hit, But Outlook Stays Positive

ET Q&A

MEHUL PANDYA
CEO, CARE RATINGS

The slowdown in consumption in India could impact growth if it persists, said Care Ratings' chief executive officer, Mehul Pandya. In a interview with Joel Rebello, Pandya said the agency is keeping an eye on the developments in the Adani Group, but added that the group entities are not linked to each other because each business is separate with different cash flow characteristics. Edited excerpts:

We are seeing some slowdown in the economy. The Q2 GDP numbers are also not encouraging. What is your sense of the macro picture?
Corporate earnings in the second quarter have slowed down, but we are optimistic that, in the next two quarters, this should be improving. There was election impact in the first quarter, and in the second quarter, somehow, overall consumption did not pick up to the extent that it should have. But we feel there should be some improvement in quarters three and four. Post the second-quarter numbers, GDP could be closer to 6.8% than 7%, like we had previously expected. But the long-term trajectory remains positive. Yes, sentiments have indeed got impacted to some extent. If you look at the financial services sector, recent RBI actions on unsecured loans, lending rates and other developments in the sector are indicative of the fact that the regulator is keeping a watch. Secondly, private-sector capex is still a bit of a wait-and-watch, but the good thing is order book positions make us believe that we should be witnessing something better in the medium to long term.

Any sectors you think are better placed than the rest? Won't the new administration in the US have a bearing on India's exports?
The statistics that surprised us is that exports have finally shown some good growth. Global developments had an impact, but now we have seen some good numbers coming. The hospitality sector continues to do well. In the core sectors, with the kind of order books we are seeing in infrastructure, we feel those sectors are likely to benefit. In the last Trump presidency he would weigh his options. If he were to act, as per his pronouncements on China, then some other country has to fill the gap. To that extent, I think India as an alternative to China can weigh in. It all depends on how we play our cards, but his term is always going to be transactional in nature. So we will have to take it from deal to deal, sector to sector, rather than taking a very holistic view.

Post the second quarter numbers, GDP could be closer to 6.8% than 7% as we had previously expected. But the long-term trajectory remains positive

How are you looking at the Adani Group in light of the US indictment?
Our team has interacted with the group and taken their perspective. It is very premature to have any conjecture in terms of what trajectory it could be taking. We will be in constant touch with the group's management. The group's rating varies from BBB to AA category because it is essentially an infrastructure-led group. This group has to be best assessed from a vertical to vertical proposition, because each vertical has a different risk paradigm. Ports is different, power is different, aviation and then airports would be different. Green and other cement businesses would be different. It's not as if that one rating in a particular company, consents into the rating in any other vertical, because each is separate. The overall funding mix also changes from vertical to vertical, in the sense that some businesses potentially could have a significant chunk of foreign currency borrowings. So an assessment of the entire mix, juxtaposing it against the cash flow generations, drives our rating decisions.

Adani also has a lot of foreign currency borrowings. This indictment is also in a country which corners a large pool of global capital. How do you think it will impact them?
As has been given to understand, there are no covenants which are triggering any kind of immediate repayments. Yes, with this kind of a development, they would also be taking their own time in terms of raising money. They don't seem to be having any immediate plans in terms of tapping these markets. Many of their businesses are listed, so we will also keep on evaluating how it's impacting the overall funding requirements. None of the companies have been indicted, it's an individual-level thing. But yes, the individual happens to be the chairman. They are also evaluating all legal options in this regard.

FOR FULL INTERVIEW, GO TO www.economictimes.com



India Inc. credit profile: A tale of 2 halves

SACHIN GUPTA
Chief rating officer & executive director, CareEdge Ratings

It has shown resilience amid uncertainty, supported by robust domestic fundamentals and govt-driven infra initiatives. But the months ahead will be a te

FIRST HALF of FY25 paints a picture of cautious optimism within India's corporate sector, where stability and resilience meet global challenges head-on. Recent data from CareEdge Ratings reveals a credit upgrade-to-downgrade ratio of 1.62 for H1FY25, slightly lower than in the previous half but still reflective of overall stability. Yet, a closer examination reveals significant disparities between sectors, as well as between large and mid-sized companies, providing deeper insights into the current economic landscape.

Sectors focused on the domestic market have fared particularly well, benefiting from consistent demand and significant government infrastructure investments. However, the anticipated dip in private capital expenditure is set to materialise, signalling a lingering hesitancy among businesses to commit to long-term investments in an uncertain global environment.

A key trend that stands out is the disparity in performance between large-cor- ratio of 3.50 for the sector in H1FY25. Timely payments from state distribution utilities have helped power producers reduce their debt, while favourable regulatory interventions and medium-term power purchase agreements have provided stability. These developments underscore the critical importance of policy support in driving sectoral growth and highlight the infrastructure sector's role in underpinning India's broader economic recovery.

Financial services also present a mixed picture. While larger financial institutions have shown strength, driven by expanding assets under management and robust capitalisation, smaller non-banking financial companies and fintech firms are facing regulatory challenges. Regulatory changes that have increased risk weights on unsecured consumer loans have led to slower growth expectations and higher- may be reluctant to pass on the full benefits of lower policy rates. This could create a lag in the transmission of monetary policy, affecting borrowing costs for both businesses and consumers.

Second, while India's GDP growth remains robust at 6.7% for the first quarter, with full-year estimates hovering around 7-7.1%, there are early signs of weakening consumer demand, particularly in automotives. Passenger-vehicle sales have shown a decline, which may reflect broader economic headwinds. While this could be a temporary blip, especially with the festive season approaching, it will require careful monitoring. The health of rural demand, in particular, remains a crucial indicator, as it often acts as a bellwether for broader consumption trends.

Third, China's economic slowdown and aggressive export strategies pose significant chal- of hope, particularly in terms of boosting rural demand and consumer spending. If realised, this could provide much-needed lift to corporate cash profiles in the second half of FY25. However, this optimism must be tempered by the reality of ongoing global challenges, including weak export demand, elevated freight costs exacerbated by geopolitical tensions, and continued uncertainty in the trade environment.

For Indian corporations, navigating this complex landscape will require a strategic, foresight and operational agility. While strong domestic demand provides a solid foundation, the sustainability of this demand, combined with external factors such as geopolitical risks and shifts in global monetary policy, will shape the corporate credit outlook for the remainder of FY25. Companies will need to focus on maintaining operational efficiency while preserving financial flexibility to navigate potential disruptions.

The manufacturing sector, in particular, faces a critical period of re-

Interest rates are a key variable. The Fed has already implemented rate cuts, and the RBI is expected to follow suit



What GDP numbers say

Growth has been impressive, but for it to sustain, next government must revive jobs, boost consumption

RAJANI SINHA

INDIA'S GDP DATA was keenly awaited, coming on the back of sovereign rating outlook upgrade by S&P and just days before the union election results are out. Indeed, it has surpassed market expectations, with a growth of 8.2 per cent in 2023-24 as against 7 per cent in 2022-23. It is to be noted that the growth in 2023-24 is much higher than MOSPI's second advance estimate of 7.6 per cent released in February. While overall GDP growth is impressive, it is important to understand some of the nuances of the data to infer the sustainability of the growth this year.

While the fourth quarter growth has been strong at 7.8 per cent, there has been upward revision in the previous quarter numbers and that has strongly propped up the overall GDP growth for the year. Another important point is the sharp divergence of 1 percentage point between GDP and GVA growth in 2023-24 as against 0.3 percentage point in 2022-23. This is mainly because of sharp growth in net taxes (due to higher tax collection and lower subsidies). This has also aided in pushing up the GDP growth.

If we look at the sectoral break-up, as expected, overall agriculture value added growth has been muted, given the poor monsoon last year. Supported by lower input prices, manufacturing GVA has shown a healthy recovery, with growth of 9.9 per cent in 2023-24 (as against contraction in 2022-23). While services sector growth has been healthy at 7.6 per cent, there has been some moderation in the fourth quarter. There has specifically been a lar of the Indian economy, has grown by a healthy 9 per cent. Investment in the economy has been mainly led by the government sector. Central government's capex has grown by a healthy 28 per cent in 2023-24, while aggregate state capex (for 19 major states) has grown by around 33 per cent in April-February. While the private sector is showing signs of recovery, a strong broad-based recovery in the private capex cycle is yet to be seen.

Exports, the third pillar of India's economy, have been muted due to weak global growth. While India's services exports have remained healthy, merchandise exports specifically felt the pinch of global slowdown.

Going forward, we expect India's GDP growth to moderate. However, it is estimated to be still healthy at around 7 per cent this year. For the growth momentum to be sustained, the most critical aspect would be an improvement in private consumption. While the higher income category has been spending, the lower income category remains cautious amidst high inflation and low wage growth. Rural demand had also been weak due to poor monsoon last year. With normal monsoon expected this year, we can expect a revival in rural consumption demand. We are already seeing some signs of improvement in rural demand as reflected by healthy growth in two-wheeler sales and recovery in FMCG sales volume in rural areas (as reflected by Nielsen data). However, appropriate spatial and temporal distribution of rainfall will be critical for rural demand recovery. Moderation in food in manufacturing at 7.5 per cent (long-term average), and bank and balance sheets in good shape, the set for capex revival. The private showing increasing interest to in flected by the CMIE data on investments announced. However, the cri here will be policy certainty and in global and domestic economic course, a sustained revival in consu mand would be most critical for vestment to pick up meaningfully. The other important factor to for is developments in the global a the global growth outlook improv experts are likely to improve. How geo-political tensions brewing, the ply shocks continues to linger. optick in global commodity prices, industrial metals prices, could ad pact the Indian economy through cost. Further worsening of US-Chi lations or aggravation of global could send the global economy in a repercussions for the Indian econ

In a nutshell, while the Indian has recorded impressive growth need to exercise caution and take actions to ensure sustainability. few days, a new government will that will have a full task at hand to economic growth, even while re wards fiscal consolidation. The m tant challenge that the new go should take on is ensuring a broa

Overall GDP growth is not very broad-based. Private consumption, the main pillar of the economy, has grown by a feeble 3.8 per cent in 2023-24. This is the slowest consumption growth rate in the last two decades (excluding the pandemic year contraction). Investment, the other pillar of the Indian



'Flyer Traffic Likely to Rise to 485 m by FY27'

MUMBAI Air passenger traffic is likely to rise at a 9% compound annual growth rate (CAGR) between FY25 and FY27, taking passenger volume to about 485 million by FY27, CareEdge said Monday. International passenger traffic is likely to grow at a faster pace.



Banks may hike FD rates further, says CareEdge

BUREAU
umbai, June 6

ITH YIELDS ON capital market offerings remaining high, e interest rate on deposits e likely to rise further, reEdge Ratings said in a ort on Thursday.

Credit offtake rose 19.5% ar-on-year to ₹166.1 trillion the fortnight ended May 17. posits grew 13.3% to ₹208.1 llion as on May 17, 2024, driven by growth in time deposits.

In April, there was pressure outstanding spreads due to owing competition among nks as well as a slowdown in growth of unsecured lending. The spreads between the tstanding lending rate and posit rate have been hovering ow pre-Covid-19 levels since e 2023. This is exerting pressre on net interest margins, credit rating agency said.

In recent months, the ead between the outstandg lending rates and deposit es has narrowed compared the spread between fresh ding and deposit rates.

Improving liquidity to boost CP issuances: India Ratings

An improving liquidity outlook will benefit commercial paper (CP) issuances in the coming months, India Ratings and Research said in a report.

The Reserve Bank of India (RBI) announced a record dividend of ₹2.1 trillion to the government for 2023-24 (April-March), which will help ease the ongoing pressure on the banking system deposit accretion and overall rates in the system.

Post the announcement of the RBI's dividend, the overall money market rates have started softening.

"The record dividend transfer will help ease the pressure on short-term rates significantly. Short-term rates will benefit from an improving outlook on system liquidity, and reduced reliance on certificates of deposits, which will reduce the supply of money market issuances," the rating agency said.



CareEdge Spreads its Overseas Wings from Gift City Base

Co launches international corporate and sovereign ratings, plans to expand to African countries

Joel Rebello

Gandhinagar: CareEdge Ratings expects to tap into the market of rating foreign currency loans of Indian companies after it launched the international corporate and sovereign ratings service from its Gift City office.

Mehul Pandya, chief executive of CareEdge Global IFSC, the company that will handle this business, said besides competing with foreign peers, CareEdge plans to expand into African countries, giving them the option of being rated from a new perspective. "So far, more than $30 billion has been mobilised in Gift City and most of it has been raised by foreign agencies. If we just consider a few basis points of this amount in fees, it has huge revenue potential. We have a natural advantage because of our domestic expertise which we will leverage," Pandya said.

CareEdge invested $3.5 million for this new subsidiary which is its third international subsidiary adding to operating ones in Nigeria and Mauritius.

Pandya said the company plans to tap Veteran banker and Jio Financial chairman KV Kamath said the new sovereign option gives "the Global South a view to transform their own fees" and could lead to a lot of things coming out of India in the future.

Pandya said CareEdge needed an offshore license to set up foreign currency loans and sovereign operations and chose Indo it through Gift City instead of starting new operations in Singapore and Dubai.

"A sovereign rating involves currency convertibility risk which is a core credit risk from an issuer perspective. We now have the wherewithal to provide a rating on a new AD [authorised dealer] or provide a foreign currency rating for an automobile company from anywhere which is all the more reason the company is in another globality," Pandya said. He expects to add sovereign ratings on 10 to 20 other countries in the next one to three years.

CareEdge assigned India a BBB- higher than other agencies due to its large and



figure it out

Nearly $6bn

worth India-made iPhones were exported by Apple in first half of 2024-25

Source: CareEdge



able Energy

SECTORAL IMPACT ANALYSIS

Which industries stand to gain the most

Auto and auto components, fertilisers and textile stand to benefit the most from the Budget measures. However, sectors such as BFSI, healthcare and pharma may not be impacted much, according to a sectoral impact analysis by CareEdge

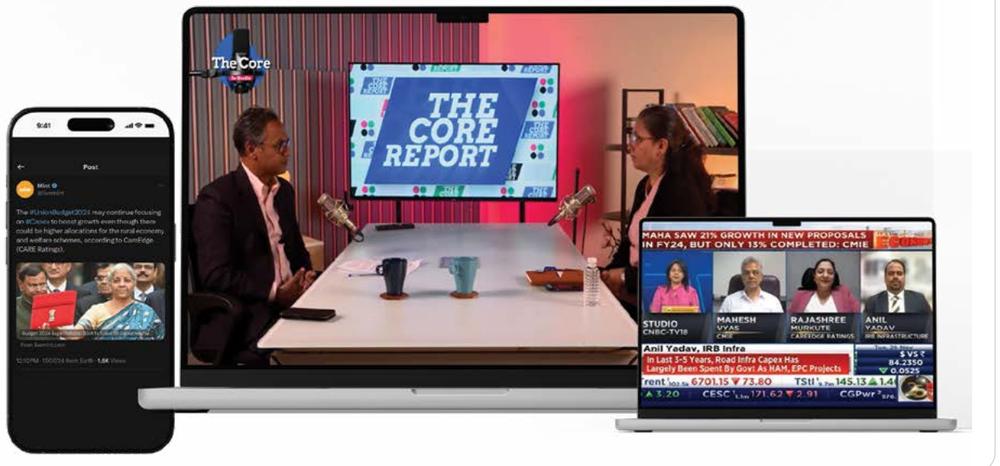
● Auto & auto components
IMPACT: POSITIVE
THE FULL EXEMPTION of customs duty on cobalt powder, lithium-ion battery scrap, lead, zinc, and 12 other critical minerals is expected to ensure their availability for domestic manufacturing. Full exemption of customs duty on 35 capital goods/ machinery for use in the manufacturing of lithium-ion batteries is likely to boost lithium-ion battery

● Hospitality
IMPACT: POSITIVE
THE BUDGET IS setting up a strong foundation for boosting tourism and hospitality in India, mainly through strategic partnerships with states and a focus on specific tourism segments. By developing the top 50 tourist destinations, the government is improving infrastructure and promoting a more diverse and rich tourist experience. The PLI will

● BFSI
IMPACT: NEUTRAL
ENHANCED INVESTMENT / turnover limits for MSMEs and a double credit guarantee cover will extend MSME benefits to more enterprises and provide funds for capex/ working capital at competitive terms. A hike in the FDI limit in the insurance sector to 100% would attract global players and improve penetration. Long-term funding remains a key requirement.

● Non-ferrous Metals
IMPACT: NEUTRAL
BASIC CUSTOMS DUTY (BCD) on waste and scrap of Non-ferrous metals (NFM) such as copper, zinc and lead has now been fully exempted, the move will benefit mainly import-dependent

● Transport Infrastructure — Roads, Air and Shipping
IMPACT: POSITIVE
CAPITAL EXPENDITURE IS poised to be maintained at steady levels for Roads and Railways while increased for airports and shipping. A likely shift in project awarding from EPC to PPP variants in roads sector shall support project award momentum. Revamped IFA scheme shall attract private sector investments in shipbuilding entities while inclusion in HML & establishment of Maritime fund shall augment long-term funding avenues for the shipping sector at competitive rates.



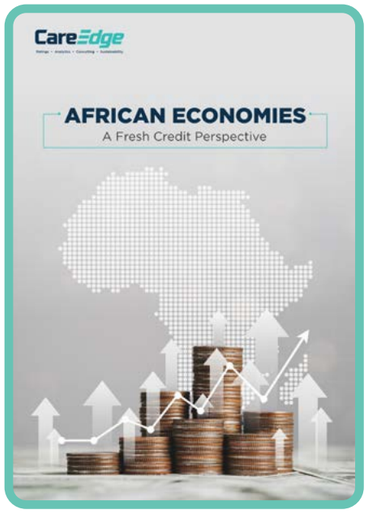
Reports and Publications

We continue to contribute timely and data-driven insights through our research and sectoral publications.

These reports support financial institutions, corporates, and policymakers in understanding market shifts and planning their responses. Our research team focuses on key macroeconomic indicators, sector-specific developments, and thematic studies relevant to the financial ecosystem.

During FY 25, we published over 336 reports, including industry updates, thematic analyses, and macroeconomic outlooks.





















People

Nurturing Minds with Analytical Insights

Our teams represent the foundation of our research and analytical capabilities, along with institutional excellence.

We are building a future-ready organisation through a balanced focus on four key pillars of people strategy. Each pillar supports our goal of long-term institutional strength and individual growth.

Our people philosophy



Capability Development



Engagement and Culture







Thought Leadership



Inclusion, Recognition and Growth

Corporate Social Responsibility

Reaching out for Social Impact, Inclusivity and Relevance

Our approach to Corporate Social Responsibility (CSR) is guided by our aim to drive long-term impact, inclusivity and relevance.

We focus on interventions that are sustainable, measurable and aligned with the United Nations Sustainable Development Goals (SDGs). Our initiatives are concentrated on improving access to healthcare, enabling education, advancing women's empowerment and defence personnel support.

SDGs served





3150+

Children supported through healthcare projects providing paediatric cardiac surgeries, Type 1 diabetes care, education facilities through book bank, e-learning facilities & street kids rehabilitation projects.



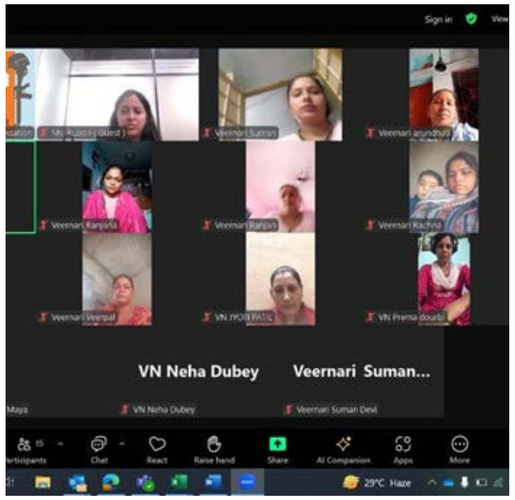
1200+

Patients supported through essential healthcare services like palliative care for cancer patients, kidney transplants, ventilator facilities, and motorized beds, among others.



600+

Women supported through healthcare kits for expectant mothers, education and financial sustainability projects like Millet Value Chain, tailoring & computer education for women in rural areas



23%

The CSR budget supports defence personnel and their families, such as VeerNaris of our Martyrs, developing a school for children of navy personnel with special needs, and supporting the needs of paraplegic defence forces.

Directors' Report

Your Directors are pleased to present the Thirty-Second (32nd) Annual Report of CARE Ratings Limited ("the Company" or "CareEdge") along with the Audited Financial Statements for the year ended March 31, 2025.

FY25: Driving Growth, Delivering Impact

In FY25, the Company demonstrated remarkable progress and resilience by achieving several key milestones. The Company successfully broadened its service offerings, introduced innovative financial products and solutions that catered to a diverse clientele.

CareEdge is the first Indian credit rating agency to enter the Global Scale Ratings space through CareEdge Global IFSC Ltd. This milestone includes Sovereign Ratings for 39 countries, demonstrating our commitment to providing world-class insights into the global market economies.

Technological advancements were a cornerstone of the Company's achievements this year. The implementation of advanced analytics and AI-driven tools significantly enhanced the accuracy and efficiency of our credit ratings. Our commitment to sustainability was further reinforced through initiatives aimed at promoting climate-resilient agriculture and sustainable infrastructure development.

Financially, the Company maintained robust health, demonstrating strong performance across both standalone and consolidated results. We are proud to announce our highest-ever consolidated revenue from operations for FY25, reaching Rs 402.3 crore, a robust 21% year-on-year growth. This milestone reflects the strength of our strategy, the dedication of our teams, and the trust our stakeholders have in us. The strategic appointment in the key leadership positions over the years, backed by a clear and patient approach, bolstered our governance framework, ensuring continued growth and stability. Overall, FY25 was a year of strategic advancements and impactful contributions, positioning CareEdge Group for sustained success.

FY25: The Economic Backdrop

The Indian economy in FY25 faced challenges, from slowing economic growth, weak external demand and an uncertain global environment. Economic growth is estimated at 6.5% in FY25 as per the Second Advance Estimate (SAE), slowing from 9.2% growth recorded in FY24. Investment in the economy was impacted by a slowdown in public capex evidenced by the moderation in gross fixed capital formation growth to 6.1% in FY25 from 8.8% in FY24. However, GDP growth was supported by private final consumption expenditure accelerating to 7.6% from last year's growth of 5.6%. Healthy rural demand has been supportive of this rebound in consumption while urban demand has exhibited weakness.

Retail inflation averaged at 4.6% in FY25, moderating from 5.4% during FY24. Elevated food inflation which averaged at 7.3% during the fiscal year, kept the average retail inflation above the Reserve Bank of India (RBI) target of 4%. However, food inflation moderated notably by end-FY25, supporting the moderation in overall inflation below the RBI's 4% target. Amid concerns over a growth slowdown and a moderating inflationary scenario, the RBI slashed the interest rates by 25 basis points each in its February and April meetings, taking the policy repo rate to 6%.

The gross bank credit growth slowed to 11% as of end-FY25 compared to a growth of 20.2% in the corresponding period last year. This slowdown is primarily attributed to a deceleration in lending towards personal loans (11.6% Vs 27.5% last year) and non-bank financial companies (5.7% vs 15.3%). This slowdown can be attributed to the increased risk weightage for consumer credit and NBFCs. However, restoring risk weights on bank exposure to NBFCs is expected to support credit growth going forward. Credit growth to industries was 7.8% compared to 8.5% growth last year. Of which, credit disbursements to large industries (constituting around 70% share in total industrial credit) were seen rising by 6.2% compared to 6.4% last year.

Corporate bond issuances totalled Rs 11 lakh crore in FY25, recording a 6% increase over the previous year. Commercial paper issuances also increased by 14.5% (y-o-y) to Rs 15.7 lakh crore in FY25.

On the external front, there was a lot of uncertainty amid the global trade war. Merchandise exports remained under pressure amid weak global demand. However, continued resilience in services exports and healthy remittance inflows helped partially mitigate the impact of weak merchandise exports. In terms of capital flows, while gross foreign direct investment (FDI) inflows remained largely steady, higher repatriation reined in the FDI net inflows. Net foreign portfolio investments (FPI) inflows moderated to USD 2.7 billion in FY25, lower than inflows of USD 41 billion in the previous year. FII outflows from equity market were partially countered by inflows in the debt market, aided by India's bond index inclusion. The Indian Rupee depreciated by around 3% against the USD in FY25, mainly due to volatile FPI flows amid global risk-off sentiments. The interventions by the RBI restricted a sharp depreciation in the Rupee. There was a notable decrease in India's foreign exchange reserves since September 2024 due to RBI interventions and portfolio outflows. As of end-FY25, the foreign exchange reserves stood at USD 665 billion. Despite the drawdown

in reserves, the import cover (basis merchandise imports) remained comfortable at ~11 months.

In a nutshell, the Indian economy weathered the challenges, from slowing growth and an uncertain global environment in FY25. The turbulence from volatile global trade policies and their impact on global growth remain the key headwinds for the Indian economy in FY26.

Note: The growth figures for bank credit include the impact of the merger of a non-bank with a bank. Data on corporate bond issuances includes public issues and private placements. This data was extracted from Prime Database on 12th May 2025.

FY26: Looking Ahead

Despite the growth moderation witnessed in FY25, India is projected to remain the world's fastest-growing economy in the years to come. However, the global economic environment remains challenging amidst volatile trade policies and geopolitical challenges. Thus, heightened global uncertainties are expected to pose a key headwind for India's economic performance in the current fiscal year.

On the domestic consumption front, the encouraging performance in rural demand is expected to continue, buoyed by robust agricultural production and prospects of a normal monsoon. However, a pick-up in urban demand remains critical for a durable and broad-based rebound of the consumption story. Consumption is also expected to gain from the moderating food inflation and reduction in income tax burden announced in the Union Budget. With inflation expected to moderate further and increased emphasis on supporting growth impulses, the RBI is expected to cut the policy repo rate further in FY26.

In addition to boosting consumption, the Union budget has continued to emphasise augmenting capital expenditure (capex) to enhance the economy's long-term growth potential. The government's capex is budgeted at Rs 11.2 trillion in FY26, 10% higher compared to the previous year. With this, the FY26 capex-to-GDP ratio has been maintained at 3.1%, much higher compared to the pre-COVID level of 1.6% seen in FY19. The government is expected to drive the investment scenario in the economy. While the reduction in interest rates would be supportive of a pickup in private capital expenditure, the overall investment scenario could remain cautious amid global uncertainties.

The ongoing uncertainties surrounding global trade policies are expected to impact international trade flows. Thus, India's merchandise exports may continue to remain under pressure. However, the relative resilience of India's services exports is expected to offer some comfort. Overall, India's current account deficit is projected to remain largely manageable in the current fiscal year. Heightened trade policy uncertainty is likely to keep overall investment sentiment subdued, resulting in muted FDI inflows in FY26. FPI flows are also expected to remain volatile amidst global uncertainties.

Overall, several factors, including domestic inflationary pressures, a favourable agricultural outlook, and policy rate cuts by the RBI, are expected to support the Indian economy. However, the external environment remains uncertain, with global economic volatility and trade-related headwinds likely to pose ongoing challenges.

Way Forward

Building on the initiatives of FY25, the Company's management is committed to spearheading innovation and driving substantial growth within the sector. The strategic focus will encompass:

Improving rating operations and leveraging technology: We commit ourselves to continuously strengthen our core rating processes to improve accuracy, reliability, and market responsiveness. Additionally, we will expand the use of cutting-edge technology across core functions and support areas to streamline operations and enhance decision-making.

Transparent and effective stakeholder engagement: We are committed to open, transparent, and effective communication with all stakeholders, enhancing transparency and trust.

Proactive HR initiatives: We will attract and retain top talent through innovative HR strategies, focusing on creating a dynamic workplace culture that fosters growth and satisfaction.

Leadership development: We will invest in comprehensive skills development, encompassing both technical and soft skills training, ensuring our team is well-equipped to meet current and future challenges. Furthermore, we are dedicated to cultivating future leaders by providing opportunities to lead and fostering a culture of empowerment and innovation.

With a clear vision for the future, the Management is dedicated to repositioning the Company on a sustained growth trajectory. The foundations laid in FY25 are already yielding positive results, and we anticipate further positive outcomes as these strategies take effect.

Financial Performance

The Company's Financial Performance for the year ended March 31, 2025, is summarised below:

Summary of Financial Performance (Standalone)

(Rs. in crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income from Operations	336.68	283.07
Other Income	51.39	46.96
Total Income	**388.07**	**330.03**
Total Expenditure	191.06	168.15
Profit Before Tax (PBT)	**197.01**	**161.88**
Provision for Tax	49.02	42.44
Profit After Tax (PAT)	**147.99**	**119.44**
Other comprehensive income/ (loss)	(1.03)	(0.23)
Total comprehensive income for the period	**146.96**	**119.21**
Appropriations		
Interim Dividend	20.94	20.84
Final Dividend	32.86	44.60
Total (Dividend Outflow)	**53.80**	**65.44**

The total income for the financial year was Rs. 388.07 crore, a 18% increase from FY24, while the other income stood at Rs. 51.39 crore, a 9% increase from the previous year. Revenue from operations increased to Rs. 336.68 crore in FY25. The ratings income rose by 19% in FY25.

Your Company's total expenditure in the financial year was Rs 191.06 crore, 14% higher than the previous year. Salary expenses at Rs 146.24 crore in FY25 were 17% higher than the previous year. At Rs. 147.99 crore, FY25 net profit increased as compared to the previous year, aided by an increase in total income.

Returns to Shareholders

Dividend

During the year, your Company paid an interim dividend of Rs 7/- per equity share, amounting to a pay-out of Rs 20.94 crore. The Board has recommended a final dividend of Rs. 11 per equity share, amounting to a payout of Rs. 32.86 crore for FY 2024-25, for approval by members at the ensuing Annual General Meeting.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy and would be paid in compliance with the applicable rules and regulations. The Dividend Distribution Policy is available on the website of the Company at:

https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679558992_21032023065712_Dividend_Distribution_Policy.pdf

Transfer to Reserves

During the year under review, the Company did not transfer any amount to the general reserve.

Business Operations: Strategic Realignment

In FY24, we moved to a verticalised approach for the business development team, a shift from the previous geographical model. This strategic shift has significantly optimised our resources, resulting in a sustained uptick in new business acquisitions in FY25.

Our ongoing efforts to expand our footprint across geographies have increased our overall new rating market share (by count). This underscores our position as the leading credit rating agency, with clients placing their trust in us as their go-to partner. In FY25, aligned with our 'Quality Led Growth' strategy, we onboarded over 200 clients who were rated in the 'A' and above category in FY25. The focused approach we followed in improving our presence in the capital market helped us enhance our market share in capital market issuances, both in public and private placements.

We continued to perform well in the securitisation market, with growth in rated volumes exceeding 55% during FY25 compared to FY24. In FY24, SEBI entrusted rating agencies with the task of monitoring the proceeds of corporate equity issuances. Through our efforts, we have secured a leadership position in this space for FY25.

Powered by Security, Driven by Innovation

In FY25, the Company continued to implement its Disaster Recovery Plan to ensure business continuity in the event of unexpected shutdowns resulting from circumstances such as natural events or security issues. Key activities included:

1. Execution of Disaster Recovery (DR) for Business-Critical Applications:
    - Core business applications were shut down from the Production/Live Environment at the Data Centre (DC).

- All business applications were routed through the Disaster Recovery (DR) site for 7 days.
- Successfully resumed business applications from the Primary Data Centre after the DR period.

2. Unplanned Business Continuity and Disaster Recovery Plan:
   - Successfully executed an unplanned Business Continuity and Disaster Recovery Plan to address unforeseen disruptions.

These measures ensured that the business operations remained uninterrupted and resilient in the face of potential disruptions.

The Company completed the evaluation of the Security Operations Centre (SOC) to monitor, prevent, detect, investigate, and respond to Cyber Threats around the clock. This will improve the security posture and will be rolled out in Q1 FY26.

In FY 25, as per the information security strategy, the Company initiated a phishing simulation for employees to increase their awareness and ensure they do not fall prey. Additionally, the Company has conducted information security awareness training for all users, including senior management.

During the fiscal year, the technology setups at the Ahmedabad, Chennai, and Hyderabad offices were relocated to new premises equipped with state-of-the-art technology equipment. The Company also implemented High Availability of Firewalls and Switches in all its branches.

Modernising Ratings with Technology

In FY25, the Company further enhanced its Machine Learning (ML) models used to extract financial and operational data from publicly available corporate filings. These models now cover a wide range of document formats and have improved accuracy and contextual understanding. Continuous training and fine-tuning of the models have led to better data quality, thus improving analyst productivity and reducing turnaround times.

Following the development of the new website, the Company has enhanced its features and functionalities while also ensuring compliance with regulatory requirements. In FY25, the subsidiary companies launched new websites to ensure a unified brand vision across the group. In addition, business applications supporting the ratings analyst team made significant enhancements for ratings letters, press releases, and regulatory reports, which would improve analyst efficiency.

In FY25, the Company performed a seamless document migration, which forms the document repository backbone for the new rating platform.

In FY25, the development of the next-generation rating platform continued in collaboration with a technology partner. This platform is being built using secure, scalable cloud-native technologies and incorporates advanced AI/ML capabilities to support intelligent document processing and decision support for analysts. Following an agile development approach, a phased rollout of key modules has begun, starting with internal testing for some modules.

To enhance the quality, consistency, and compliance of press releases, the Company developed an in-house tool. This tool leverages Machine Learning (ML) and Natural Language Processing (NLP) to validate the documents.

Outreach - Branding and Visibility

FY25 saw us not only sustaining but also increasing our branding and visibility efforts manifold in terms of our share of voice. Through targeted high-quality outreach activities and a strengthened media presence, we have worked diligently to communicate our insights and thought leadership.

We aimed to position ourselves as a knowledge-centric brand. Our monthly newsletters on infrastructure and BFSI segments are disseminated among market intermediaries, and our monthly publication, 'Foresights,' continues to deliver valuable insights into the health of domestic markets, earning kudos from our clients and bankers. Our brand is further amplified by numerous outreach events and knowledge-sharing forums conducted throughout the year.

CareEdge Global made history as the first Indian credit rating agency to enter the Global Scale Ratings space, through its subsidiary CareEdge Global IFSC Ltd. This milestone was marked by the unveiling of our Sovereign Ratings for 39 countries, solidifying our commitment to providing world-class insights into global economies. The event, hosted in GIFT City, Gandhinagar on October 3, witnessed the presence of esteemed guests and panellists, including Shri K. V. Kamath, a renowned corporate leader; Shri Sanjeev Sanyal, Member of the Economic Advisory Council to the Prime Minister (EAC-PM); and Shri Ashishkumar Chauhan, MD & CEO, NSE India. The Fireside Chat session with them on "The State of the Global Economy" and "The Role of Sovereign Ratings" was moderated by Mehul Pandya, MD and Group CEO of CareEdge. Najib Shah, Chairman of CareEdge, delivered the opening address. Revati Kasture, Executive Director of CareEdge Ratings and CEO of CareEdge Global, provided insights into the journey of CareEdge Global. The other dignitaries present were Shri Kalyanaraman Rajaraman, Chairman of IFSCA; Shri Pramod Rao, Board Member of IFSCA and ED of SEBI; Dr. Dipesh Shah, ED of IFSCA; and Shri Pradeep Ramakrishnan, ED of IFSCA. The event garnered exceptional media attention, with coverage from over 1,500 national and international media houses and news agencies. It achieved staggering

global exposure, reaching an audience of over 2.1 billion across various platforms worldwide.

Our flagship event, 'CareEdge Conversations,' held in Mumbai and Pune, featured influential thought leaders and industry experts, reinforcing our leadership in the field. The presence of dignitaries, including G20 Sherpa Shri Amitabh Kant and RBI Deputy Governor Shri Rajeshwar Rao, added significant value to these conversations.

Among the various events organised, the closed-door roundtable in Mumbai in June '24, which focused on decoding the data centre ecosystem, was well received. This roundtable facilitated dynamic discussions among data centre operators, senior bankers, and private equity participants, aiming to uncover actionable insights and strategies for enhancing the connectivity ecosystem, share industry trends and challenges, suggest solutions, and explore collaboration opportunities. The Delhi roundtable event in August '24 focused on the cement sector, bringing together professionals from the cement industry to interact with our team and share their insights. For the BFSI sector, we organised a round table on Securitisation in November 2024, which brought together originators, investors, intermediaries, etc, under one platform and was followed by a round table event "Charcha – Navigating Growth Amid Risks" in Jaipur in March 2025, which leading market participants graced.

CareEdge hosted over 30 enriching webinars and conferences and participated in 127 speaker and knowledge-sharing forums. These sessions have not only served as platforms for dialogue but have also enabled us to produce a wealth of content, including knowledge papers, thematic reports, and regular updates such as the Morning Brief and Foresights, alongside specialised BFSI and Infrastructure rating newsletters.

Our knowledge partnerships with leading entities, such as the ET MSME Awards, Business Standard MSME Awards, Free Press Journal's Best Annual Report Awards, Assocham's 16th Mutual Fund Summit, and the Global Real Estate Brand Awards 2024, played a crucial role in amplifying our visibility and influence.

Social media has played a crucial role in amplifying our reach, significantly enhancing our visibility and engagement across platforms, and solidifying our presence in the digital landscape. Furthermore, the Company's investor relations outreach continues to foster robust connections with the financial community, ensuring our stakeholders remain well-informed and engaged.

FY25: Some of the Notable Events:

- Mehul Pandya, MD and Group CEO, CareEdge, delivered a lecture under the 'India-Ireland Friendship Lecture Series' on 'Sustainable growth through a nuanced approach on Credit and ESG Ratings' organised by the Embassy of India in Dublin on July 10, 2024
- At the invitation of the Observer Research Foundation, our MD and Group CEO, Mehul Pandya, gave a spotlight address on 'Reworking Ratings - Tackling Credit Bias in the Global South', at the Cape Town Conversation in South Africa, November 26, 2024
- CareEdge MD and Group CEO, Mehul Pandya, was invited to provide his perspective on 'Capital Market Developments in Asia' at the Annual Conference organised by the Association of Credit Rating Agencies in Asia (ACRAA) in Ho Chi Minh City, Vietnam, on December 06, 2024
- CareEdge MD and Group CEO, Mehul Pandya, addressed the members of India South Africa Business Forum, Consulate General of India, Regulators, and other business participants as a part of CareEdge South Africa Conversations at Johannesburg on February 6, 2025.
- Mehul Pandya, MD and Group CEO, CareEdge and Saurav Chatterjee, Director & CEO, CareEdge Africa, were invited as esteemed panellists at the Africa Peer Review Mechanism's discussion forum on 'The Roadmap for Setting Up the African Credit Rating Agency (AfCRA)' held from October 8-10, 2024, in Cairo, Egypt. The event was attended by representatives from the United Nations Economic Commission for Africa, the Ministry of Finance, the African Central Bank, African multilateral institutions, European DFIs, domestic rating agencies in Africa and capital market arrangers.
- Revati Kasture, Executive Director of CareEdge Ratings & CEO of CareEdge Global participated in a G20 x FC4S India Private Sector Roundtable hosted by the International Financial Services Centres Authority (IFSCA), the UNDP Financial Centres for Sustainability (FC4S) Network, and the UNDP, held at the Gift City, Gandhinagar on May 31, 2024
- Revati Kasture, Executive Director at CareEdge Ratings and CEO of CareEdge Global, delivered a compelling speech emphasising the significance of transparency and objectivity in sovereign ratings at SWFI FORT UAE 2025 in Abu Dhabi, on January 21, 2025
- Revati Kasture, Executive Director and Rajani Sinha, Chief Economist at CareEdge Ratings, were invited to be one of the esteemed women leaders to mentor at the '1000 Women leaders Program' conducted by Jombay. It is one of the largest cohorts of mid-career women professionals undergoing a development journey in India
- Sachin Gupta, ED and Chief Ratings Officer at CareEdge Ratings, was invited to moderate the panel discussion on 'Infrastructure – Road to Sustainability' at the 'India Debt Capital Market Summit 2024 - Innovate, Elevate, Accelerate', on November 29, 2024

- Sachin Gupta, Chief Rating Officer, CareEdge Ratings, was invited as a speaker to share his expert insights on 'Decade of Responsible & Sustainable Infrastructure Financing' at the 6th Annual Bond Investor Conference, Mumbai. The conference was organised by NIIF IFL on February 17, 2025
- Rajani Sinha, Chief Economist, CareEdge Ratings, was one of the eminent economists invited to interact with Hon'ble Prime Minister, Shri Narendra Modi Ji, ahead of Union Budget 2025-26 at NITI Aayog, on December 24, 2024
- Rajani Sinha, Chief Economist, CareEdge Ratings, was invited as a panellist to share insights on 'Economic Growth and Global Competitiveness by 2047' at Sushma Swaraj Bhawan, New Delhi. The conference was organised by NITI Aayog on February 7, 2025.
- Jinesh Shah, Chief Financial Officer at CareEdge Ratings, was invited to be one of the panellists to address the newly qualified Chartered Accountants by the ICAI, on August 31, 2024
- Sanjay Agarwal, Senior Director at CareEdge Ratings, was invited as a panellist at The Institute of Chartered Accountants of India (ICAI)'s event on 'Viksit Bharat 2047' on July 5, 2024, in Mumbai
- Rajashree Murkute, Senior Director, CareEdge Ratings, was invited as a faculty speaker for a conference in Manila on April 18, 2024. The discussion was on the evaluation and financing of infrastructure projects, and this session was co-sponsored by ACRAA and Capital Market Development Foundation Inc
- Ranjan Sharma, Senior Director at CareEdge Ratings, was invited to moderate a panel discussion on 'RAHSTA (Road) ahead for Construction Equipment Industry' at the RAHSTA Expo 2024, in Mumbai on October 10, 2024
- Kunal Shah, Head Strategy and New Initiatives at CareEdge Ratings, participated in the Asia Credit Rating Beijing Summit 2024 on September 12, 2024, and delivered key insights during two important roundtable sessions themed "Reinventing CRAs in a Changing World of Advancing Technology and Disruptive Global Developments".
- CareEdge Global, along with India International Exchange (IFSC) Ltd (India INX) and International Financial Services Centres Authority (IFSCA), hosted 'The Dialogue' on 'Navigating GIFT City Issuances' in New Delhi, on February 27, 2025. The session brought together industry experts, regulators, and market participants, providing a comprehensive platform for discussing the advantages and operational modalities of raising funds via the GIFT City route.
- CareEdge Global successfully hosted 'The Dialogue', an interactive session "Navigating GIFT City Issuances" in Mumbai, on December 16, 2024. The event brought together industry experts, regulators and market participants to explore the potential and opportunities of debt issuances at GIFT City
- Revati Kasture, Executive Director at CareEdge Ratings and CEO of CareEdge Global, delivered a special address, 'Sovereign and Global Scale Ratings - A fresh perspective'. She was also part of a panel discussion, 'Primary markets: Global and Regional perspective' at the maiden Global Securities Markets Conclave (GSMC) 1.0 in GIFT City, Gujarat, on January 17, 2025
- In April 2024, CareEdge Africa signed a Memorandum of Understanding with the African Peer Rating Mechanism (APRM) to provide technical & financial collaboration for setting up Africa Credit Rating Agency (AfCRA). This partnership aims to provide technical and financial assistance for establishing a Pan African Credit Rating Agency. The official signing ceremony was held on April 25th in Mauritius.
- In July 2024, CareEdge Africa was invited to participate in the Experts Meeting of the 7th Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration convened by the African Union in Tunis.
- In October 2024, APRM convened a meeting of experts in Cairo between 8-10th October to discuss the roadmap for AfCRA where CareEdge Africa was an invitee.
- CareEdge Nepal hosted its 'Conversations' event on "Enhancing Capital Markets in Nepal" in Kathmandu on November 24, 2024. The event witnessed participation from representatives comprising regulatory bodies, industrialists, bankers, merchant bankers and other notable figures
- The Free Press Journal and CareEdge conducted the 3rd edition of India's Best Annual Report Awards – 2024 in Mumbai. Mehul Pandya, MD and Group CEO, CareEdge, was one of the esteemed jury members. CareEdge Advisory was the knowledge partner for the event, led by Swati Agrawal, President and CEO, CareEdge Advisory
- Swati Agrawal, CEO - CareEdge Advisory and Research, was a panellist at the ASSOCHAM organised Global ESG Conclave 3.0 in New Delhi, on September 26, 2024. CareEdge Advisory was the official knowledge partner at the event, where our ESG report was released
- CareEdge Analytics was honoured at the Credit Risk Management Summit & Awards 2024, held on April 19 at The Westin Mumbai Garden City. The award was for the best use of technology in credit risk management

- CareEdge Analytics proudly introduced https://reitsinfraedge.com/, India's premier data benchmarking platform for listed REITs in the real estate and infrastructure sectors, on August 30, 2024. Supported by the Securities and Exchange Board of India (SEBI), ReitsInfraEdge is a one-stop portal designed to empower investors with comprehensive, up-to-date information and interactive tools.
- CareEdge Analytics proudly announced the launch of EdgeAvira.AI, the next-gen AI-driven platform designed to transform credit underwriting, risk monitoring, early warning systems (EWS) and predictive analytics for financial institutions on February 27, 2025.
- CareEdge Analytics hosted the Risk Management Conclave 2025 in Colombo, Sri Lanka. The event brought together industry leaders and experts to discuss the future of risk management, digital transformation and financial innovation. With the theme 'Shaping the Future of Risk Management', the conclave featured engaging panels and fireside chats, offering valuable insights into the evolving financial ecosystem locally and globally on February 7, 2025.
- Rohit Inamdar, CEO at CareEdge ESG Ratings, was one of the esteemed panellists at the 'Mint Annual BFSI Summit & Awards' on January 17, 2025, at the ITC Grand Central, Mumbai. The discussion was focused on 'Climate financing by banks in India'.

HR in Action: From Hiring to Retaining Top Talent

In our endeavour to be recognised as an employer of choice, the Company has focused on skill development through various training interventions throughout the year. Continuing with the aim to deliver efficient and high-quality services, the Company has paid special attention to retaining talent and recruiting new personnel. The Company's Employee Engagement Scores and Employee Net Promoter Score saw a significant positive uptick this year.

Highlights of some of the key initiatives of FY25:

- Growth opportunities:

  Along with the internal job rotations, the formation of our new entity, CareEdge Global, opened up doors for unique and valuable opportunities for our employees in the global space through transfers and secondments at various levels.

- Learning opportunities:
  - Focused and customised in-person behavioural training programmes conducted for both Analytics and BD teams. The programme focused on areas like 'Assertive Communication' for the Analytics team, 'Negotiation skills' for the BD team, and 'Unleash the Leader in You' for the first-time team leaders
  - Recognising the persistent challenges of the glass ceiling, the Company selected eight high-performing women from diverse functions and levels to participate in the '1000 Women Leaders' programme, aiming to cultivate leadership potential and promote gender diversity.
- Employee Connect:
  - Introduced formal interactive sessions to provide a platform to connect with senior management and understand the feedback from the ground.
- Reward and Recognition:

  This year, we introduced the 'Long Service Rewards' programme to honour employees who have completed 10, 20 or 25 years in the organisation, by recognising their dedication through awards and felicitations.
- Employee Engagement:

  While the festive celebrations continued across locations, we introduced Sports Day at all locations. These events saw enthusiastic participation and excitement amongst all.

Stronger Together: Advancing Our Subsidiaries

The Company has six subsidiaries: CARE Ratings (Africa) Private Limited, CARE Ratings Nepal Limited, CARE ESG Ratings Limited (formerly known as CARE Advisory Research and Training Limited), CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited), CARE Ratings South Africa (Pty) Limited and CareEdge Global IFSC Limited.

CARE Ratings (Africa) Private Limited (CareEdge Africa)

Operating since 2014, CareEdge Africa has contributed significantly to the development of the debt capital market in Mauritius.

In FY25, CareEdge Africa saw a 48% increase in revenue, driven by a rise in the total volume of debt rated, stemming from both new assignments and ongoing surveillance activities. Looking ahead, CareEdge Africa is strategically planning to broaden its operational reach into additional African territories, primarily targeting countries within Eastern & Southern Africa. The aim is to leverage the CareEdge Group's vast experience in the Indian and Mauritian markets, utilising this knowledge to foster the adoption of credit rating practices within Africa's capital market ecosystem through comprehensive training, advisory services, and advanced technology-driven analysis.

In October 2023, the company set up a 100% subsidiary – CARE Ratings South Africa (Pty) Limited in South Africa (CareEdge South Africa). In October 2024, CareEdge South Africa has received license (FSCA-CRA-007) from Financial Sector Conduct Authority (FSCA), South Africa to conduct and issue credit ratings on Corporate Bonds, Sovereign Ratings, Financial Institutions, Structured Finance and Green & Sustainability Linked Bonds. In April 2024, the company had signed an MOU with African Peer Review Mechanism (APRM) for providing financial and technical assistance in setting up of the African Credit Rating Agency (AfCRA).

CARE Ratings Nepal Limited (CareEdge Nepal)

In FY25, CareEdge Nepal's work has been strategically guided by key drivers such as customer acquisition and retention, operational efficiency, digital transformation, service innovation, strategic partnerships, and strong leadership. Staying true to our vision of prioritising customer satisfaction and sustainable business growth, we have delivered meaningful outcomes in a challenging and evolving financial environment.

Despite obstacles such as restricted exposure approvals by banks because of rising non-performing loans (NPLs), unhealthy competition, and limited awareness in Nepal's capital market about credit ratings, we successfully enhanced our market presence through a series of focused outreach activities. These included extensive knowledge-sharing sessions with financial institutions, proactive engagement with regulators and industry partners, and the launch of CareEdge Group's flagship event, 'CareEdge Conversations', which enabled valuable strategic discussions with existing clients, bankers, and stakeholders.

As a result of these sustained efforts, we achieved a 26% increase in revenue in FY25, along with a 15% rise in profitability. Most notably, CareEdge Nepal secured the leading market position in Nepal, holding the highest market share in both initial and surveillance cases, which is a strong testament to our growing credibility and client trust.

CARE Analytics and Advisory Private Limited (erstwhile CARE Risk Solutions Private Limited)

As of 16 October 2023, the operations of CARE ESG Ratings Limited (erstwhile CARE Advisory Research & Training Limited), including its assets, clients and human resources, were transferred to CARE Risk Solutions Private Limited) (CRSPL) under a Business Transfer Agreement signed on 30 September 2023. Accordingly, there are two divisions of businesses, i.e. CareEdge Analytics and CareEdge Advisory. On 26 October 2023, CRSPL was renamed as CARE Analytics and Advisory Private Limited.

CareEdge Analytics

With over 18 years of expertise, CareEdge Analytics has transformed into a FinTech entity under the CareEdge umbrella, establishing itself as a deep-rooted credit tech firm. We specialise in providing advanced, Gen-AI-powered risk and compliance solutions to banks and financial institutions through our enterprise platform, EdgeAvira.ai. Backed by the strength of our parent company, CareEdge Ratings, we deliver cutting-edge analytical capabilities and have successfully executed over 100 implementations across India, Sri Lanka, and Bhutan. Our strategic transformation reflects a renewed focus on credit risk, compliance, and innovation. As we continue to scale, we are actively expanding into high-potential markets across the Middle East and Africa.

Risk Solutions:

CareEdge Analytics offers a robust range of risk solutions, including Intelligent Credit Processing, Intelligent Credit Monitoring and Regulatory Reporting aligned with Basel, ICAAP and IFRS. These solutions help financial institutions streamline credit lifecycle processes, strengthen risk assessment and ensure compliance with evolving regulatory standards.

Consulting:

CareEdge Analytics provides specialised consulting services across credit risk modelling, model risk management (MRM), model validation and governance advisory. The firm develops and validates internal models, enhances model governance and gives advises on risk policies and stress testing. It also offers valuation of complex instruments like MLDs and strategic consulting on credit policy, compliance and transformation.

Data Services:

CareEdge Analytics enables financial institutions to build structured, high-quality data ecosystems through end-to-end data preparation, system integration and governance support. These services enhance data accuracy, streamline reporting and empower institutions with actionable insights for regulatory and business decision-making.

CareEdge Advisory

CareEdge Advisory continued its growth momentum well into FY25. CareEdge Advisory operates business lines including Industry Research, Corporate Advisory, Grading, and ESG services. During FY25, all the business lines as well as sub-segments exhibited substantial

growth, continuing the momentum from the previous year. Industry research business segment expanded backed by buoyant capital markets, deep sectoral knowledge base, and significant acceptance across the customer segments. Notably, this division also made significant strides in new industry segments like BFSI, alternative investments, and private credit, industrial automation, and entertainment sectors, in addition to consolidating its position in traditional sectors like infrastructure and manufacturing.

The corporate advisory segment also grew due to intensive efforts put in by the teams in the current and previous years. The analytical insights generated by these assignments have been well accepted by the user segments, leading to increased business growth as well as good client testimonials. Expertise and capacity have been built to now take this vertical ahead and expand the offerings. Our Grading services have also exhibited superlative growth, backed by the requirement for a reliable third-party independent assessment by the investors as a critical input to their decision-making exercise.

On the ESG services business, significant strides have been achieved. The services suite is ever evolving, and the teams are well equipped to handle the complexity of the assignments. During the year, notable assignments were successfully concluded, which include Third Party Review (TPR) for India's first Green Infrastructure Bond issued by DME Development Ltd (subsidiary of NHAI) as well as third party opinion for Green Deposits/ESG financing framework for Banks. In addition, our ESG Division has also undertaken impact studies for Green Deposits, Green Bonds, and CSR projects. Our commitment to delivering transparent and comprehensive ESG reporting is exhibited through our ESG integration and reporting services, where we have collaborated with Industry clients on both domestic and international ESG reporting such as Business Responsibility and Sustainability Reporting (BRSR), Global Reporting Initiative (GRI), and International Integrated Reporting Council (IIRC). Quite a few of these reports are now available in the public domain.

In terms of clientele, our customer base has widened, and our esteemed client roster includes prominent names from fund houses, PSUs, banks, financial institutions, manufacturing sectors, and municipal corporations.

CARE ESG Ratings Limited (CareEdge ESG)

ESG ratings, which serve as an independent assessment of a company's sustainability journey, are becoming a key consideration for investors, stakeholders, and regulators alike. Recognising this, the CareEdge Group embarked on a significant journey into the realm of ESG (Environmental, Social and Governance) ratings by establishing a wholly-owned subsidiary, CARE ESG Ratings Limited (CareEdge ESG).

CareEdge ESG received its license from SEBI and is registered as a Category I ESG rating provider under the issuer-pays model. While the adoption of ESG is gaining importance, our team has devised a robust methodology to do ESG assessments and is being further strengthened by an external rating committee to assign the ratings. The business team has been engaging with clients to convey our differentiated approaches and the value that we bring to the stakeholders. ESAF Small Finance Bank was the first client to receive an ESG rating from CareEdge ESG.

CareEdge Global IFSC Limited (CareEdge Global)

After serving the Indian Debt markets for over three decades, CareEdge Ratings, through its 100% subsidiary CareEdge Global IFSC Limited (CareEdge Global) ventured into Global Scale Ratings in October 2024. CareEdge Global has received a license to undertake global-scale and sovereign ratings from IFSCA.

We are proud to communicate that CareEdge Global is the first Indian credit rating agency to venture into the international credit ratings space. The Company believes that CareEdge Global offers a credible alternative in the international ratings market, which is currently oligopolistic, by offering rating services underpinned by a robust framework emphasising transparency, consistency, local approach, and authenticity. The launch event, which was held in GIFT City, Gujarat, was well attended by a galaxy of dignitaries, including senior officials from the Government of India, Regulators, reputed economists, corporate leaders, among others. The launch event saw the unveiling of the sovereign ratings assigned by CareEdge Global to 39 countries, including India. CareEdge Global has a very reputed External Rating Committee comprising industry professionals from across the continents and renowned economists who assign the ratings.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 ("the Act")

The details of loans, guarantees and investments covered under Section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014, are given in the notes to the Financial Statements forming part of this Report.

Particulars of Contracts or Arrangements with Related Parties

All transactions during FY25 with Related Parties as defined under Section 188 of the Act and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/transaction referred to in Section 188 of the Act with related parties which could be considered

material. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Act in Form AOC-2 is not applicable.

Details of transactions with related parties as required under IND AS-24 are set out in Notes to Accounts-Note No. 32 of the Standalone Financial Statements forming part of this Annual Report.

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a Policy on the Materiality of and dealing with Related Party Transactions, which is available on the website of the Company at https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679040518_Policy%20on%20Materiality%20of%20and%20dealing%20with%20Related%20Party%20Transactions.pdf

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year, along with their status as at the end of the financial year

There are no applications made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

Details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from banks or financial institutions, along with the reasons thereof

There are no instances of one-time settlements during the financial year.

Directors and Key Managerial Personnel

Mr. Manoj Chugh (DIN:02640995) was appointed as an Additional Director (in the category of Non-Executive Independent Director) w.e.f. May 9, 2024. Shareholders of the Company approved his appointment as Independent Director of the Company for a term of three consecutive years at the Annual General Meeting of the Company held on July 9, 2024.

Mr. Adesh Kumar Gupta (DIN: 00020403) completed his second term as an Independent Director of the Company at the 31st Annual General Meeting held on July 9, 2024 and accordingly ceased to be an Independent Director of the Company with effect from July 9, 2024.

Ms. Nehal Shah had resigned as Company Secretary and Compliance Officer of the Company, effective August 31, 2024.

Mr. Manoj Kumar CV was appointed as Company Secretary and Compliance Officer of the Company with effect from September 1, 2024.

By the Articles of Association of the Company and provisions of Section 152(6)(e) of the Act, Mr. Mehul Pandya, Managing Director and Group CEO (DIN: 07610232), will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Further, Mr. Najib Shah (DIN:08120210), Ms. Sonal Desai (DIN: 08095343) and Dr. M. Mathisekaran (DIN: 03584338), Independent Directors of the Company, will complete their second term as Independent Director at the ensuing Annual General Meeting and accordingly will cease to be Independent Directors of the Company with effect from July 10, 2025.

Declaration by Independent Directors

The Independent Directors of the Company have submitted their declaration of independence as required under Regulation 25(8) of the SEBI Listing Regulations and Section 149(7) of the Act confirming that they meet the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations.

The Board is of the opinion that the Independent Directors fulfil the conditions specified in these Regulations and are independent of the management. There has been no change in the circumstances affecting their status as Independent Directors of the Company. Furthermore, the Independent Directors of the Company possess the requisite qualifications, experience, and expertise in the fields of finance, strategy, auditing, tax, risk advisory, and financial services, and they uphold the highest standards of integrity.

Number of Meetings of the Board of Directors

The Board of Directors met 5 (Five) times during the Financial Year ended 2024-25 on May 9, 2024; August 7, 2024; October 23, 2024; January 30, 2025 and March 12, 2025. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report. The intervening gap between two consecutive Board Meetings did not exceed 120 days.

Vigil Mechanism – Whistle Blower

The Company has established a vigil mechanism for Directors and Employees in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the SEBI Listing Regulations, to report genuine concerns and to provide adequate safeguards against the victimisation of persons who may use this mechanism. During the year, the Company affirms that no employee of the Company was denied access to the Audit Committee. The said policy is also available on the website of the Company at https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679040341_Whistle%20Blower%20Policy.pdf

Policy on Directors' Appointment and Remuneration

The Policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as **Annexure - I** to this Report and is also available on the website of the Company at https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679040649_NOMINATION%20&%20REMUNERATION%20POLICY.pdf

Annual Evaluation of Performance of the Board

Pursuant to the provisions of the Act and SEBI Listing Regulations, an annual performance evaluation of the Board and its Committees and other individual Directors is required to be undertaken to assess the performance of the Board and its Committees to improve effectiveness.

The Board Evaluation Cycle for FY 2024-25 was completed internally by the Company, which included an evaluation of the Board as a whole, Board Committees, and other individual Directors of the Company.

The Board's functioning is evaluated after taking inputs from the Directors on various aspects, including inter alia, the degree of fulfilment of key responsibilities, the board structure and composition, the establishment and delineation of responsibilities to various committees, the effectiveness of the Board's processes, information and functioning.

The Committees of the Board were evaluated based on inputs from committee members, using criteria such as the degree of fulfilment of key responsibilities, the adequacy of committee composition, and the effectiveness of meetings.

The Board reviewed the performance of individual directors on aspects such as attendance and contributions at Board and Committee meetings, as well as guidance and support provided to management outside of these meetings.

Further, a separate meeting of independent directors was held by the Independent Directors on March 12, 2025, where they reviewed the performance of the Board and the quality, quantity and timeliness of the flow of information between the Company, Management and the Board.

Committees of the Board

As of March 31, 2025, the Board has the following committees:

i. Audit Committee;

ii. Nomination and Remuneration Committee;

iii. Stakeholders Relationship Committee;

iv. Corporate Social Responsibility and Sustainability Committee;

v. Risk Management Committee;

vi. Rating Sub-Committee;

vii. Strategy and Investment Committee and;

viii. Technology Committee.

A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report.

Adequacy of Internal Financial Control with Reference to Financial Statements

The Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 and other applicable provisions, if any, of the Act, read together with the Companies (Indian Accounting Standards) Rules, 2015.

The Company, in preparing its financial statements, makes judgments and estimates based on sound policies and uses external agencies to verify and validate them as and when appropriate. The basis of such judgments and estimates is also approved by the Statutory Auditors and Audit Committee.

The Internal Auditor evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies adopted by the Company for the efficient conduct of its business, adherence to the Company's policies, safeguarding of the Company's assets, prevention and detection of fraud and errors and timely preparation of reliable financial information, etc. Based on the report of the internal audit function, process owners undertake corrective actions in their respective areas, thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Statutory Auditor and Report by Statutory Auditors

M/s. BSR & Co. LLP (Firm Registration No. 101248W/W-100022) was appointed as the Statutory Auditors of the Company for a period of five years up to the conclusion of the 33rd Annual General Meeting of the Company.

The Notes on the financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does

not contain any qualification, reservation, adverse remark or disclaimer.

The disclosure relating to fees paid to Statutory Auditors is provided in the Corporate Governance Report annexed to this Report.

Instances of Fraud, if Any, Reported by the Auditors

During the year under review, no instances of fraud were reported by the Auditors under Section 143(12) of the Act and the rules framed thereunder, either to the Company or to the Central Government.

Secretarial Auditor and Secretarial Audit Report

The Board of Directors of the Company has appointed Parikh and Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for FY2025. The Secretarial Audit Report is appended to this Report as **Annexure – IIA**.

There are no qualifications, reservations, adverse remarks or disclaimers made by Parikh & Associates, Company Secretaries, Mumbai, in their secretarial audit report.

Further, Secretarial Audit Report for FY2025 of CARE Analytics and Advisory Private Limited, material unlisted subsidiary of the Company, is appended to this Report as **Annexure – IIB**.

In compliance with Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act, the Board at its meeting held on May 12, 2025, based on recommendation of the Audit Committee, has approved the appointment of Parikh & Associates, Practising Company Secretaries, a peer reviewed firm (Firm Registration No. P1988MH009800) as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2026 till FY 2030, subject to approval of the Members at the ensuing AGM.

Maintenance of Cost Records and Cost Audit

Maintenance of cost records and the requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable for the business activities carried out by the Company.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo Conservation of Energy and Technology Absorption

The Company has taken necessary steps and initiatives in respect of the conservation of energy to the possible extent to conserve the resources as required under Section 134(3)(m) of the Act and rules framed thereunder.

As the Company is not engaged in any manufacturing activity, the particulars of technology absorption as required under the section are not applicable and hence are not provided.

Foreign Exchange Earnings and Outgo

During the year under review, the Company has earned a foreign exchange equivalent of Rs. 380.16 Lakh and has spent Rs. 0.56 Lakh on foreign exchange.

Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2025, and the date of this report other than those disclosed in this Report

Significant Material Orders passed by the Regulators or Courts, Tribunals

There are no significant material orders passed by the Regulators/ Courts which would impact the ongoing status of the Company and its future operations.

Management Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI Listing Regulations with the Stock Exchanges, is annexed as **Annexure-III** to this Report.

Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been appended as **Annexure-IV** to this Report.

The information required pursuant to Section 197 of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is available for inspection by the members. Any member interested in obtaining such information may address their email to investor.relations@careedge.in

Business Responsibility and Sustainability Report

A Business Responsibility and Sustainability Report as per Regulation 34(2) of the SEBI Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front, is provided as **Annexure – V** and forms an integral part of this Annual Report.

Performance and Financial Position of Subsidiary, Associate and Joint Venture Company and their Contribution to the Overall Performance of the Company

As required under Section 129 of the Act and Regulation 33 of the SEBI Listing Regulations, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards and are a part of the Annual Report. Statements highlighting the performance of the subsidiary companies and their contribution to the overall performance of the Company are given in Form AOC-1 and have been appended as **Annexure- VI** to this Report.

Pursuant to provisions of Section 136 of the Act, the financial statements of the subsidiaries, as required, are available on the Company's website and can be accessed at https://www.careratings.com/financial-performance

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679040466_Policy%20for%20determining%20material%20subsidiaries.pdf

Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities and Exchange Board of India. The Report on Corporate Governance as per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of the Annual Report. The Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V(E) of the SEBI Listing Regulations, a Certificate by the Managing Director affirming the compliance of Code of Conduct and a Certificate of Non-disqualification of Directors provided by the Practicing Company Secretary form part of the Corporate Governance Report which has been appended as **Annexure-VII**.

Annual Return

Pursuant to the provisions of Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 and Section 134(3)(a) of the said Act, the Annual Return containing details as on March 31, 2025 is available on the Company's website on: https://www.careratings.com/annual-reports

Share Capital

There was no change in Authorised Share Capital during the Financial Year ended on March 31, 2025. The Authorised Share Capital of the Company is Rs. 35,00,00,000/- (3,50,00,000 Equity Shares of face value of ₹ 10/- each).

During the Financial Year ended on March 31, 2025, the Company has allotted 80,035 equity shares on account of the exercise of Stock Options under the Employee Stock Option Scheme, 2020, the details of which are given below:

Sr. no.	Date of Allotment	No. of Equity Shares allotted
1	April 12, 2024	15,801
2	May 14, 2024	2,000
3	June 11, 2024	7,332
4	July 11, 2024	17,501
5	August 7, 2024	5,000
6	September 3, 2024	1,000
7	October 7, 2024	8,000
8	December 4, 2024	6,667
9	January 3, 2025	2,200
10	February 13, 2025	1,200
11	March 11, 2025	13,334

In view of this, the paid-up share capital as on March 31, 2025, was ₹ 29,93,21,480/- which consisted of 2,99,32,148 equity shares of ₹ 10/- each.

Employees Stock Option Scheme

As required in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosure relating to CARE Ratings Limited ESOP Scheme is available on the Company`s website at: https://www.careratings.com/annual-reports

Details relating to Deposits covered under Chapter V of the Act

The Company has not accepted or renewed any deposits within the purview of Chapter V of the Act during the year under review.

Update on Certain Matters:

The following are the updates on certain matters:

A. SEBI initially imposed a penalty of ₹ 25 Lakh and subsequently enhanced it to ₹ 1 crore in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries under Section 15HB of the SEBI Act, 1992. An appeal has been filed before the SAT. The case is pending as of this date.

B. In the suit filed by 63 Moons Technologies Ltd., the Hon'ble Madras High Court passed an Order dated February 1, 2023, directing the Company amongst other respondents to deposit 10% of the total value of the suit claim in the Madras High Court, as a means of furnishing security, failing which the interim order of injunction restraining the Company from dealing with any of its assets will continue till the suit is disposed of. The Company has filed appeals against the said order before the Division Bench of the Madras High Court, which are currently pending as of this date.

Change in the Nature of Business

During the Financial Year 2024-25, there was no change in the nature of business of the Company.

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working on the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment, including sexual harassment.

The Company has a policy on the Prevention of Sexual Harassment at the Workplace. The Policy aims at the prevention of harassment of employees and lays down the guidelines for the identification, reporting and prevention of undesired behaviour. An Internal Complaints Committee (ICC) has been set up as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in order to investigate any complaints/ issues related to sexual harassment. ICC is responsible for the redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the year ended March 31, 2025, the ICC did not receive any complaints pertaining to sexual harassment.

Business Risk Management

The Board of Directors of the Company has constituted a Risk Management Committee consisting of members of the Board of the Company to frame, implement and monitor the risk management plan for the Company. The composition of the Committee is in compliance with Regulation 21 of the SEBI Listing Regulations, and the detailed composition is provided in the Corporate Governance Report. The Company has a Risk Management Framework to identify and evaluate internal and external risks faced by the Company.

The risk management framework defines risk identification and its management across the enterprise at various levels, including documentation and reporting. The Framework helps in identifying risk trends, exposure and potential impact analysis on a Company's business in order to minimise the adverse impact of any type of risk on the business objectives.

Corporate Social Responsibility: Growing Together

As a part of CARE Ratings' initiatives under Corporate Social Responsibility (CSR) in FY 2024-25, your Company released payments amounting to Rs. 2.75 crores (P.Y.: Rs.2.28 crores) in areas of healthcare, education, supporting defence forces & families, community development, sustainability & rehabilitation.

The Board has constituted a Corporate Social Responsibility and Sustainability Committee (CSRS Committee) in accordance with Section 135 of the Act. The CSR Policy has been devised based on the recommendations made by the CSRS Committee. The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure VIII** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on the website of the Company at https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679039991_Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf

Material Non-Listed Subsidiary

As per the Consolidated Financial Statements of the Company for FY2025, CARE Analytics and Advisory Private Limited became material subsidiary of the Company.

Directors' Responsibility Statement

As required under Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability confirm that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the said year;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts for the financial year ended March 31, 2025, on a going concern basis;
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating effectively;
6. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

Compliance with the Secretarial Standards 1 & 2 issued by the Institute of the Company Secretaries of India (ICSI)

The Company has complied with the applicable Secretarial Standards 1 & 2 issued by ICSI related to the Board and General Meetings.

Acknowledgements

The Directors are thankful to the Members for their confidence and continued support. The Board places on record its appreciation of the contribution of its employees to the Company's operations and the trust reposed in it by market intermediaries, issuers and investors. The Board also appreciates the support provided by the Reserve Bank of India, the Securities Exchange Board of India and the Company's Bankers.

On behalf of the Board of Directors of CARE Ratings Limited

Sd/-

Najib Shah
Chairman
DIN: 08120210

Sd/-

Mehul Pandya
Managing Director & Group CEO
DIN: 07610232

Place: Mumbai

Date: May 12, 2025

ANNEXURE – I

NOMINATION & REMUNERATION POLICY (DIRECTORS, KMP & SENIOR MANAGEMENT)

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the Company, to harmonize the aspirations of human resource consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management has been formulated.

CONSTITUTION OF COMMITTEE

CARE Ratings Limited ("the Company" or "CARE") had two separate committees, 1) Remuneration Committee and 2) Corporate Governance and Nomination Committee. To comply with the provisions of the Companies Act, 2013 and revised clause 49 of the erstwhile Listing agreement, the Board of Directors at its 114th Board Meeting held on May 20, 2014, merged the Remuneration Committee and the Corporate Governance and Nomination Committee and named it as **'Nomination and Remuneration Committee'**.

OBJECTIVE

The Nomination and Remuneration Committee of the Company and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 / Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of this policy is to lay down a framework in relation to appointment and remuneration of Directors, KMP, Senior Management Personnel and other employees and Board diversity.

The terms of reference of the Committee as defined by the Board are as follows:

Section 178 of the Companies Act, 2013:

1) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;

2) Recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual Directors to be carried out either by the Board, by the Committee or by any an independent external agency and review its implementation and compliance;

3) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;

4) Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a) use the services of an external agencies, if required;

   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) consider the time commitments of the candidates.

3) Formulation of criteria for evaluation of Independent Directors and the Board;

4) Devising a policy on Board diversity;

5) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

6) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

7) Recommend to the board, all remuneration, in whatever form, payable to senior management.

APPLICABILITY

a) Directors (Executive and Non-Executive);

b) Key Managerial Personnel and

c) Senior Management Personnel.

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the CARE Ratings Limited.

"Directors" mean Directors appointed to the Board of a Company.

"Executive Director" means a director who is in full time employment and involved in the day-to-day management of the company.

"Non- Executive Director" means a director who is not in employment of the Company but is involved in policy making and planning exercises.

"Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Key Managerial Personnel" means:

- the Chief Executive Officer or the Managing Director, or the Manager;
- the Company Secretary;
- the Whole-time director;
- the Chief Financial Officer;
- such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- Such other officer as may be prescribed.

"Senior Management Personnel" means the officers and personnel of the Company who are members of its core management team, excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/manager, in case they are not part of the board) including the functional heads and persons identified and designated as Key Managerial Personnel, other than Board of Directors of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 ("the Act") or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as may be amended from time to time shall have the meaning respectively assigned to them therein.

A. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

a) The Board of Directors of CARE to consist of eminent professionals from the disciplines of banking, finance, accounts, economics, etc.

b) The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

c) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

d) The Company shall not appoint or continue the employment of any person as Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

e) The Company shall not appoint or continue the employment of any person as Non-Executive Director who has attained the age of seventy-five years. Provided that the term of the person holding this position may be extended beyond the age of seventy-

five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy-five years.

2. Positive Attributes

a) Excellent interpersonal, communication, leadership and representational skills;

b) Having continuous professional development to refresh knowledge and skills and

c) Commitment of high standard of ethics, personal integrity and probity.

3. Independence of Director

CARE is a professionally managed company. It neither has identified promoter nor any nominee director or any director holding any substantial shareholding in the Company. In view of being professionally managed company, any person who fulfils the criteria of Independence as prescribed under the Act and Listing Regulations, can be appointed as an Independent Director.

4. Evaluation of Performance

The Nomination and Remuneration Committee shall recommend to the Board on appropriate performance criteria for the directors. It shall also carry out an evaluation of performance of every Director on the Board of the Company.

5. Term / Tenure

a) **Managing Director/Whole-time Director/ Executive Director:** The Company shall appoint or re-appoint any person as its Managing Director or Wholetime Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

6. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

7. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

8. Board Diversity

The Committee is to assist the Board in ensuring that diversity of gender, thought, experience, knowledge and perspective is maintained in the Board nomination process in accordance with the Policy on Board Diversity.

B. POLICY FOR REMUNERATION TO DIRECTORS / KMP / SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing Director, Executive Director, KMP and Senior Management Personnel:

The Remuneration / Compensation etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force, however, shall always be subject to such approvals as per the applicable provisions of such Act. The remuneration with regard to Senior Management Personnel will be as per the policy of the Company.

2. Performance Evaluation and Variable pay to Managing Director & CEO and Key Managerial Personnel:

The performance evaluation of the Managing Director & CEO and other Key Managerial Personnel will be decided on the basis of financial and technical parameters and its achievement to the budgeted targets fixed by

the Board. Further, the overall performance of the Company, retention of the clients, new additions of the client, recovery of outstanding dues, growth in profit, growth in revenue and control over management expenses will also be considered.

3. Remuneration to Non-Executive Director and Independent Director:

The Non-Executive Director and Independent Director will be entitled for sitting fees for attending the Board and Committee Meetings subject to ceiling/ limits as provided under the Act and rules made there under or any other enactment for the time being in force and after passing of a resolution by the Board.

4. Commission:

The Non-Executive Director and Independent Director may be paid commission subject to ceiling/ limits as provided under the Act and rules made there under or any other enactment for the time being in force and after passing of a resolution by the Shareholders.

5. Stock Options:

Independent Directors shall not be entitled to any stock options of the Company.

6. Minimum remuneration to Managing Director and Executive Director in case of no profits or inadequate profits:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Executive Director in accordance with the provisions of Schedule V of the Act or, if it is not able to comply with such provisions.

7. Post-retirement Benefits:

The Managing Director, Executive Director and Senior Management Personnel are entitled for retirement benefits such as encashment of leave, leave travel concession, provident fund, superannuation fund and gratuity.

B. DUTIES IN RELATION TO NOMINATION MATTERS:

The duties of the Committee in relation to nomination matters include:

a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

b) Ensuring that in case of appointment as Independent Directors, the Independent Directors shall be issued a formal letter of appointment in accordance with the Guidelines provided under the Act;

c) Identifying and recommending Directors who are to be put forward for retirement by rotation;

d) Determining the appropriate size, diversity and composition of the Board;

e) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

f) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

g) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

h) Delegating any of its powers to one or more of its members or the Secretary of the Committee;

i) Recommend any necessary changes to the Board and

j) Considering any other matters, as may be requested by the Board.

C. DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

a) Considering and determining the Remuneration Policy, based on the performance and also reasonableness and sufficient to attract / retain / motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;

b) Approving the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

c) Delegating any of its powers to one or more of its members or the Secretary of the Committee and

d) Considering any other matters as may be requested by the Board.

D. REVIEW AND AMENDMENT

a) On the recommendation of the Committee, the Board may review the Policy as and when it deems necessary;

b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary and

c) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

ANNEXURE – IIA

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
CARE Ratings Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CARE Ratings Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time (Not applicable to the Company during the audit period);

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and amendments from time to time;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and amendments from time to time (Not applicable to the Company during the audit period);

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client (Not applicable to the Company during the audit period);

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time (Not applicable to the Company during the audit period);

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendments from time to time (Not applicable to the Company during the audit period); and

(vi) Other laws specifically applicable to the Company namely:

a) Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;

b) Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken by requisite majority.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: 12 May 2025

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697G000322878
PR No.: 6556/2025

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report and the Secretarial Compliance Report.

'Annexure A'

To,
The Members,
CARE Ratings Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: 12 May 2025

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697G000322878
PR No.: 6556/2025

ANNEXURE – IIB

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
CARE Analytics & Advisory Private Limited
(Formerly known as CARE Risk Solutions Private Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CARE Analytics & Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2025, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

(i) The Companies Act, 2013 and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable to the Company during the audit period)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period)

  (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) As represented by the Company, there are no other laws applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

We further report that:

The Board of Directors of the Company is constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken by requisite majority.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following events had occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc:

1. Reclassification of Authorised Share Capital of the Company from Rs. 100,00,00,000/- (Rupees One Hundred Crores only) divided into 7,25,00,000 (Seven Crore Twenty-Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 2,75,00,000, Optionally Convertible Cumulative Redeemable Preference shares of Rs. 10/- each (Rupees Ten only) to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) comprising 5,25,00,000 (Five Crore Twenty-Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each, and 4,75,00,000, (Four Crore Seventy-Five Lacs) Optionally convertible cumulative redeemable Preference shares of Rs. 10/- each (Rupees Ten only).

2. Approval of the Shareholders of the Company to grant authority to Board of Directors or Committee to borrow any sum/sums of moneys at its discretion, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed/to be borrowed, whether secured or unsecured will exceed the aggregate of the paid up capital, free reserves and securities premium provided that the maximum amount of money so borrowed shall not exceed Rs. 25 Cr. at any time.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: May 2, 2025

Sarvari Shah
Partner
FCS No: F9697 CP No: 11717
UDIN: F009697G000252918
PR No.: 6556/2025

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
CARE Analytics & Advisory Private Limited
(Formerly known as CARE Risk Solutions Private Limited)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: May 2, 2025

Sarvari Shah
Partner
FCS No: F9697 CP No: 11717
UDIN: F009697G000252918
PR No.: 6556/2025

ANNEXURE - III

Management Discussion and Analysis

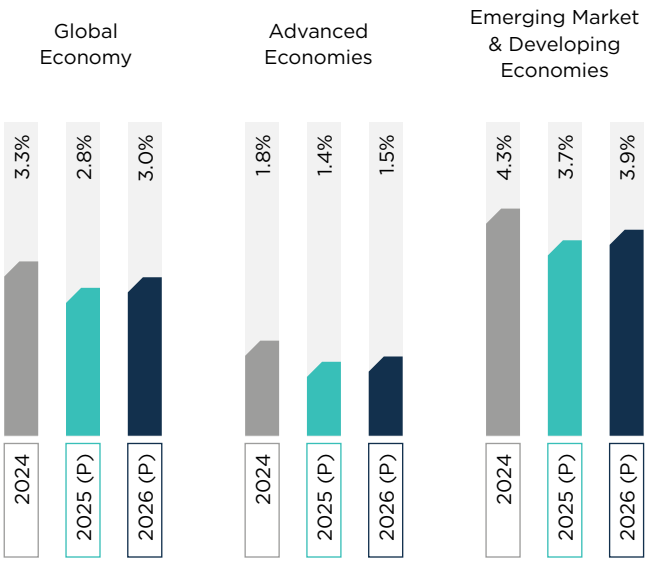
Economic Overview

Global Economy

The global economy grew by 3.3% in 2024 compared to 3.5% in 2023. Global inflation averaged at 5.7% in 2024, moderating from a high of 8.6% in 2022. However, the global economy seems to be in turbulent waters given the heightened uncertainty around the trade policies and geopolitical unrest.

The International Monetary Fund (IMF) has trimmed its 2025 global growth forecast to 2.8%, lower by 0.5 percentage points compared to its earlier forecast. This downward revision is reflective of the direct and indirect repercussions of the trade policy changes. Over the next five years, global economic growth is projected to average at 3.1%, trailing below the historical average of 3.7% witnessed during 2000-19. Average global inflation is projected to moderate to 4.3% in 2025 and further to 3.6% in 2026. Despite the moderation, the price levels are expected to remain above the pre-pandemic levels. Additionally, the global inflation outlook faces high uncertainty on account of the shifts in global trade policies.

World GDP Growth Trends



Source: IMF; P – IMF Projections

Indian Economy: View on FY26

In the last fiscal, the Indian economy weathered the challenges stemming from an uneven demand recovery and elevated food inflation. Heading into FY26, the global economy is bracing for a turbulent period, marked by heightened uncertainty around the global trade policies and a likely slowdown in global growth.

From a domestic perspective, while rural demand has been holding up well, there continue to be signs of weakness in urban demand. Thus, a durable and broad-based recovery in the consumption scenario will be a key monitorable in the current fiscal. The moderation in inflationary pressures, particularly the food inflation and reduction in the income tax burden are the key supporting factors for the consumption outlook. The prospects for inflation have improved on account of robust agricultural production and expectations of a normal monsoon. We expect the RBI to cut the policy rates further in FY26 as growth concerns take precedence amidst a benign inflationary scenario.

While a balanced consumption recovery remains a crucial monitorable, the other important watch out in FY26 is the pick-up in investments. The government is expected to remain at the forefront of the investment scenario with an upbeat capex target of Rs 11.2 trillion in this fiscal year. The private investment sentiments are likely to be guided by the evolving domestic and global landscape, even while lower interest rates remain supportive of a pick-up in the investment cycle.

With the global economy in an uneven terrain, external demand is likely to remain subdued, weighing on the performance of India's merchandise exports. The impact is expected to be partially offset by the relatively encouraging performance in India's services exports. Given these factors, India's current account deficit is projected to remain manageable in FY26. Heightened trade policy uncertainty is likely to keep overall investment sentiment subdued, resulting in muted FDI inflows in FY26. FPI flows are also likely to remain volatile amidst global uncertainties.

Overall, the Indian economy is well placed to meet the turbulent global environment, marked by heightened uncertainties. Maintaining strong domestic fundamentals will be key to building resilience and sustaining growth amid external challenges.

GDP growth trend in India in (%)



Source: CMIE; P: CareEdge Projection

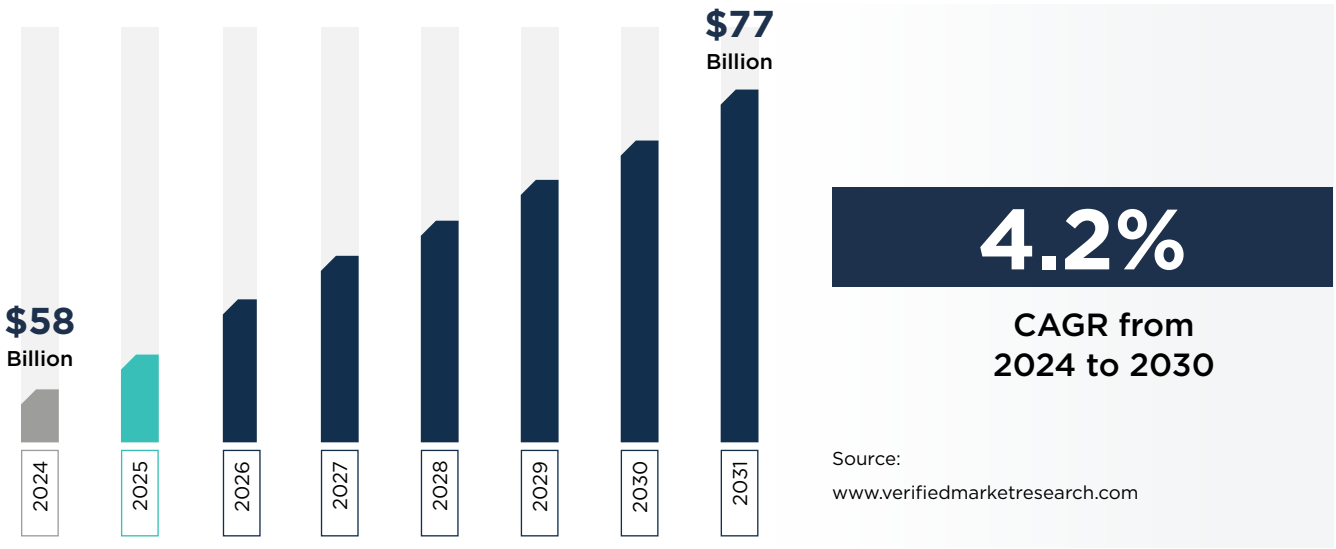
Industry Overview

Global Credit Rating Industry[1]

The global credit rating industry is super concentrated, where about 95% of this work is done by few major companies. In 2024, the global credit rating market was valued at approximately 58 billion US dollars. These agencies give ratings for trillions of dollars of debt around the world that help people and companies understand the elative risk assessment of counterparties such as governments, businesses, and even projects. In 2023, over 25 trillion dollars in bonds were issued[2] Many of them needed credit ratings. After the 2008 financial crisis, the industry came under more rules and checks. Still, credit ratings remain a key part of the global financial system because of the importance of assessing the quality of any asset.

Looking ahead, the credit rating market is expected to grow steadily. By 2031, it's projected to reach around 77 billion US dollars by growing at an annual rate of about 4.2% from 2024 to 2031. In the long run, this growth is expected as more countries build up their financial markets. There is also more demand for ESG ratings that focuses on the environment, social issues and Company management. This part of the business may bring in over 1.5 billion dollars by 2027 for credit rating agencies.[3] As economies recover and evolve, the demand for reliable credit evaluations will continue to be crucial for informed financial decisions.

Global Credit Rating Market Growth



Source: Verified Market Research[4]

Indian Credit Rating Industry

The credit rating industry in India in recent years has grown by approximately 12%.[5] They play a vital role in the country's financial system as they help informed decision making as regards to relative credit risk assessment of counterparties such as a Company or government. They give ratings that show how likely it is that the principal and interest will be paid back on time. These agencies are regulated by SEBI for listed securities and RBI for bank debt. It is the bedrock of the bond market, which was worth $2.69 trillion by the end of 2024, including over $602 billion in corporate bonds.[6] Since the COVID-19 pandemic, more and more people and companies have started using ratings to understand financial risks better, which has made credit rating agencies more important in the financial landscape.

The future for credit rating agencies in India looks promising, in line with our economic growth. This is likely to increase the need for more ratings. As more people and companies use bonds and loans to raise money for big projects, the demand for credit ratings will also grow. India is working toward becoming a developed economy, and this growth will lead to more borrowing and investing. This means more need for credit rating agencies in the financial ecosystem for better credibility and trust. New areas like checking if companies are environmentally and socially responsible, as well as special kinds of bonds like green bonds and retail bonds, are also becoming more common.

[1]https://www.verifiedmarketresearch.com/product/credit-rating-market/

[2]https://www.sifma.org/resources/research/statistics/fact-book/

[3]https://esgnews.com/esg-reporting-software-market-worth-1-5-billion-by-2027-exclusive-report-by-marketsandmarkets/

[4]https://www.verifiedmarketresearch.com/product/credit-rating-market/

[5]https://www.icrallc.com/decoding-the-business-model-of-credit-rating-agencies-insights-into-icra-a-top-credit-rating-agency/

[6]https://economictimes.indiatimes.com/markets/bonds/why-bonds-belong-to-every-indian-investors-portfolioand-why-now-is-the-ideal-time-to-invest/articleshow/120337864.cms?from=mdr

Company Overview

CARE Ratings Ltd (CareEdge Ratings or the Company) is India's second-largest rating agency, with a credible track record of rating companies across diverse sectors and a strong position across the segments. The Company was established in 1993, and by then, it had built a strong reputation and trust in the credit rating industry. With over 3 decades of deep domain expertise and a robust analytical framework, CareEdge Ratings offers ratings that help lenders and investors make informed decisions.

Over the years, CareEdge Ratings has expanded its services beyond traditional credit ratings to ESG ratings, research, risk assessment, and advisory services. The Company serves a diverse set of clients from various industries such as manufacturing, infrastructure, and the financial sector, which includes banking and non-financial services, both in India and abroad.

Driven by a commitment to transparency and quality-led growth, CareEdge Ratings aims to be a knowledge-centric brand through publishing data-driven insights on the Indian and global economy, and industry research papers regularly. It continues to play a pivotal role in strengthening market confidence and supporting the development of India's financial ecosystem.

Business Overview of FY 2025

FY2025 was an important year for the CareEdge Group. It showed that the Company's strong foundation and the steps it has taken to grow are working well. Throughout the year, the Company made bold and confident moves to reach its long-term goals. Every action was taken with a clear plan and strong sense of purpose, helping the Company stay on the path to success. The Company's approach has been very effective and helped them achieve several important milestones. A firm belief in its strengths and capabilities and a dedication to excellence significantly contributed to these accomplishments.

On the international stage, CareEdge expanded its presence, especially in Africa and Nepal. It also launched CareEdge Global, marking its entry into Sovereign and Global Scale Ratings, an important step forward. The growth of the company is built on three main pillars: Technology, People, and Group Synergy. These continue to guide and support its progress as it faces challenges in the global market. With its mission firmly in focus, CareEdge is ready to achieve even more in the coming year.

Business Performance: Onwards & Upwards

In recent times, the Company restructured its Business Development (BD) team from a region-based model to a verticalised and industry-focused approach. This strategic shift allowed for more efficient use of resources and contributed to consistent growth in new business acquisitions throughout FY 2025. The Company's efforts to expand its geographical reach also paid off, resulting in an increase in new rating market share by count and reinforcing its position as the leading credit rating agency.

The Company on-boarded significantly large number of new clients rated in the "A" category and above during FY 2025, which is aligned with its Quality Led Growth strategy. Its focused initiatives in the capital market helped boost market share in both public and private placement issuances. The securitisation segment experienced robust growth, with a 55% rise in rated volumes compared to FY 2024.

In FY 2025, SEBI introduced a new mandate for rating agencies to monitor the use of equity issuance proceeds by corporates. The Company quickly established itself as the market leader in this area. Committed to building a knowledge-centric brand, the Company continued to provide valuable insights through monthly newsletters covering the infrastructure and BFSI sectors, along with its publication 'Foresights'.

Ratings Vertical Performance

The Ratings vertical showed a strong performance this year, which is marked by excellent analysis, timely execution, thought leadership, and increased use of technology. The team delivered reliable ratings with the lowest default rates in the industry and took quick and well-informed actions when needed, which helped the Company earn trust from several investors and clients. The Company efficiently handled significantly large number of rating assignments by meeting all deadlines and compliance requirements without delays. The team actively shared insights through more than 30 webinars and conferences, over 80 opinion pieces, and continued publishing their well-received monthly magazine "Foresights".

Technology and automation played a key role in achieving excellence in the company's operations. Efforts are being made to integrate artificial intelligence (AI) and machine learning (ML) to improve workflows for better accuracy and efficiency. Despite global economic challenges, the team remains confident about maintaining high performance by focusing on strong processes, deeper investor engagement, and continued innovation.

Brand Power: Stronger than Ever

In FY 2025, CareEdge not only continued its branding efforts but also took them to the next level. The Company increased its visibility through focused, high-quality outreach and a stronger presence in the media. The brand presence of the Company was strengthened through a range of outreach activities and industry engagement forums. Its flagship event series, "CareEdge Conversations" which was held in Mumbai and Pune, featured prominent thought leaders and experts. Our sector-focused roundtables, "CareEdge Charcha" and events focussed on Global debt issuances "CareEdge Dialogues", along with numerous knowledge-sharing forums, facilitated meaningful dialogue, reinforcing our leadership in the industry.

In FY 2025, CareEdge hosted over 30 webinars and conferences and participated in 127 Knowledge Sharing

Forums where experts spoke and shared knowledge. The Company also produced valuable content such as knowledge papers, thematic reports, and regular updates. CareEdge partnered with well-known media and industry platforms to boost its influence. These included the ET MSME Awards, Business Standard MSME Awards, Free Press Journal's Best Annual Report Awards, and events by groups like Assocham (such as the 16th Mutual Fund Summit) and the Global Real Estate Brand Awards 2024. Moreover, CareEdge also continued to build strong relationships with the financial community through active investor relations that helped keep stakeholders informed and engaged throughout the year.

Business verticals



CARE Ratings (Africa) Private Limited

FY 2025 marks the 10th Anniversary of CareEdge Africa, a significant milestone that underscores CareEdge Group's long term commitment to fostering trust, integrity, and transparency in the financial ecosystem of Mauritius and Africa.

CareEdge Africa continued its impressive performance during the financial year. In FY 2025, CareEdge Africa assigned ratings to bank facilities and bond issues aggregating to USD 3 billion (USD 2.4 billion in FY24), translating to a 25% higher debt rating in FY25 (vis-à-vis FY24). Accordingly, CareEdge Africa's revenue from operations grew by 48% in FY25 (32% in FY24), and PBT grew by 81% in FY25 (12% in FY24)



CARE Ratings Nepal Limited

In FY 2025, CareEdge Nepal focused on important goals like getting and keeping customers, improving efficiency, using more digital tools, offering new services, building strong partnerships, and showing solid leadership. Despite challenges such as limited bank approvals due to rising non-performing loans (NPLs), tough competition, and low awareness of credit ratings in Nepal's market, the Company still made good progress. It carried out outreach programs to raise awareness, held knowledge-sharing sessions with financial institutions, actively worked with regulators and industry leaders, and launched its flagship event, "CareEdge Conversations" which encouraged meaningful talks with clients, bankers, and stakeholders.

These efforts led to a 26% increase in revenue and a 16% growth in profitability during FY 2025. CareEdge Nepal also became the market leader in the country, holding the highest market share in both new ratings and ongoing rating reviews. The Company also made progress in digital transformation by using platforms like Ci3, improved its presence in the media, and focused on growing its team through structured training programs. This helped build leadership skills and maintain low employee turnover.

Looking ahead, CareEdge Nepal plans to expand its market reach, improve how it connects with customers, and continue investing in its team and leadership development. These steps are aimed at increasing client satisfaction, strengthening the brand, and boosting profitability for future growth.

CARE Analytics and Advisory Private Limited (Erstwhile CARE Risk Solutions Pvt Limited)

CareEdge Analytics

CareEdge Analytics is a key player in risk analytics and consulting, offering advanced solutions to banks and financial institutions. With over 18 years of experience, the Company provides modern risk management through its AI-powered platform "EdgeAvira.ai". All new products are now part of this platform, which shows the strong focus on innovation and complete risk intelligence.

CareEdge Analytics has successfully completed more than 100 projects in India, Sri Lanka, and Bhutan, earning a solid reputation in the banking industry. As a fully owned subsidiary of CARE Ratings Limited, CareEdge Analytics benefits from the strength and expertise of its parent Company, which helps enhance its analytics capabilities and grow its reach.

In the last year, CareEdge Analytics went through a major transformation, reshaping itself as a FinTech company under the CareEdge brand. With deep knowledge in credit risk, CareEdge Analytics is now firmly positioned in the Credit Tech space. While continuing to explore the large potential of the Indian market, it is also expanding its presence in the Middle East and Africa. It shows the constant focus on innovation and a strong understanding of risk and compliance, CareEdge Analytics remains committed to shaping the future of financial analytics.

CareEdge Advisory

CareEdge Advisory is on a mission to become a trusted, knowledge-driven partner that helps clients make superior decisions through strong sector insights and advanced analytics. Its main service areas include industry research, corporate advisory, and ESG advisory. These teams support clients with specialised research, investment advice, asset monetisation, strategic planning, analytical assessments, peer benchmarking, TEV studies, business valuations, grading services, and ESG consulting.

CareEdge Advisory aims to expand these services even further, building on the experience and variety of projects it has already handled. This experience has added depth to its capabilities and given it a competitive edge in the markets it serves. CareEdge Advisory regularly shares its

knowledge and viewpoints through social media posts, opinion articles, and other content, helping build its brand and reputation as a thought leader.

Looking ahead, CareEdge Advisory expects to grow across all its business lines. This growth is likely to be supported by broader economic development, government initiatives like infrastructure expansion, the Viksit Bharat vision, and India's progress toward Net Zero. To stay ahead, CareEdge Advisory continues to invest in people, skills, and technology to remain competitive and meet the evolving needs of the industry.

Future plans also include taking on more complex projects, expanding into new customer segments, and deepening expertise and service quality. Strategic partnerships have been important in the past and will continue to play a key role in offering end-to-end solutions. Additionally, CareEdge Advisory plans to expand into other countries where the CareEdge Group operates. Thought leadership and brand building will remain central to its outreach strategy through articles, webinars, seminars, and expert opinions.

CARE ESG Ratings Limited (Erstwhile CARE Advisory Research and Training Limited)

In FY 2025, the Company made important progress in the Environmental, Social and Governance (ESG) space, which highlights its growing importance to investors, stakeholders and regulators. CARE ESG Ratings Limited (CareEdge ESG) leads this effort as a fully owned subsidiary of The Company, licensed by SEBI and officially registered as a Category "I" ESG Rating Provider under the Issuer Pays model.

CareEdge ESG developed a detailed and structured methodology for conducting ESG assessments, which is reviewed and validated by an external rating committee. This process ensures the quality, reliability, and transparency of the ESG ratings provided. The team has also been proactive in engaging with clients, highlighting its unique approach and the value it brings to their sustainability goals.

A major milestone was achieved with the assignment of the first ESG rating to ESAF Small Finance Bank by CareEdge ESG. This marked a significant step and showed its ability to provide credible, high-quality ESG ratings. As CareEdge ESG continues to grow its ESG services, it remains committed to helping clients meet their sustainability objectives and delivering lasting value to all stakeholders.

CareEdge Global IFSC Limited

In October 2024, The Company took a major step into the international market by launching CareEdge Global IFSC Limited (CareEdge Global), which is a wholly owned subsidiary focused on Global Scale Ratings. This move came after more than 30 years of experience in India's debt markets, and CareEdge Global was also officially licensed by the International Financial Services Centres Authority (IFSCA) to provide global-scale and sovereign ratings.

CareEdge Global is proud to be the first Indian credit rating agency to enter the global credit rating space. It brings a fresh and credible option to the highly concentrated international ratings market by building on a strong foundation of transparency, consistency, a localised approach, and authenticity.

Since its launch, CareEdge Global has already assigned global scale ratings to seven companies for their international bond issues, with a combined value of USD 2 billion. The agency received its IFSCA license at GIFT City, which acts as a unified financial regulator. The CareEdge Global team has been actively engaging with issuers and investors to promote its unique value proposition. The Company is expected to play a key role in expanding the CareEdge Group's global presence and driving future growth.

Financial Performance

Consolidated Financial Performance (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth (%)
Income			
Revenue from operations	402.32	331.68	21.30%
Other income	50.75	46.69	8.70%
Total Income (A)	**453.07**	**378.37**	**19.74%**
Expenses			
Employee costs	188.92	164.58	14.79%
Depreciation, amortization & impairment	11.72	10.48	11.82%
Finance costs	2.11	1.71	23.13%
Other costs	58.05	54.97	5.61%
Total Expenses (B)	**260.80**	**231.75**	**12.54%**
Profit Before Tax (A-B)	**192.27**	**146.63**	**31.12%**
Taxes	52.26	44.07	18.60%
Profit After Tax	140.01	102.56	36.50%

Consolidated Key Ratios

Ratios	FY 2024-25	FY 2023-24
Debtors Turnover (in times)	12.54	14.75
Current Ratio (in times)	7.08	8.57
Inventory Turnover	NA	NA
Interest Coverage Ratio	NA	NA
Debt Equity Ratio	NA	NA
Operating Profit Margin (%)	38.61%	33.81%
PAT Margin (%)	30.90%	27.11%
Return on Net Worth (%)	17.17%	14.15%

Asset Details (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth (%)
Property, plant, equipment, Right to use assets, goodwill & intangibles	160.34	143.22	12%
Less accumulated depreciation	41.12	34.40	20%
Less impairment on intangible assets	-	-	N.M.
Net Block	119.21	108.82	10%
Depreciation as % of Total Income	2.59%	2.77%	-7%
Accumulated depreciation as % of Gross Block	25.65%	24.01%	7%

Non-Current & Current Investments (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth %
Non-Current Investments			
Investments in Equity instruments (Unquoted)	25.44	24.93	2.07
Investment in Tax-Free Bonds	18.80	18.89	N.M.
(A) Total	**44.25**	**43.82**	**0.97%**
Current Investments & Treasury			
Investment in Mutual Funds & Bonds (Quoted)	99.09	22.95	331.77%
Cash and Bank Balances	20.45	8.28	147.03%
Fixed Deposits/Liquid funds	616.64	606.09	2.94%
(B) Total	**736.19**	**637.32**	**16.81%**
Grand Total (A) + (B)	**780.43**	**681.14**	**15.78%**

Group's Trade Receivables (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth %
Ratings & other services (Net)	23.80	15.19	55.98%
Non-Ratings	8.29	7.30	14.66%
Total	**32.09**	**22.49**	**42.70%**

Standalone Financial Performance (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth (%)
Revenue from operations	336.68	283.07	18.94%
Other income	51.39	46.96	9.43%
Total Income (A)	388.07	330.03	17.59%
Expenses			
Employee costs	146.24	125.12	16.88%
Depreciation, amortization & impairment	7.94	11.15	-28.77%
Finance costs	1.58	1.48	6.98%
Other costs	35.30	30.41	16.06%
Total Expenses (B)	**191.06**	**168.15**	**13.62%**
Profit Before Tax (A-B)	**197.01**	**161.88**	**21.71%**
Taxes	49.02	42.44	15.51%
Profit After Tax	**147.99**	**119.44**	**23.92%**

Standalone Key Ratios

Ratios	FY 2024-25	FY 2023-24
Debtors Turnover (in times)	14.98	19.25
Current Ratio (in times)	7.75	10.26
Inventory Turnover	NA	NA
Interest Coverage Ratio	NA	NA
Debt Equity Ratio	NA	NA
Operating Profit Margin (%)	46.08%	45.06%
PAT Margin (%)	38.18%	36.19%
Return on Net Worth (%)	17.25%	15.73%

Property, Plant, Equipment & Net Block (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth %
Property, plant, equipment etc	127.81	122.49	4%
Less accumulated depreciation	35.00	29.51	19%
Less Impairment on intangible assets	-	-	N.M.
Net Block	92.80	92.98	0%
Depreciation as % Total income	2.05%	2.32%	-12%
Accumulated depreciation as % gross block	27.39%	24.09%	14%

Non-Current & Current Investments (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth %
Non-Current Investments			
Investments in Equity instruments (Unquoted)	120.42	89.91	89.91
Investments in Preference shares	26.50	20.50	20.50
Investment in Tax-Free Bonds	18.80	18.89	18.89
(A) Total	**165.72**	**129.30**	**129.30**
Current Investments & Treasury			
Investment in Mutual Funds & Bonds (Quoted)	99.09	22.95	331.78%
Cash and Bank Balances	17.01	4.33	292.84%
Fixed Deposits/Liquid funds	543.15	563.33	-3.58%
(B) Total	**659.26**	**590.61**	**11.62%**
Grand Total (A) + (B)	**824.98**	**719.91**	**14.60%**

Trade Receivables (Rs in Crore)

Details	March 31, 2025	March 31, 2024	Growth %
Ratings & other services (Net)	22.48	14.71	52.79%
Non-Ratings	-	-	NA
Total	**22.48**	**14.71**	**52.79%**

Risk Management

Risk	Description	Mitigation Strategy
Operational Risk	This refers to the risk arising from failures in people management, internal processes, fraudulent activities, or technological disruptions. These risks can affect business continuity and the quality of services offered.	CareEdge addresses these risks through several measures: • Employees receive ongoing training to upgrade their skills and ensure a positive work environment, helping attract and retain top talent. • A comprehensive Ratings Operations Manual outlines strict Standard Operating Procedures (SOPs) that are regularly audited to ensure full compliance. • A strong Code of Conduct is introduced during employee on-boarding and reinforced through periodic sessions to prevent fraud and ensure confidentiality. • The Company has a robust IT security policy, which includes firewalls, intrusion detection systems, encryption for data protection and regular penetration testing to identify vulnerabilities.
Business Risk	This risk refers to the state of the economy, particularly in terms of economic growth. When the economy experiences low growth, it leads to reduced investment activities, which, in turn, impacts the growth of the rating universe. For instance, while the overall growth of the economy was healthy in FY25, private investment growth was muted. Nevertheless, your company posted a growth in its core business of ratings. Private investment growth will need to pick up in a meaningful way in FY26 to sustain the growth momentum generated over the last two years.	Your Company has adopted a Group approach that involves diversifying our business ventures, separating them from the ratings business. By expanding into other sectors, the Group can mitigate the impact of external factors on our overall operations. In FY25, revenue contributions from our non-rating businesses was 10.5% In addition to economic risks, there are various business risks we encounter. These include competition within the industry, challenges in accessing relevant information, uncooperative issuers, reputation risk, and potential non-payment of fees by clients. Focused efforts were taken during the year to deepen our relationship with our existing clients with targeted efforts to onboard clients from high-growth sectors. The availability of information directly affects the quality of our ratings. In cases such as the Issuer Not Cooperating (INC) ratings, where limited public information is available, we face difficulties in conducting thorough assessments. Your Company's well-thought-out rating criteria/methodologies have led to even stronger acceptability of our ratings, which is very critical from a long-term perspective. With our robust rating performance and high stability ratio of our ratings across categories, your Company continues to emphasise quality-led growth. With a leadership position in segments belonging to the Infrastructure and BFSI sectors, your company continues to garner incremental market share of the rating business. With India poised to move towards a USD 5 trillion economy, there would be a need to invest in this growth. The lending institutions/ markets are well geared to fund this growth, and your company is an important intermediary in this ecosystem. Also, with our superior rating performance, we feel confident of capitalising on the opportunities that come our way

Risk	Description	Mitigation Strategy
Market Intelligence Risk	This risk arises from the inability to accurately predict or detect early signs of financial stress in rated entities, especially important in the case of debt instruments like bonds. A missed or late warning of a default can hurt investors and damage the Company's credibility and trustworthiness.	CareEdge is actively working on upgrading and refining its market intelligence systems. The goal is to stay ahead of potential financial troubles faced by companies and ensure that early warning signals are captured in time. This proactive approach helps maintain the Company's reputation and protects investor interests.
Market Risk (Investment)	This risk involves potential losses in the value of the Company's investment portfolio due to fluctuations in interest rates. Since CareEdge manages a sizeable portfolio, sudden changes in the market can impact its returns.	To manage this risk, CareEdge follows a very cautious and conservative investment strategy. The primary objective is to protect shareholder capital while ensuring stable returns. The Company's investment policy focuses on minimizing risk exposure by carefully selecting low-risk instruments and maintaining a balanced risk-return profile.
Compliance and Other Related Risks	This risk arises due to the regulatory structure in which we operate.	CareEdge Ratings' software interface maps the entire workflow in the rating process, assigning the responsibility of various stakeholders and capturing timelines of key activities. The interface also sends out periodic alerts to supervisors on deviations and gives comprehensive MIS reports for monitoring. CareEdge Ratings has robust compliance policies and procedures that reflect the regulatory requirements and lay down the organisational and compliance standards for the employees. We also have an internal controls team to look into this on an ongoing basis, including monitoring compliance with various internal and external guidelines. Also, the risk arising from companies not being satisfied with our ratings is possible and we have an appeals committee with an external member chairing the committee. We thus do try and ensure that all our processes are robust so that we are ringfenced well in every respect. As such, all legal and regulatory risks which could potentially impact the company are monitored closely by the compliance & legal and criteria & quality control functions to mitigate them in coordination with the other functions/ departments. Further, periodic audits are undertaken to validate the compliance controls in the organisation to ensure the robustness of the designed controls. We are committed to strengthening our systems and processes continuously in line with market requirements and our studies to critically study past instances and identify root causes of sharp rating transitions. It may also be noted that a major portion of CareEdge Ratings' rating business is driven by regulatory requirements or requires accreditation, recognition or approval from government authorities. CareEdge Ratings is registered with SEBI and is recognised by RBI as an eligible credit rating agency in terms of the Basel-III Capital Adequacy Framework. Also, commercial papers have a mandatory credit rating requirement by RBI. In the event of changes to these regulations or norms, there may be a change in the demand for ratings. Implementation of the Internal Rating Based (IRB) approach by RBI may make rating non-mandatory to those banks for whom the IRB approach is approved by RBI.

Governance and Oversight

The majority of the Directors in CareEdge Rating's Board of Directors are independent Directors who bring with them rich experience in finance, economics, regulatory affairs, information technology, and the insurance industry. This provides advanced guidance to management for making innovative decisions.

Internal Control Systems and their Adequacy

CareEdge Ratings has implemented an internal control framework to ensure all assets are safeguarded and protected against loss from unauthorised use or disposition, and transactions are authorised, recorded, and reported correctly. The framework includes internal controls over financial reporting, which ensures the integrity of the financial statements of the Company and reduces the possibility of fraud.

The Internal Controls and Criteria Team issues well-documented operating procedures and authorisations with adequate built-in controls. These are carried out at the beginning of any activity and throughout the process to keep track of any major changes. As part of the controls process, they also review the design of key processes, from the point of view of the adequacy of controls. The independent internal auditors also conduct an exhaustive internal audit of the operations and procedures adopted by the company in accordance with SEBI's guidelines. The Company's statutory auditors have audited the financial statements and issued a report on your Company's internal control over financial reporting as defined in Section 143 of the Companies Act, 2013 (the 'Act'). The said report is annexed to the independent auditor's report.

Developments on the Regulatory Front

CareEdge Ratings has been actively engaging with the regulators on various aspects and has also been at the forefront in meetings of various industry bodies like the Association of Indian Rating Agencies (AIRA). In FY25, SEBI issued circulars to introduce measures for 'Ease of doing business', to identify scenarios of non-payment of debt due to reasons beyond the control of the issuer, enabling CRAs to undertake rating activities in the International Financial Services Centre – Gujarat International Finance Tech-city' and issued 'Cyber security and resilience framework' for SEBI regulated entities These initiatives opened opportunities and redefined the functioning of market intermediaries. The various measures initiated are aimed at enhancing the standards of the credit rating industry. CareEdge Ratings has instituted robust systems and processes to ensure compliance with all regulatory requirements. Your company is committed to upholding the highest standards to ensure regulatory compliance.

Technology

In FY 2025, CareEdge continued to strengthen operational efficiency and drive innovation within its regulated ratings business by embracing new technologies and data advancements. Recognizing the fast-changing digital landscape, the Company focused on using modern tools to improve productivity and service quality.

Its Machine Learning (ML) models, designed to extract financial and operational data from public corporate filings, were upgraded to handle more document formats with greater accuracy and better contextual understanding. These improvements, combined with continuous model training, led to higher data quality, which in turn enhanced analyst productivity and reduced turnaround times.

Following the launch of its new website, CareEdge further upgraded its features to comply with regulatory requirements and introduced websites for its subsidiary companies, ensuring consistent branding across the group. Business tools used by the ratings team were also enhanced, especially in the creation of rating letters, press releases, and regulatory reports, which are boosting overall efficiency.

The Company also completed a smooth document migration process, laying the foundation for its next-generation rating platform. This new platform is being developed with a technology partner and uses secure, scalable cloud-native systems along with advanced AI and ML capabilities. A phased rollout of key features began with internal testing.

To improve the sales process, CareEdge implemented a customer relationship management (CRM) system, launching modules for customer onboarding, opportunity tracking, and proposal management. Phase 2 of this system will introduce more sales tools and analytics to support better decision-making.

Additionally, CareEdge rolled out a cloud-based expense management system to track and analyse the company's spending more effectively. To ensure high-quality and compliant press releases, the Company developed an internal tool using ML and Natural Language Processing (NLP), further boosting consistency and efficiency in communication.

Human Resource

The focus on creating a vibrant and rewarding workplace has played a key role in CareEdge's ongoing success. In FY 2025, the Company remained committed to attracting and retaining top talent across all levels, right from senior leaders to young professionals who are just beginning their careers. The Company places great importance on recognizing and celebrating employee contributions, understanding that its people are central to its achievements.

To build a lively and engaging work culture, CareEdge regularly organised social events and educational webinars that help to uplift both the community and continuous learning. Its HR policies were updated to reflect the latest industry standards, helping to position the Company as a preferred employer for skilled professionals.

The Company's strong commitment to employee well-being and growth is reflected in its steadily decreasing attrition rates over the past two years. Additionally, significant improvements in employee engagement and the Employee Net Promoter Score highlight the success of its efforts to create a supportive, positive, and high-performance work environment as it heads into FY 2026.

Cautionary Statement

In accordance with relevant securities laws and regulations, comments in the Management Discussion and Analysis that describe the Company's goals, plans, estimates, or expectations may be deemed to be "forward-looking statements." Actual outcomes could significantly vary from those that were stated or indicated.

Economic conditions affecting supply and demand, price conditions in domestic and international markets where the Company operates, competitive pressures in these markets, changes in governmental regulations, tax laws and other statutes, as well as incidental factors, are significant variables that could have an impact on results.

ANNEXURE – IV

Details pertaining to remuneration of Directors and Key Managerial Personnel (KMP) as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2024-25, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of the Director/ KMP & Designation	% increase/ (decrease) in Remuneration in the financial year 2024-25	Ratio of Remuneration of each Director/ to median remuneration of employees
1	Mr. Najib Shah Independent Director	27%	3.28:1
2	Mr. V. Chandrasekaran Independent Director	16%	2.12:1
3	Mr. Adesh Kumar Gupta[$] Independent Director	(74%)	0.47:1
4	Ms. Sonal Desai Independent Director	27%	2.05:1
5	Dr. M Mathisekaran Independent Director	21%	1.87:1
6	Mr. Gurumoorthy Mahalingam Independent Director	15%	2.01:1
7	Mr. Sobhag Mal Jain Non-Executive Non-Independent Director	(11%)	0.61:1
8	Mr. Mehul Pandya Managing Director & Group CEO	59%	40.76:1
9	Mr. Manoj Chugh[@] Independent Director	NA	NA
10	Ms. Nehal Shah^ Company Secretary & Compliance Officer	(34%)	5.82:1
11	Mr. Jinesh Shah Chief Financial Officer	27%	8.42:1
12	Mr. Manoj Kumar CV* Company Secretary & Compliance Officer	NA	NA

[$] Mr. Adesh Kumar Gupta ceased to be Independent Director of the Company w.e.f. July 9, 2024, upon completion of second term as an Independent Director

[@] Mr. Manoj Chugh was appointed as an Independent Director of the Company w.e.f. May 9, 2024

^ Ms. Nehal Shah resigned as Company Secretary and Compliance Officer of the Company w.e.f. August 31, 2024

* Mr. Manoj Kumar CV appointed as Company Secretary and Compliance Officer w.e.f. September 1, 2024

2) The percentage increase in the median remuneration of employees in the Financial Year 2024-25:

The median remuneration of employees of the Company during the financial year 2024-25 was Rs 14,00,112/-. The percentage increase in the median remuneration of employees in the financial year stood at 7.70% compared to the financial year 2023-24.

3) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration for FY 2024-25 over FY 2023-24 was 10.19% for employees, excluding the KMP's. In comparison, the average increase in remuneration of KMPs during the same period was 11.04%.

4) The number of permanent employees on the rolls of the Company:

As of March 31, 2025, there were 598 full time employees compared with 563 last year with around 81% of the staff management professionally qualified in the areas of management, CA, CS, legal, economics, engineering etc. holding professional or post graduate degrees.

5) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Company's Remuneration Policy for Directors, Key Managerial Personnel and Senior Management.

Annexure - V

Business Responsibility and Sustainability Reporting

SECTION A:

GENERAL DISCLOSURES

I. Details of the listed entity

S. No	Required Information	
1	Corporate Identity Number (CIN) of the Listed Entity	L67190MH1993PLC071691
2	Name of the Listed Entity	CARE Ratings Limited
3	Year of incorporation	1993
4	Registered office address	4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400022
5	Corporate address	Same as above
6	E-mail	www.careedge.in
7	Telephone	022-67543456
8	Website	www.careedge.in
9	Financial year for which reporting is being done	2024-25 (April 1, 2024 - March 31, 2025)
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE")
11	Paid-up Capital	Rs. 29,93,21,480/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Mradul Mishra, Head - Corporate Communications Tel: 022-67543456 E-mail: investor.relations@careedge.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	This report is prepared on a Standalone basis
14	Name of Assurance Provider	None
15	Type of Assurance obtained	None

II. Products / Services

16 Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Ratings	Offering credit ratings across various categories, including Debt Ratings, Bank Loan Ratings, Issuer Ratings, Securitization Ratings, and Expected Loss Ratings	96.49%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Ratings	66190	96.49%

III. Operations

18 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable	10*	10
International	Not Applicable	-	-

* Includes Registered Office Address as mentioned in Point no. 4 above

19 Market Served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The company operates through 10 branches across 7 states
International (No. of Countries)	The company conducts overseas operations through its subsidiary entities in GIFT City, Mauritius, Nepal and South Africa

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.05%

c. A brief on type of customers

CARE Ratings, a premier credit rating agency based in India, specializes in providing credit ratings, comprehensive research, and risk advisory services across a broad spectrum of sectors, including banking, financial institutions, corporations, MSMEs, and public sector entities. The agency assesses a company's financial stability through an in-depth analysis of industry trends, financial performance, and macroeconomic dynamics, delivering critical insights into its creditworthiness and capacity to fulfil financial commitments.

IV. Employees

20 Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent (D)	598	408	68%	190	32%
2	Other than Permanent (E)	38	11	29%	27	71%
3	**Total employees (D+E)**	**636**	**419**	**66%**	**217**	**34%**
Workers						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	**Total workers (F+G)**	0	0	0%	0	0%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. (C)	% (C/A)
	Differently Abled Employees					
1	Permanent (D)	0	0	0%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	**Total differently abled employees (D+E)**	**0**	**0**	**0%**	**0**	**0%**
	Differently Abled Workers					
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	**Total differently abled workers (F+G)**	0	0	0%	0	0%

21 Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of Directors (BoD)*	8	1	12.50%
Key Management Personnel*	3	0	0%

* MD & Group CEO is part of KMP and BoD.

22 Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.44%	27.27%	23.43%	23.25%	23.90%	23.50%	31%	23%	28%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 (a) Name of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	CARE Analytics & Advisory Private Limited (Formerly known as CARE Risk Solutions Private Limited)	Subsidiary	100%	No
2	CARE ESG Ratings Limited (Formerly known as CARE Advisory Research and Training Limited)	Subsidiary	100%	No
3	CareEdge Global IFSC Limited (incorporated on April 29, 2024)	Subsidiary	100%	No
4	CARE Ratings (Africa) Private Limited	Subsidiary	78%	No
5	CARE Ratings Nepal Limited	Subsidiary	51%	No
6	CARE Ratings South Africa (Pty) Limited*	Subsidiary	78%	No

*CARE Ratings Limited holds 78% in CARE Ratings (Africa) Private Limited, which holds 100% in CARE Ratings South Africa (Pty) Limited.

VI. CSR Details

24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in Rs.) 337 Crore

(iii) Net worth (in Rs.) 858 Crore

VII. Transparency and Disclosure Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Community-related grievances are addressed through NGO partners, who provide solutions and recommendations to mitigate issues. These solutions are communicated to the community, and upon mutual agreement, a structured action plan is implemented to resolve concerns effectively.	0	0	None	0	0	None
Investors (other than shareholders)	Yes - https://www.careratings.com/investors-contact	1	0	None	1	0	None
Shareholders	Yes - https://www.careratings.com/investors-contact	0	0	None	0	0	None
Employees and workers	Yes - https://www.careratings.com/investors-contact	0	0	None	0	0	None
Customers	Yes - https://www.careratings.com/investors-contact	37	1	For 1 pending case, the Company responded to the client and did not receive any further communication	9	0	None
Value Chain Partners	Yes - https://www.careratings.com/investors-contact	0	0	None	0	0	None
Other (Total)	Yes - https://www.careratings.com/investors-contact	0	0	None	0	0	None

26 Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Employee Practices and Benefits	Risk & Opportunity	**Risk:** Lack of competitive benefits and clear career path progression can lead to high employee turnover in the company **Opportunities:** The company's efforts towards workforce development can enhance employee well-being, and career growth opportunities, while promoting a culture of inclusivity and work-life balance	Employees are the main asset of the company as the business of credit rating is based on knowledge which is manifested in the skills of the employees. The Company hires its staff at both, lateral and entry-level based on requirement and merit. As the focus is on merit the Company is agnostic to the background and hence is an equal opportunity employer for potential candidates. Once recruited, the employees are put through internal training and given a open learning environment which helps in personal development. Higher levels of responsibilities are allocated to deserving employees while a career path is chalked out for everyone. When required, lateral recruitment takes place so that there is continuity and there is never a shortfall of leadership at various levels. Besides competitive remuneration, the Company offers several employee engagement activities that foster team building, celebrating functions, wedding gifts, cash gifts on Diwali, organizing games, Annual health check-up, Comprehensive health insurance programs such as Mediclaim, Personal Accident and Term Life Insurance, Education support, etc. are all part of this process. The company also offers a flexible work from-home policy for those who require such facility.	**Negative:** The workforce being an integral component of the Company's value creation strategy plays a critical role in the business growth plan. The inability to meet the workforce expectations may result in adverse impacts on workforce productivity and the company's growth plan in the long run. **Positive:** Strong workforce with a high retention rate highlights the Company's efforts towards creating a conducive work environment in addition to creating a positive approach towards workforce development
2	Diversity, Equity & Inclusion	Opportunity	Diverse workforce brings varied perspectives and insights which fosters better inclusivity and innovation	-	**Positive:** It helps to foster a culture of inclusivity. With diverse background and perspectives, organization is better prepared with innovation in its approach and service offerings.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Data security	Risk	Failure to protect data can lead to significant legal liabilities, fines, and non-compliance. Ability to conduct business may be adversely impacted on account of cyber incidents	> Ensure compliance with applicable data protection laws and standards > Conduct mandatory cybersecurity awareness training for all employees > Constantly update its policies and procedures in line with best industry practices > Report, record & notify the incident to appropriate authority if any	**Negative:** If data security standards are ignored, the firm becomes vulnerable to various risks: Fines and penalties Violations of data protection laws can result in substantial fines Lawsuits: Affected organizations may sue for damages for data leakages Operational disruptions: Cyberattacks due to poor data privacy may shut down systems or compromise business operations. Regulatory scrutiny: Regulators may place non-compliant organizations under closer scrutiny Reputational damage: Incidents like data leakages may significantly affect organization's reputation among its stakeholders.
4	Human Rights & Community Relations	Risk & Opportunity	**Risk:** The absence of a comprehensive Human Rights governance structure from the aspects of parameters such as working conditions, child/ forced labor, fair remuneration, gender diversity, prevention of sexual harassment, freedom of association and collective bargaining will impact the Company's performance in the social domain from the perspective of the employee workforce as well as community > Poor community engagement or lack of inclusion of CSR initiatives may result in public criticism **Opportunities:** > Commitment to human rights practices ensures responsible business conduct and strengthens the company's ethical credentials > Proactive engagement with the community helps foster goodwill and public trust	The company upholds the highest standards of human rights by fostering a respectful and inclusive work environment. The company strictly prohibits child labor, ensures equal treatment and opportunities for all employees, and remains committed to ethical and socially responsible business practices	**Negative:** > Non-compliance with labour or human rights laws could result in legal costs or fines > Lack of community programmes may result in compliance breach as well as draw regulatory scrutiny **Positive:** > Demonstrating ethical behaviour and social responsibility boosts brand reputation, aiding client retention and new business acquisition > Well executed CSR programs enhances brand reputation for the organization

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Technological Innovations	Opportunity	> AI, machine learning, and big data analytics can help rating agencies derive deeper insights, automates processes and brings efficiencies > Technology enables the innovation in rating process and helps strengthen governance around it	-	**Positive:** > Automation and AI-driven efficiencies reduce operating costs and increase productivity > Innovation can drive new offerings, robust governance and better decision-making ability
6	Business Ethics	Risk	> Any ethical lapse, such as biased ratings, lack of disclosure, or internal misconduct, can seriously damage the agency's market credibility > Unethical behaviour can lead to investigations, fines, or license restrictions from regulators	> The Company has created protocols and procedures to ensure that its Board of Directors are well-informed and competent to carry out its duties. > All business choices are made with integrity and in accordance with the law	**Negative:** Ethical breaches may result in penalties, license suspension, regulatory scrutiny and reputational damages **Positive:** Companies adhering with strong ethical standards reaps long term benefits in terms of client loyalty, regulator confidence, and sustainable revenue streams
7	Risk Management	Risk	Lack of robust controls across the risk management system may lead to adverse impacts across business operations	The Board of Directors of the Company has constituted a Risk Management Committee ("RMC") consisting of members of the Board of the Company. The RMC has been entrusted with the responsibility to monitor and review the Risk Management Plan for the Company. The composition of the Committee complies with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the detailed composition is provided in the Corporate Governance Report forming part of Annual Report. The Company has a Risk Management framework to identify and evaluate internal and external risks faced by your Company. This framework defines risk identification and its management across the enterprise covering various functions including documentation and reporting. Under each areas of risk, various parameters are identified, benchmarked and scored under three risk quotients, viz., high, medium and low. The Risk quotient for most of the parameters so identified is tracked on a half yearly/annual basis, to gauge the performance. The framework so monitored helps in understanding prevailing risk trends, exposure and potential impact analysis of various risks on the Company's business to minimize the adverse impact, if any, of any type of risk	**Negative:** Non-compliance with the regulatory requirements, may affect the Company's image and impact its business continuity in the long term.

SECTION B:

MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.careratings.com/corporate-governance								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company's policies are meticulously crafted and aligned with relevant legal mandates, regulatory guidelines, and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Additionally, the Company has harmonized its Code of Conduct with the 'Code of Conduct Fundamentals for Credit Rating Agencies' (the 'IOSCO Code'), issued by the International Organization of Securities Commissions (IOSCO), ensuring compliance with its latest amendments.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Environment**: • Encourage digital transformation to reduce paper usage and resource consumption • Improve operational energy efficiency through the integration of smart technologies, optimized infrastructure, and sustainable energy management practices across all offices **Social:** • Foster a diverse, inclusive, and equitable workplace culture • Ongoing development of human capital through comprehensive training sessions and regular engagements on human rights, ethical practices, and sustainability for all employees • Sustained the company-wide attrition rate within the range of 20–25%, aligning with industry benchmarks and as mutually agreed upon with Company Management, reflecting effective talent retention in a competitive market environment • Supported CSR initiatives aligned with the company's CSR policy, focusing on key areas such as community development, women empowerment, healthcare, and education to drive inclusive and sustainable impact								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
		Governance: • Ensure succession planning by identifying potential successors for all critical roles, with a specific focus on key verticals such as Analytics and Business Development (BD), as part of the annual Talent Book exercise to strengthen leadership continuity • Ensure adequate resourcing for the Analytics (Analyst & Group Head) and Business Development (BD) teams by maintaining staffing deficits below 10%. Any gap exceeding this threshold will be flagged as a "Medium Risk." Weekly tracking will be conducted by the CRO in collaboration with the Talent Acquisition Team for the Analytics vertical, and bi-weekly reviews will be held with the ED–BD and Talent Acquisition Team for BD roles. Additionally, self-tracking by the HR team will support proactive risk mitigation and timely talent acquisition • Maintain recruitment turnaround time (TAT) within agreed benchmarks for at least 85% of replacement hires, ensuring timely talent onboarding and minimizing business disruption by proactively mitigating staffing-related risks • Maintain high standards of transparency, accountability, and ethical conduct across operations • Enhance ESG governance through structured oversight by leadership and relevant committees • Conduct annual ESG awareness sessions for Board members and senior leadership								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	**Environment** • Undertook initiatives to improve energy efficiency in the long term by upgrading HVAC systems, transitioning to energy-efficient lighting, and implementing advanced energy management solutions **Social** • Attrition rate has been maintained at 23% • Achieved 100% employee coverage for Human Rights training • Business Development teams recorded an average of 20.7 learning hours, while Analytical teams averaged 29.5 hours during the reporting period • The Employee Engagement Survey, taken by 85% of our employees, increased 6% from last year; the Employee Net Promoter Score (ENPS) also increased significantly • Supported over 20 CSR projects through partnerships with 17 NGOs, with a major emphasis on funding defence-related initiatives and welfare programs. The beneficiaries include: o 3150+ children supported through healthcare projects providing Paediatric cardiac surgeries, Type 1 Diabetes care, Education facilities through book bank, E-learning facilities & street kids Rehabilitation Projects o 1200+ patients supported through essential healthcare services like palliative care for cancer patients, Kidney transplants, Ventilator facilities & motorized beds etc. o Provided funding for the construction of a school building at the Kochi Naval Base to support the education of children with special needs from Navy personnel families o 600+ women supported through healthcare kits for expectant mothers, Education & financial sustainability projects like Millet Value Chain, tailoring & computer education for women in rural areas								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
		o 23% of the CSR budget utilized for supporting defence personnel and their families, such as Veer Naris of our Martyrs, developing a school for children of Navy personnel with special needs, and supporting the needs of paraplegic defence forces **Governance** • 100% utilization of funds with strict governance around utilization by NGOs • Governance structure remained strong with board and committee compositions are at par with industry best practices • Implemented the "9-Box Performance vs. Potential Grid" to identify high-performing employees and future leadership talent within the organization								
Governance, leadership and oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At CARE Ratings, we continue to uphold our unwavering commitment to responsible, transparent, and ethical business practices. Rooted in our core values of transparency, integrity, and sustainability, we believe that long-term business success must go hand-in-hand with social responsibility and environmental stewardship. As we present the Business Responsibility and Sustainability Report (BRSR) for FY 2024–25, we take pride in reflecting on the progress we have made and the impact we continue to create across our stakeholder ecosystem. This report is a testament to our ongoing efforts to integrate ESG principles into our strategy, operations, and corporate culture. Over the past year, we have strengthened our internal governance mechanisms, deepened stakeholder engagement, and taken conscious steps to reduce our environmental footprint. At the same time, we have continued to support inclusive growth by fostering a diverse, equitable, and collaborative workplace, while promoting ethical conduct across all levels of the organization. We recognize that the path to sustainability is continuous and evolving. As a leading credit rating agency, we are conscious of the influence we wield in shaping market behaviour and guiding capital towards responsible enterprises. With this responsibility comes the opportunity to lead by example and encourage positive change within the industry and beyond. We remain committed to enhancing our impact, reinforcing our governance standards, and advancing our sustainability agenda in the years ahead. Through this BRSR, we reaffirm our dedication to build a resilient, future-ready organization that creates long-term value for our clients, employees, shareholders, and society at large.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The implementation and oversight of the Business Responsibility policies are managed by the Corporate Social Responsibility & Sustainability Committee in close coordination with the Company's Board								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Board has delegated the oversight of the Company's Environmental, Social, and Governance (ESG) and sustainability initiatives to the Corporate Social Responsibility & Sustainability Committee. This Committee is entrusted with the responsibility of reviewing ESG-related matters, including the development and execution of sustainability strategies, monitoring sustainability performance, and ensuring comprehensive reporting. To support the Board in fulfilling its governance obligations, the Committee acts as the Board's strategic arm, guiding the formulation of the Company's ESG framework. It convenes regularly to assess the Company's environmental, social, and economic performance, continuously advancing efforts to integrate sustainability principles into the core business operations								

10 Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The Company's policies are subject to periodic assessment, during which their effectiveness is thoroughly evaluated. Based on this review, appropriate updates and enhancements to policies and procedures are made to ensure their continued relevance and alignment with evolving regulatory, operational, and industry standards.									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Board conducts a quarterly review of the Company's compliance with all applicable statutory requirements. To support this process, department heads submit a Quarterly Compliance Certificate, detailing adherence to relevant laws, which is then presented to the Board for evaluation and oversight.									Quarterly								

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	All Company policies are subject to internal evaluation and review by the respective departments at predetermined intervals to ensure their continued effectiveness, relevance, and alignment with evolving regulatory and operational requirements.								

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
b. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
c. The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
d. It is planned to be done in the next financial year (Yes/ No)									
e. Any other reason (please specify)									

SECTION C:

PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership".

While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	The Management provides regular updates to the Directors on key developments related to the Company, including industry trends, business model enhancements, risk metrics, and mitigation strategies. Upon appointment to the Board, each Independent Director undergoes a comprehensive induction session. This session covers critical areas such as the Company's overview, vision and mission, industry landscape, business strategies, risk management framework, ESG initiatives, the Code of Conduct for Prevention of Insider Trading, the Code of Conduct for Directors and Senior Management, corporate governance practices, recent regulatory changes, and the specific roles and responsibilities associated with membership on the Board and its Committees.		
Key Managerial Personnel	3	Prevention of Sexual Harassment, Code of Conduct for Prevention of Insider Trading and Senior Management Programme - Blended Learning - Batch: 14 (SMP-BL14)	100%
Employees	3	Prevention of Sexual Harassment, Code of Conduct for Prevention of Insider Trading and Information Security Awareness	100%
Workers	NA	NA	NA

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Principle 1	Securities and Exchange Board of India	13,05,000	The Company reached a settlement pursuant to an application filed with SEBI on March 4, 2024. The matter related to a Show Cause Notice issued by SEBI concerning a delay in the review of a credit rating and the publication of the corresponding press release on the Company's website, following a material event involving one of its clients. Following the settlement, SEBI has disposed of the adjudication proceedings.	NA
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non- Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	NA	NA
Punishment	Nil	Nil	NA	NA

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	**Name of the regulatory/ enforcement agencies/ judicial institutions**
NA	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has established a comprehensive Code of Conduct that strictly prohibits any form of corruption or bribery, underscoring the organization's commitment to integrity and ethical conduct. This Code is applicable to all Directors, Senior Management, and employees. It is disseminated to all employees at the start of each financial year and provided to new hires during their induction process. Furthermore, every employee and Director is required to formally acknowledge and confirm their acceptance of the Code of Conduct, reinforcing a shared commitment to ethical business practices.

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6 Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

8 Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payable	85 days	50 days

9 Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	NA	NA

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)	0.58%	0.75%
	b. Sales (Sales to related parties/ total sales)	0.01%	0.01%
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)	0%	90.91%
	d. Investments (Investments in related parties / total investments made)	14.09%	15.85%

Leadership Indicators

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NA		

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same

The Company effectively manages conflicts of interest through a robust framework, including the "Policy on Firewall between the Company and its Group Entities" and the "Code of Conduct for the Board and Senior Management." To ensure transparency and mitigate potential conflicts, Board Members and Key Management Personnel (KMPs) are required to disclose any material financial or commercial interests that could potentially conflict with the Company's interests. This declaration is made at the beginning of each financial year and whenever there is a change in such interests. Additionally, Directors are recused from participating in discussions or decision-making processes at Board or Committee meetings where they have a direct or indirect interest, thereby upholding the principles of fairness and objectivity in governance.

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Details of improvements in environmental and social impacts
R & D	Given the nature of our business in the service industry, R&D and Capex are not applicable		
Capex			

2	**a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**	Our procurement strategy is rooted in engaging local vendors for all material sourcing. However, given the nature of our operations as a rating agency, the relevance of this practice is relatively limited. Our resource consumption primarily encompasses electricity, office supplies, and communication or IT equipment. Despite the modest scale of our resource utilization, we are committed to upholding responsible sourcing practices for all office-related requirements.
	b. If yes, what percentage of inputs were sourced sustainably?	

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)	In view of the nature of the Company's operations, this disclosure requirement is not applicable
(b) E-waste	
(c) Hazardous waste	
(d) other waste.	

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Given the nature of the business, EPR is not applicable to the company

Leadership Indicators

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contribute	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
NA					

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NA		

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	As the Company is engaged solely in the provision of rating and analytical services, with no involvement in manufacturing activities, this disclosure is not applicable					
E-waste	The e-waste will be responsibly disposed off through authorised e-waste recyclers, in compliance with applicable regulations					
Hazardous waste	NA					
Other waste	By prioritizing sustainable waste management practices, CARE Ratings contribute to a cleaner, greener future while minimizing ecological impact. CARE Ratings is committed to the eco-friendly and responsible disposal of organic waste, including food and wet waste, strictly complying with established environmental regulations.					

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
In view of the nature of the Company's operations, this disclosure requirement is not applicable	

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1 a Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	408	408	100%	408	100%	NA	NA	408	100%	0	0%
Female	190	190	100%	190	100%	190	100%	NA	NA	0	0%
Total	**598**	**598**	**100%**	**598**	**100%**	**190**	**100%**	**408**	**100%**	**0**	**0%**
Other than Permanent employees											
Male	11	11	100%	11	100%	NA	NA	11	100%	0	0%
Female	27	27	100%	27	100%	27	100%	NA	NA	0	0%
Total	**38**	**38**	**100%**	**38**	**100%**	**27**	**100%**	**11**	**100%**	**0**	**0%**

b Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	0	0	0%	0	0%	NA	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Other than Permanent workers											
Male	0	0	0%	0	0%	NA	NA	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

c Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	1.31%	1.31%*

*In the previous year, expenses related to staff training were not accounted for under well-being measures. This has now been changed, and the training costs have been appropriately included for both the previous and current year

2 Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI*	2.04%	NA	Y	1.34%	NA	Y
Others - Please specify	NA	NA	NA	NA	NA	NA

*ESI is provided to all the eligible employees on roll

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard	A majority of the Company's offices are situated in commercial premises equipped with inclusive infrastructure, such as ramps at entrances, braille-enabled elevators, and designated washrooms for persons with disabilities. These facilities are also outfitted with requisite safety and security systems to ensure the well-being of all employees

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an Equal Opportunity Policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016. This policy is readily accessible to all employees via the intranet portal

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	The Company has implemented a Whistle Blower Policy that provides a structured mechanism for employees to confidentially report concerns relating to unethical conduct, suspected or actual incidents of fraud, and violations of the Company's Code of Conduct or Ethics Policy. Additionally, the Company has established multiple communication channels, including robust grievance redressal mechanisms, to enable stakeholders to express their expectations, raise concerns, and seek resolution in a transparent and timely manner. The Policy is available on company's website: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679040341_Whistle%20Blower%20Policy.pdf
Other than Permanent Employees	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	598	0	0%	563	0	0%
Male	408	0	0%	357	0	0%
Female	190	0	0%	206	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%

8 Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)*					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Male	408	249	61.03%	386	94.61%	357	164	45.94%	349	97.76%
Female	190	110	57.89%	180	94.74%	206	92	44.66%	202	98.06%
Total	**598**	**359**	**60.03%**	**566**	**94.65%**	**563**	**256**	**45.47%**	**551**	**97.87%**
Workers										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**

*Training programs are conducted exclusively for permanent employees, with the exception of POSH training, which is extended to all employees irrespective of employment status

9 Details of performance and career development reviews of employees and workers:

Category	FY 2024-25 (Current Financial Year)*			FY 2023-24 (Previous Financial Year)		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	408	355	87.01%	357	334	94%
Female	190	179	94.21%	206	189	92%
Total	**598**	**534**	**89.30%**	**563**	**523**	**93%**
Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Total	**0**	**0**	**0%**	**0**	**0**	**0%**

*53 male employees and 11 female employees were not eligible for the performance and career development reviews, due to their late entry into the organization

10 Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

As the majority of the Company's offices are situated within commercial premises, fire safety drills are routinely conducted by the respective building management authorities. Complementing these efforts, the Company has also facilitated in-house fire safety and evacuation training sessions led by external experts. Comprehensive fire safety audits have been diligently undertaken across locations. Regular maintenance and sanitization of water purifiers have also been carried out to ensure hygiene and safety. Given the nature of the business, occupational health and safety risks are minimal. Nonetheless, the Company remains committed to fostering employee well-being and psychological safety. The Human Resources team actively organises internal engagement initiatives to promote a healthy and inclusive work environment.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

While this aspect is not applicable to the Company due to the nature of its business operations, proactive measures are continually undertaken to identify potential hazards and enhance workplace safety. These measures include the installation of fire and smoke detection systems, access control mechanisms, CCTV surveillance, and 24-hour security to ensure a secure and safe working environment

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

NA

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees of the Company are comprehensively covered under group health insurance and personal accident insurance schemes

11 Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related vinjuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities	Employees	0	0
	Workers	0	0

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

Please refer to the Q10 (a) above

13 Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Internal audits were undertaken to assess the effectiveness of health and safety practices, as well as to ensure the maintenance of safe and compliant working conditions across the organisation
Working Conditions	

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NA

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes, the Company extends a comprehensive suite of employee benefits, including personal accident coverage, medical insurance, and provision for future service gratuity liabilities. Statutory benefits such as provident fund and gratuity are prioritised and settled in a timely and efficient manner

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company places strong emphasis on ensuring that all statutory dues are duly deducted and deposited by its value chain partners. Adherence to these statutory obligations is a fundamental requirement for all supply chain partners, reinforcing the Company's commitment to principles of business responsibility, transparency, and accountability

3 Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Indicate input material	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	In view of the nature of the Company's operations, this disclosure requirement is not applicable			
Workers				

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company is committed to merit-based recruitment and invests in continuous upskilling of its workforce to stay aligned with the evolving business landscape. In view of this proactive approach to talent development, the requirement for transition assistance programmes is not presently envisaged

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity

The individuals and groups that are directly or indirectly associated with business activity of CARE Ratings are seen as its stakeholders. The key internal and external stakeholder groups identified include investors/shareholders, regulatory bodies, suppliers and vendors, Non-Governmental Organizations (NGOs), local communities, customers, employees, industry associations, and clients.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	Annual General Meeting, email communique, Stock Exchange (SE) intimations, investor/analysts meet/ conference calls, annual reports, quarterly results, Press releases and Company website	Annual, Periodic	Quarterly and annual financial results, Company performance and updates, corporate governance
Employees	No	Senior leaders' communication, performance appraisal review, wellness initiatives, engagement survey, email, intranet, websites, poster campaigns, circulars, a quarterly publication and newsletters	Ongoing	Job satisfaction, Fair pay, performance remuneration, Training and Development initiatives that support career growth, Safe and healthy working conditions, Non-discrimination on the basis of colour, gender, race, sexual orientation, or caste, Prompt grievance redressal mechanisms
Customers	No	Website, complaints management, helpdesk, conferences, customer surveys, face-to-face meetings, Email, Customer feedback, advertisement, newspapers and other digital platforms, customer helpline	Ongoing	All client information is driven through CRM which has been implemented across our offices and functions. We make use of business intelligence tools to provide efficient customer service and personalized business reports
Industry Associations	No	Newsletters, websites, emails, webinars	Monthly or as deemed necessary by either party	Industry standards
Regulators/ Legislators	No	Emails, regular meetings with Regulators, Regulatory filings, correspondence & meetings	Periodic	Data security, regulatory updates
Communities	Yes	Community service events, surveys, emails, service campaigns, website	Ongoing	Access to education, access to healthcare

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

As part of our continuous commitment to inclusive engagement, we maintain regular interaction with both internal and external stakeholder groups to ensure alignment with evolving expectations and to proactively identify emerging material issues. The stakeholder engagement process is subject to periodic review to ensure its relevance and effectiveness. Heads of respective units are entrusted with responsibilities to build effective engagement with the respective stakeholders.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company reviews its material issues based on their relevance to, and impact on, both internal and external stakeholders. These material topics serve as critical inputs in the formulation of our Environmental, Social, and Governance (ESG) goals and performance targets. Key material issues identified include ethical business practices, human rights, employee welfare and benefits, technological innovation, diversity, equity, and inclusion (DE&I), data privacy and risk management

Please refer Section A- Q26 for details

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Through its Corporate Social Responsibility (CSR) initiatives, CARE Ratings actively supports key thematic areas including Education, Healthcare, Local Area Development, and Sustainable Livelihoods.

Please refer Principle 8- leadership indicator 6 for details

PRINCIPLE 5:

Businesses should respect and promote human rights

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	598	598	100%	563	558	99%
Other than permanent	38	38	100%	35	21	60%
Total Employees	**636**	**636**	**100%**	**598**	**579**	**97%**
Workers						
Permanent	0	0	0%	0	0	0%
Other than permanent	0	0	0%	0	0	0%
Total Workers	**0**	**0**	**0%**	**0**	**0**	**0%**

2 Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. F	% (F/D)
Employees										
Permanent	598	0	0%	598	100%	563	0	0%	563	100%
Male	408	0	0%	408	100%	357	0	0%	357	100%
Female	190	0	0%	190	100%	206	0	0%	206	100%
Other than permanent	38	0	0%	38	100%	35	0	0%	35	100%
Male	11	0	0%	11	100%	7	0	0%	7	100%
Female	27	0	0%	27	100%	28	0	0%	28	100%
Workers										
Permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than permanent	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3 Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7*	26,18,182	1	28,68,182
Key Managerial Personnel	3	1,16,03,466	0	0
Employees other than BoD and KMP	405	15,00,000	190	12,50,070
Workers	NA	NA	NA	NA

* MD and Group CEO who is also part of BoD, his remuneration is considered under KMP.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	25.96%	29.86%*

* The percentage for the previous year has been revised due to updated figures

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has established a Grievance Redressal framework, detailed in the Employee Manual, which enables employees to raise concerns or complaints directly with the Human Resources department or Senior Management. The policy strictly prohibits any form of retaliation or reprisal against employees or associates who report grievances in good faith, thereby fostering a culture of openness, trust, and accountability. The company also has non-retaliation clause in its Whistle-blower policy against the complainant for making disclosures in good faith. Moreover, policy ensures that identity of the complainant is kept confidential

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees can contact the reporting manager (in writing) or the Functional Head/ HR Head about the grievance

6 Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other Human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7 Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company is committed to fostering employee well-being and maintaining a supportive, inclusive work environment. To facilitate effective grievance redressal, comprehensive internal mechanisms are in place, including the Code of Conduct, Employee Manual, and the Whistle Blower Policy. Additionally, the Company has instituted a Policy Against Sexual Harassment at the Workplace, in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Periodic training sessions are conducted to ensure awareness and compliance across the organisation.

9 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company incorporates clauses related to the protection of human rights—including provisions prohibiting child labour, forced labour, and other relevant ethical standards—within its agreements and contracts, as and when applicable.

10 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Although no formal assessment has been conducted, the Company expects its value chain partners to align with its core values, principles, and ethical business practices in all their operations and interactions
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

NA

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company remains steadfast in upholding the fundamental principles of human rights across all its operations and stakeholder interactions. Employees are regularly sensitised on the Code of Conduct through structured training programmes. As part of the induction process, all new employees undergo mandatory training on the Prevention of Sexual Harassment (POSH) Policy and the Code of Conduct. In addition, periodic refresher sessions are conducted throughout the year to reinforce awareness and ensure continued compliance.

2 Details of the scope and coverage of any Human rights due-diligence conducted.

NA

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Majority of the Company's offices located within commercial premises are equipped with infrastructure that is accessible to persons with disabilities. These facilities include features such as ramps at entrances, braille-enabled elevators, and dedicated accessible washrooms. In addition, all requisite safety and security systems are in place to ensure a safe and inclusive working environment for all employees

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	While no formal assessment has been conducted to date, the Company expects all value chain partners to align with its core values, ethical principles, and standards of business conduct in all aspects of their operations and interactions
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1 Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**0**	**0**
From non-renewable sources		
Total electricity consumption (D)	2353.42	2230.05#
Total fuel consumption (E)	161.67	177.32
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**2515.09**	**2407.37**
Total energy consumed (A+B+C+D+E+F)	**2515.09**	**2407.37**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations) (Turnover in millions)	0.75	0.85
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Scope of reporting boundary of BRSR is limited to India operations only. Hence PPP is not applicable	Scope of reporting boundary of BRSR is limited to India operations only. Hence PPP is not applicable
Energy intensity in terms of physical output (Total energy consumed / Full Time Equivalent) *	4.21	4.28
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Electricity consumption from outsourced activities is excluded.

*Full Time Equivalent is taken to report output based intensity as per SEBI circular released on 20th December,2024 for both years

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3 Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)#	FY 2023-24 (Previous Financial Year)#
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	7183.62	6700.59
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**7183.62**	**6700.59**
Total volume of water consumption (in kilolitres)	**7183.62**	**6700.59**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (Turnover in millions)	2.13	2.37
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	Scope of reporting boundary of BRSR is limited to India operations only. Hence PPP is not applicable	
Water intensity in terms of physical output (Total water consumption / Full Time Equivalent) *	12.01	11.90
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

As per SEBI circular released on 20th December, 2024, total water consumption is calculated as = 45 litres*No. of employees for the current year*No. of working days for the current year

Water consumption, water intensity per rupee of turnover and water intensity per employee is revised for the last year due to change in the calculation of water consumption as per SEBI industrial standards

* Full Time Equivalent is taken to report output based intensity as per SEBI circular released on 20th December,2024 for both years

4 Provide the following details related to water discharged:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	Nil	Nil
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	Nil	Nil
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	Nil	Nil
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others (municipal sewers)	5746.9	5360.47
No treatment	5746.9	5360.47
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**5746.9***	**5360.47***

* It is assumed that 80% of the total volume of water consumption is discharged

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

5 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NA

6 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	The Company does not rely on DG supply on a regular basis. In some premises, DG sets are operated intermittently for limited durations and hence, the measurement of associated environmental parameters is not undertaken for such usage.		
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

7 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)#	FY 2023-24 (Previous Financial Year)#
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	11.53	12.77
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	475.26	443.71
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) (Turnover in millions)	Metric tonnes of CO_2 equivalent/Rs in million	0.14	0.16
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Scope of reporting boundary of BRSR is limited to India operations only. Hence PPP is not applicable		
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions / Full Time Equivalent) *	tCO_2e/FTE	0.81	0.81
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Scope 1 and 2 calculations are based on the petrol and diesel consumption in owned vehicles and electricity consumed by offices, respectively.

* Full Time Equivalent is taken to report output based intensity as per SEBI circular released on 20th December,2024 for both years

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

As a credit rating agency, CARE Ratings operates in a sector with minimal direct interaction with the natural environment. However, the company recognizes that it still has an indirect environmental impact—both through its operational footprint and the influence of its ratings on capital allocation. CARE Ratings is conscious of the environmental implications of the entities it evaluates and integrates ESG considerations into its credit risk assessment frameworks. By factoring in environmental risks and sustainability performance as part of its analytical process, the company contributes to promoting responsible financial practices and supporting the transition to a more sustainable economy.

9 Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Other Hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil). Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	**-**	**-**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Considering the nature of our operations, hazardous and non-hazardous waste do not constitute material issues for the company. Nevertheless, we remain committed to responsible environmental practices and have initiated processes to monitor waste generation, albeit in minimal quantities.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

10 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

Given the nature of its operations, the Company does not utilise any hazardous or toxic chemicals in the course of its business activities

11 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
NA			

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

13 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company operates from office premises located within commercial buildings that are compliant with all applicable environmental regulations and statutory requirements				

Leadership Indicators

1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area NA

(ii) Nature of operations NA

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	-	-
(iv) Seawater / desalinated water	NA	NA
(v) Others		
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

2 Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	611.38*	602.13
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/ Rs in million	0.18	0.21
Total Scope 3 emission intensity – per employee	Metric tonnes of CO_2 equivalent/ employee	0.96	1.01

Note: Outsourced activities is considered under scope 3.

* As there is no notable variation in electricity charges between the previous and current year, the electricity consumption for data centres has been assumed to remain consistent, based on last year's figures

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

3 With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NA

4 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Upgradation of HVAC systems	Old HVAC units were replaced with energy-efficient models equipped with advanced technology such as variable frequency drives (VFDs), smart sensors, and automated climate control systems	The integration of advanced filtration systems and optimized air circulation significantly improved indoor air quality, fostering a healthier, safer, and more comfortable work environment that supports employee well-being and productivity

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2	Sustainable energy management	Conventional lighting systems were upgraded to LED-based solutions	The reduced maintenance needs of energy-efficient systems have not only improved operational reliability but have also contributed to substantial long-term cost savings and resource optimization
3	Elimination of Single-Use plastic bottles and plastic folders	The company proactively discontinued the procurement and usage of single-use plastic water bottles and plastic folders across its office premises, meetings, and corporate events	This initiative has led to a marked reduction in single-use plastic consumption, reinforcing compliance with national plastic waste management regulations
4	Transition to Digital Records	Leveraged IT platforms to streamline operational processes and promote digital workflows, significantly reducing paper consumption across all office locations	A wide range of processes that were previously dependent on manual documentation have been successfully transitioned to digital platforms. This strategic shift to IT-enabled systems has significantly curtailed paper usage, enhanced workflow efficiency, minimized physical storage needs, and ensured seamless, department-wide access to records.

5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company recognises the critical importance of business continuity and has established robust policies and frameworks to ensure the uninterrupted functioning of mission-critical operations in the event of any unforeseen disruptions

6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

In view of the nature of the Company's operations, this disclosure requirement is not applicable

7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA

8 How many Green Credits have been generated or procured:

a. By the listed entity Nil

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners Nil

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/ associations.

The Company is an active member of, and associated with, four prominent trade and industry chambers/ associations, facilitating industry collaboration and knowledge sharing

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	Association of Credit Rating Agencies in Asia (ACRAA)	International
2	Association of Indian Rating Agencies (AIRA)	National
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce and Industry (FICCI)	National

2 **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NA		

Leadership Indicators

1 **Details of public policy positions advocated by the entity:**

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
The Company actively participates in the activities of the Association of Credit Rating Agencies in Asia (ACRAA), collaborating with peer institutions across the region to exchange insights on rating methodologies and stay abreast of global best practices. In addition, the Company maintains regular engagement with regulatory bodies, contributing to policy dialogues aimed at enhancing standards within the credit rating industry. As part of its commitment to fostering the development of the debt market, the Company conducts research studies, publishes thematic papers, and organises seminars to educate market participants and promote informed decision-making. Some of the stats are given below: Total number of media coverages - 6828 Total number of opinion pieces - 46 Total TV interviews - 26 Total number of individual quotes - 1517 Total number of Reports published - 333 Total Webinars - 28 Total KSFs (including speaker invites) - 127					

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

1 **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2 **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3 Describe the mechanisms to receive and redress grievances of the community.

The Company's Corporate Social Responsibility (CSR) initiatives are managed by a dedicated team entrusted with the planning, execution, and oversight of various programmes aimed at generating a positive social impact. This team ensures diligent monitoring of resource allocation and utilisation across all CSR activities. In the event of any grievances, our implementation partners, including NGOs, are responsible for promptly addressing and resolving concerns, thereby ensuring effective communication, transparency, and timely resolution.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	NA	NA
Directly sourced within India	100%	100%

5 Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	NA	NA
Semi-urban	NA	NA
Urban	38.3%	18.5%
Metropolitan	61.7%	81.5%

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Tamilnadu	Viruddha Nagar	15,00,000

3	**(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**	The Company does not currently have a preferential procurement policy specifically focused on suppliers from marginalised or vulnerable groups. However, the Company upholds the principles of equality and fairness, ensuring that all vendors, including those from marginalised and vulnerable communities, are provided with equal opportunity in the procurement process.
	(b) From which marginalized /vulnerable groups do you procure?	
	(c) What percentage of total procurement (by value) does it constitute?	

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA		

6 Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Abhyasika - Study Centres in and around Mumbai	65	100%
2	Book Bank for kids	2500	100%
3	Nanhi Kali – To sponsor education of girl children	434	100%
4	The objective is to provide totally free of cost heart surgeries	20	100%
5	The objective is to provide free of cost care to underprivileged kids with Type-1 Diabetes	75	100%
6	To provide health kit for expectant mothers in Virudhunagar	500	100%
7	Sustainable Livelihood and Entrepreneurship Development of Rural Women by Millet Value Chain Enrichment and Popularization project	30	100%
8	Pediatric cardiac surgeries supported	6	100%
9	Rural self-sustainable, economic development for farmers using green technologies	-	100%
10	Empowering marginalized women and rural young people become entrepreneur through skill development (Tailoring, carpentry, computer and chilli-powder making)	75	100%
11	To effectively render post medical extended care with the purpose of rehabilitating Paraplegics and Quadriplegics - Funded for automatic wheelchairs	7	100%
12	Palliative care & Occupational therapy for Cancer patients and their relatives of Tata care	3000	100%
13	4 kidney transplant surgeries supported	4	100%
14	3 motorised beds for marginalised patients	-	100%
15	Ventilator machine for marginalised patients	-	100%
16	Infrastructure- facility of the auditoriums of Fine Arts society	-	100%
17	E-learning facilities provided to 8 tribal schools of Maharashtra	450+	100%
18	Science on wheels for two district school students	300+	100%
19	Rehabilitation of families of 10 Veer Naris	10	100%
20	School building for special needs children of Navy personnels at Kochi Naval base	-	100%
21	Supporting rehab of 85 street kids	85	100%
22	Motorised Wheel chair for a marginalised person	1	100%

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Our business enables companies to raise funds in the market, investors to choose their financial options of investment and banks their capital requirements. Customers see value in the ratings; this is our business's core purpose. Therefore, we are constantly engaging with this spectrum of customers, which forms the core of our business. The company has a grievance redressal mechanism in place where any stakeholder can send an email to investor.relations@careedge.in with their query or grievance which is responded to, promptly. The report is further put up to the Stakeholders Relationship Committee of the Company.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	
Recycling and/or safe disposal	

3 Number of consumer complaints in respect of the following:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of Products	Nil	Nil	NA	Nil	Nil	NA
Quality of Products	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other	37	1	For 1 pending case, the Company responded to the client and did not receive any further communication	9*	0	NA

* The complaints were largely related to rating assigned or quantum of fees

4 Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	
Forced recalls		

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has implemented a comprehensive Privacy Policy that provides strategic direction and support for managing Information Security across the organization. This policy establishes a structured framework to ensure the secure and reliable flow of information, both internally and externally. It defines key principles, outlines security measures, and integrates supporting policies and guidelines to address all critical aspects of information security management. The link to the policy is: https://www.careratings.com/privacy_policy

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

During the reporting financial year, the Company has not received any complaints or had any cases filed against it pertaining to cyber security breaches, data privacy violations, irresponsible advertising, or anti-competitive practices. Furthermore, no such cases remain pending as on the end of the financial year.

7 Provide the following information relating to data breaches:

a. **Number of instances of data breaches** Nil

b. **Percentage of data breaches involving personally identifiable information of customers** Nil

c. **Impact, if any, of the data breaches** Nil

Leadership Indicators

1 Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).

The company displays all the information on products and services at https://www.careratings.com/

2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

NA

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

NA

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company adheres to all applicable disclosure requirements pertaining to its products and services. Its official website, www.careratings.com serves as a comprehensive repository of information, offering in-depth insights into the methodologies and criteria adopted for assigning credit ratings. Each rating press release includes the relevant criteria applied, along with a detailed rationale explaining the basis for the assigned rating. Any changes to existing ratings are transparently communicated in the respective press releases. Furthermore, the Company actively seeks client feedback through structured surveys conducted at regular intervals. Insights derived from this feedback mechanism are reviewed by the management to identify and act upon opportunities for improvement in service delivery and stakeholder engagement.

ANNEXURE – VI

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

1	**Name of the Subsidiary**	**CARE Analytics and Advisory Private Limited (Formerly known as CARE Risk Solutions Private Limited)**	
	Date since when subsidiary was acquired	**November 22, 2011**	
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	April 1, 2024 to March 31, 2025 (Same as that of Holding Company)	
		As on March 31, 2025	**As on March 31, 2024**
	Share Capital (includes Instruments entirely equity in nature of 26,50,00,000)	75,79,77,300	69,79,77,300
	Reserves and Surplus	(67,97,59,961)	(61,87,12,003)
	Total Assets (Non-Current Assets + Current Assets)	43,10,47,998	41,51,57,190
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	35,28,30,659	33,58,91,893
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	42,09,38,000	33,90,13,518
	Profit/(Loss) before Tax	(5,04,51,000)	(23,07,74,005)
	Provision for Taxation Tax Expenses (Deferred Tax)	(1,31,10,911)	-
	Profit/(Loss) after the Tax	(6,35,61,910)	(23,07,74,005)
	Proposed / Interim Dividend (including Dividend Tax)	-	-
	% of shareholding	100%	100%

2.	**Name of the Subsidiary**	**CARE ESG Ratings Limited (Formerly known as CARE Advisory Research and Training Limited)**	
	Date since when subsidiary was acquired	**September 6, 2016**	
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	April 1, 2024 to March 31, 2025 (Same as that of Holding Company)	
		As on March 31, 2025	**As on March 31, 2024**
	Share Capital	14,09,54,500	14,09,54,500
	Reserves and Surplus	(5,03,37,500)	(91,19,000)
	Total Assets (Non-Current Assets + Current Assets)	10,28,48,000	14,88,23,000
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	1,22,31,000	1,69,87,500
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	47,33,000	-
	Profit/(Loss) before Tax	(4,65,80,000)	50,73,000
	Provision for Taxation Tax Expenses (Deferred Tax)	55,62,687	(63,62,000)
	Profit/(Loss) for the Year	(4,10,17,313)	(12,89,000)
	Proposed / Interim Dividend (including Dividend Tax)	-	-
	% of shareholding	100%	100%

3.	**Name of the Subsidiary**	**CARE Ratings (Africa) Private Limited**	
	Date since when subsidiary was acquired	**December 12, 2014**	
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	**April 1, 2024 to March 31, 2025 (Same as that of Holding Company)**	
		As on March 31, 2025	**As on March 31, 2024**
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	MUR Rs.1.8348/MUR	MUR Rs.1.7570/MUR
	Share Capital	2,63,01,565	2,63,01,565
	Reserves and Surplus	15,29,60,130	9,60,65,288
	Total Assets (Non-Current Assets + Current Assets)	21,28,36,550	13,79,04,533
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	3,35,74,855	1,55,37,680
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	15,19,43,131	10,30,74,266
	Profit/(Loss) before Tax	7,27,88,550	4,05,32,197
	Provision for Taxation Tax Expenses (Deferred Tax)	(1,38,64,804)	(66,71,242)
	Profit/(Loss) after the Tax	5,89,23,746	3,38,60,955
	Proposed / Interim Dividend (including Dividend Tax)	86,86,315	87,85,150
	% of shareholding	78%	78%

4.	**Name of the Subsidiary**	**CARE Ratings Nepal Limited**	
	Date since when subsidiary was acquired	**February 5, 2018**	
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	**April 1, 2024 to March 31, 2025 (Same as that of Holding Company)**	
		As on March 31, 2025	**As on March 31, 2024**
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NPR 1 INR = 1.60 NPR	NPR 1 INR = 1.60 NPR
	Share Capital	3,12,50,000	3,12,50,000
	Reserves and Surplus	8,14,39,321	6,74,47,105
	Total Assets (Non-Current Assets + Current Assets)	13,86,88,321	11,85,10,661
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	2,59,99,000	1,98,13,556
	Details of Investments (excluding investments in subsidiary company)	5,75,625	-
	Turnover	6,28,98,229	5,00,39,138
	Profit/(Loss) before Tax	4,32,41,558	3,77,33,159
	Provision for Taxation Tax Expenses including Deferred Tax	(1,09,97,237)	(96,00,122)
	Profit/(Loss) after the Tax	3,22,44,321	2,81,33,037
	Proposed / Interim Dividend (including Dividend Tax)	1,87,50,000	2,50,00,000
	% of shareholding	51%	51%

5.	**Name of the Subsidiary**	**CARE Ratings South Africa (Pty) Limited***	
	Date since when subsidiary was acquired	**October 25, 2023**	
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	**April 1, 2024 to March 31, 2025 (Same as that of Holding Company)**	
		As on March 31, 2025	**As on March 31, 2024**
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	**ZAR Rs. 4.6434/ZAR**	**ZAR Rs. 4.4512/ZAR**
	Share Capital	1,86,21,566	-
	Share Application money pending allotted	-	40,75,225
	Reserves and Surplus	(85,34,713)	(33,11,243)
	Total Assets (Non-Current Assets + Current Assets)	1,02,18,726	7,63,982
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	1,31,873	-
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	-	-
	Profit/(Loss) before Tax	(50,80,488)	(33,11,243)
	Provision for Taxation Tax Expenses including Deferred Tax	-	-
	Profit/(Loss) after the Tax	(50,80,488)	(33,11,243)

5.	Name of the Subsidiary	CARE Ratings South Africa (Pty) Limited*	
	Date since when subsidiary was acquired	October 25, 2023	
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	April 1, 2024 to March 31, 2025 (Same as that of Holding Company)	
		As on March 31, 2025	As on March 31, 2024
	Proposed / Interim Dividend (including Dividend Tax)	-	-
	% of shareholding	78%	78%

*CARE Ratings Limited holds 78% in CARE Ratings (Africa) Private Limited, which holds 100% in CARE Ratings South Africa (Pty) Limited.

6.	Name of the Subsidiary	CareEdge Global IFSC Limited
	Date since when subsidiary was acquired	April 29, 2024
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	April 29, 2024 to March 31, 2025 (Same as that of Holding Company)
		As on March 31, 2025
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD 1 USD = Rs. 85.4541
	Share Capital	30,00,00,000
	Reserves and Surplus	(3,93,37,000)
	Total Assets (Non-Current Assets + Current Assets)	30,84,13,000
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	4,77,50,000
	Details of Investments (excluding investments in subsidiary company)	-
	Turnover	1,95,24,000
	Profit/(Loss) before Tax	(4,50,32,000)
	Provision for Taxation Tax Expenses including Deferred Tax	-
	Profit/(Loss) after the Tax	(4,50,32,000)
	Proposed / Interim Dividend (including Dividend Tax)	-
	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: CARE Ratings South Africa (Pty) Limited
2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part "B": Associates and Joint Ventures: Not Applicable

(Statement pursuant to first proviso to Section 129(3) of Companies (Accounts) Rules, 2013 related to Associate Companies and Joint Ventures)

Name of the Associate: NIL

1. Name of associates or joint ventures which are yet to commence operations: Not Applicable
2. Name of associates or joint ventures which have been liquidated or sold during the year: Not Applicable

On behalf of the Board of Directors of CARE Ratings Limited

Sd/-
Najib Shah
Chairman
(DIN: 08120210)

Sd/-
Mehul Pandya
Managing Director & Group CEO
(DIN: 07610232)

Sd/-
V. Chandrasekaran
Chairman-Audit Committee
(DIN: 03126243)

Sd/-
Jinesh Shah
Chief Financial Officer
M. No.: 117833

Sd/-
Manoj Kumar CV
Company Secretary
M. No.: A15140

Date: May 12, 2025
Place: Mumbai

ANNEXURE – VII

CORPORATE GOVERNANCE REPORT

Company's philosophy on Corporate Governance

Corporate governance is about maximizing shareholders value legally, ethically and on a sustainable basis. At CARE Ratings Limited ("CareEdge or the Company"), the goal of corporate governance is to ensure fairness for every stakeholder i.e. our customers, investors, employees, vendor-partners, the community and the government. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It reflects our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

Good governance encompasses conduct of the Company's business in an ethical, transparent, fair and equitable manner with due regard to the interests of the various stakeholders and exercising proper control over the Company's assets and transactions.

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

Recognizing the need to incorporate the best practices being followed in the corporate space, a CARE 'BOARD CHARTER' has been adopted by the Board of Directors ("the Board"). The Board Charter spells out the membership/composition/term of the Board, rights and obligations of the Board, the various committees of the Board, role of chairman, meetings of the Board, etc.

The Board of CARE has the obligations for the stewardship of the Company. Accordingly, the Board shall be responsible for the overall direction, supervision and control of CARE.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and also the Guidance Note on Board Evaluation as prescribed by the Securities and Exchange Board of India ("SEBI"). A report on compliance with the Code of Corporate Governance as on March 31, 2025 as prescribed by Regulation 34(3) read with Schedule V of the Listing Regulations as amended from time to time is given below:

1. Board of Directors

The members of the Board of your Company are expected to possess the required expertise, skill and experience to effectively manage and direct your Company so that it can attain its organizational goals. They are expected to be persons with vision, leadership qualities, a strategic bent of mind, proven competence and integrity.

Each member of the Board of your Company is expected to ensure that his/her personal interest does not conflict with your Company's interest. Moreover, each member is expected to use his/her professional judgment to maintain both the substance and appearance of independence and objectivity.

1.1. Composition, category of directors and other directorship details as on the date of this report are as follows:

As on March 31, 2025, in compliance with Regulation 17 of the Listing Regulations, the Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Board has Eight (8) Directors, of whom Six (6) are Non-Executive Independent Directors, One (1) of them is Non-Executive & Non-Independent Director and One (1) of them is an Executive Director. The Board has one independent woman director on the Board and more than one third of the Board consists of Independent Directors.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business. The profiles of Directors can be found on https://www.careratings.com/about-us

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 ("the Act"), rules made therunder and the Listing Regulations. The terms and conditions of their appointment are disclosed on the Company's website.

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the provisions of the Act and the Listing Regulations. These Committees meet at such frequency as required under the provisions of the Act read with rules made there under, the Listing Regulations as is deemed necessary, to effectively undertake and deliver upon the responsibilities and tasks assigned to them. The Company currently has

Eight (8) Committees of the Board viz., (i) Audit Committee (ii) Stakeholders' Relationship Committee (iii) Nomination and Remuneration Committee (iv) Risk Management Committee (v) Corporate Social Responsibility and Sustainability Committee (vi) Rating Sub-Committee (vii) Strategy and Investment Committee and (viii) Technology Committee.

None of the Directors is a member of more than Ten (10) Board-level committees or Chairperson of more than Five (5) such committees across all public companies in which he/she is a Director (here, "Committees" mean Audit Committee and Stakeholders' Relationship Committee only) as required under Regulation 26 of the Listing Regulations. Further, none of the Non-Executive Independent Directors serve as an Independent Director in more than Seven (7) listed entities and the Managing Director is not Independent Director in more than Three (3) listed entities as required under Regulation 17A of the Listing Regulations.

None of the Directors hold office in more than Twenty (20) companies and in more than Ten (10) public companies as prescribed under Section 165 of the Act. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025 have been made by the Directors.

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field are considered by the Nomination and Remuneration Committee, for appointment as an Independent Director on the Board. The Board considers the recommendations of the Nomination and Remuneration Committee and takes appropriate decision.

The Board confirms that the Independent Directors fulfil all the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are Independent of the management of the Company. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may reasonably anticipated that could impair or impact their ability to discharge their duties.

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have completed the registration with the Independent Director's databank.

Details of Directors for the financial year 2024-25 are as under:

Category	Name of Director	DIN	Date of Appointment
Non-Executive & Non-Independent Director	Mr. Sobhag Mal Jain	08770020	January 28, 2023
Non-Executive Independent Director	Mr. Najib Shah	08120210	July 17, 2019
	Mr. V. Chandrasekaran	03126243	December 7, 2022
	Mr. Adesh Kumar Gupta[#]	00020403	May 22, 2018
	Mr. Gurumoorthy Mahalingam	09660723	November 21, 2022
	Ms. Sonal Desai	08095343	March 30, 2019
	Dr. M. Mathisekaran	03584338	August 19, 2019
	Mr. Manoj Chugh[$]	02640995	May 9, 2024
Executive Director (Managing Director and Group CEO)	Mr. Mehul Pandya	07610232	July 29, 2022

[#] Mr. Adesh Kumar Gupta ceased to be an Independent Director of the Company w.e.f. July 9, 2024, upon completion of second term as an Independent Director of the Company.

[$] Mr. Manoj Chugh was appointed as an Additional Director (in the category of Non-Executive Independent Director) on the Board w.e.f. May 9, 2024. His appointment was subsequently approved by the Members of the Company at the Annual General Meeting held on July 9, 2024, the results of which was declared on July 10, 2024.

Note: The Company does not have any promoter Director or Nominee Director.

1.2. Familiarization program for Independent Directors

The Company has conducted the familiarization program for Independent Directors during the year. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatize them with the processes, businesses and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company.

The familiarization programme for Independent Directors is disclosed on the Company's website and the same may be accessed at the link https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679559133_10082022063621_Familiarisation_Programme_for_Non-Executive_and_Independent_Directors_(10-8-22).pdf

1.3. Disclosure regarding appointment or re-appointment of directors

As per the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on May 9, 2024 had appointed Mr. Manoj Chugh (DIN: 02640995) as an Additional Director (Non-Executive Independent Director) of the Company and later, his appointment as a Non-Executive Independent Director was approved by the Members of the Company at the Annual General Meeting ('AGM') held on July 9, 2024, the results of which was declared on July 10, 2024.

At the ensuing AGM, in accordance with the provisions of the Act, Mr. Mehul Pandya (DIN:07610232), Managing Director and Group CEO, retires by rotation and being eligible, offers himself for re-appointment.

1.4. Board Procedure

A detailed agenda of the meeting is circulated in advance to each Director of Board and its Committees as prescribed in the Act and Secretarial Standards, all major agenda items are backed by comprehensive background notes and other material information to enable the Board to take informed decisions. Agenda papers (except unpublished price sensitive information) are circulated in advance to the Board and Committee members. The Board members, in consultation with the Chairperson, may also bring up any other matter for the consideration of the Board.

1.5. Meetings of the Board

The Board of Directors met 5 times during the financial year 2024-25 on May 9, 2024, August 7, 2024, October 23, 2024, January 30, 2025 and March 12, 2025. The maximum gap between two Board Meetings was not more than one hundred and twenty days.

Details of attendance:

Name of the Director	No. of Board meetings held during the tenure of the director	No. of meetings attended	AGM held on July 9, 2024#	Number of Directorships in other Companies		Number of Committee positions held in Audit/ Stakeholders` Relationship Committee in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Public	Private	Chairperson	Member	
Mr. Najib Shah	5	5	Yes	1	2	-	1	-
Mr. V. Chandrasekaran	5	5	Yes	5	1	2	4	Tata Investment Corporation Limited - Independent Director Grasim Industries Limited - Independent Director
Mr. Adesh Kumar Gupta`	1	1	Yes	-	-	-	-	-
Mr. Gurumoorthy Mahalingam	5	5	Yes	4	1	-	2	Life Insurance Corporation of India - Independent Director City Union Bank Limited - Independent Director Central Depository Services (India) Limited - Public Interest Director
Ms. Sonal Desai	5	5	Yes	2	1	1	-	Sharda Cropchem Limited – Independent Director
Dr. M. Mathisekaran	5	5	Yes	-	-	-	-	-
Mr. Manoj Chugh$	4	4	Yes	2	1	-	1	Esconet Technologies Limited - Independent Director

Name of the Director	No. of Board meetings held during the tenure of the director	No. of meetings attended	AGM held on July 9, 2024#	Number of Directorships in other Companies		Number of Committee positions held in Audit/ Stakeholders` Relationship Committee in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Public	Private	Chairperson	Member	
Mr. Sobhag Mal Jain	5	5	Yes	4	2	-	3	RKEC Projects Limited - Independent Director The Byke Hospitality Limited - Independent Director Choice International Limited - Independent Director
Mr. Mehul Pandya	5	5	Yes	3	-	-	-	-

was held through Audio/Video conference mode

$ Mr. Manoj Chugh was appointed as an Additional Director of the Company (in the category Non-Executive Independent Director) at the Board meeting held on May 9, 2024. His appointment was subsequently approved by the Members of the Company at Annual General Meeting held on July 9, 2024, the results of which was declared on July 10, 2024.

^ Mr. Adesh Kumar Gupta ceased to be an Independent Director of the Company w.e.f. July 9, 2024, upon completion of second term as an Independent Director of the Company.

As on March 31, 2025, the Board confirms that in the opinion of the Board, the Independent Directors fulfil the conditions specified by Listing Regulations and are independent of management.

1.6. Post - meeting follow - up systems

The Governance system in the Company includes an effective post - meeting follow-up, review and reporting process for action taken/pending on decisions of the Board and its Committees. These actions are tracked till their closure and an 'Action Taken Report' is placed before each Board and Committee meetings for noting.

1.7. Board Support

The Company Secretary of the Company attends all the meetings of the Board and its Committees and advises / assures the Board and Committees on compliance and governance principles.

1.8. Relationships between directors inter-se

None of the Directors of the Company or Key Managerial Personnels (KMP) of the Company are related inter-se.

1.9. Code of Conduct (Code of Ethics) for Director and Senior Management

The Board had laid down Code of Conduct for all Directors of the Board and the Senior Management of the Company. The same has been posted on the website of the Company i.e. www.careedge.in

All the Directors of the Board and the Senior Management Personnel of the Company have confirmed their compliance with the Code of Conduct for the year ended March 31, 2025. A declaration to this effect, signed by the Managing Director & Group CEO forms part of this Report.

(A) Board Skills, Capabilities and Experiences

The Company recognizes the importance of having a board comprising directors who have a range of experiences, capabilities and diverse points of view. This helps the Company to create an effective and well-rounded board. The capabilities and experiences sought in the directors are outlined here:

i. **Taxation -** Expertise in understanding various taxation laws and application of the same in the context of the business.

ii. **Finance & Investments -** Expertise in understanding and management of complex financial functions and processes, deep knowledge of investments, finance and treasury for financial health of the Company.

iii. **Leadership and Board Experience -** Leadership skill includes ability to appropriately represent the Company, set appropriate Board and organization culture and take decisions in the interest of the Company. Board experience in terms of being director on the Board of other companies.

iv. **Risk Management -** Ability to identify key risks for the business in a wide range of areas including providing guidance for mitigating the same.

v. **Global Business Perspective -** Has exposure to global business practices or deep understanding of diverse business environments, economic conditions, cultures and broad perspective on global market opportunities etc.

vi. **Technology -** Has expertise with respect to business specific technologies. Has experience and adds perspective on the future ready skills required by the organization such as E-Commerce, Digital and Sustainability etc.

vii. **Business Strategy -** Is or has been the Chief Executive Officer or held any other leadership position in an organization leading to significant experience in strategy or business management. Brings the ability to identify and assess strategic opportunities and threats in the context of the business.

viii. **Industry and Market Expertise -** In case of Industry expertise, the person has expertise with respect to the sector the organization operates in. Has an understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.

In case of Market Expertise, the person has expertise with respect to the geography, the organization operates in. Understands the macro-economic environment, the nuances of the business, consumers and trade in the geography, and has the knowledge of the regulations & legislations of the market/(s) the business operates in.

ix. **Governance -** Has an understanding of the law and application of corporate governance principles in a commercial enterprise of similar scale.

x. **People and Talent Understanding -** Has experience in human resource management such that they bring in a considered approach to the effective management of people in an organization.

(B) Board Membership Criteria and list of core skills / expertise / competencies identified in the context of the business. The Board of Directors are collectively responsible for selection of a Member on the Board. In terms of requirement of Listing Regulations, the Board has identified the following core skills / expertise /competencies of the Directors in the context of the Company's business for effective functioning as given below:

Skillsets	Najib Shah	V. Chandrasekaran	Sonal Desai	M. Mathisekaran	G. Mahalingam	Manoj Chugh	Sobhag Mal Jain	Mehul Pandya
Taxation	Y	Y	Y	N	N	N	Y	N
Finance and Investments	Y	Y	Y	Y	Y	N	Y	Y
Leadership and Board Experience	Y	Y	Y	Y	Y	Y	Y	Y
Risk Management	Y	Y	Y	Y	Y	N	Y	Y
Global Business Perspective	Y	Y	Y	Y	Y	Y	Y	Y
Technology	N	N	Y	N	N	Y	N	Y
Business Strategy	Y	Y	Y	Y	N	Y	Y	Y
Industry and Market Expertise	Y	Y	Y	Y	Y	N	Y	Y
Governance	Y	Y	Y	Y	Y	Y	Y	Y
People and Talent Understanding	Y	Y	Y	Y	Y	Y	Y	Y

Yes-(Y) No-(N)

(C) None of the Directors of the Company resigned from the Board in lieu of prioritizing the limits prescribed for the directors to hold the number of directorships in companies.

2. Committees of the Board of Directors

2.1. Audit Committee

(A) Composition of Audit Committee

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company, is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of Internal and Statutory Audits. The Audit Committee of the Company has been constituted in compliance with the provisions of Section 177 of the Act read with Regulation 18 of the Listing Regulations.

Composition of Audit Committee:

Name of the Director	Position held
Mr. V. Chandrasekaran	Chairman
Ms. Sonal Desai	Member
Mr. Gurumoorthy Mahalingam	Member
Mr. Sobhag Mal Jain	Member

(B) Terms of reference

The terms of reference of the Audit Committee approved by the Board as per the provisions of Section 177 of Act and Regulation 18 read with Part C of Schedule II of the Listing Regulations are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements.
    - Disclosure of any related party transactions.
    - modified opinion(s) in the draft audit report, if any.
6. Reviewing, with the management, the quarterly financial statements / results of all the group entities before submission to the board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
9. Approval or any subsequent modification of transactions of the Company with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of

the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. Discussion with internal auditors of any significant findings and follow up there on;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. To review the functioning of the Whistle Blower mechanism and prevention of Sexual Harassment mechanism;

20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing;

22. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

23. Identification of various risks associated with the operations of the Company such as regulatory risk, business risk, market risk, etc;

24. Monitoring and reviewing of the risk management plan of the Company;

25. Reviewing of Risk Management Policy as approved by the Board from time to time and

26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(C) Meetings and attendance of the Audit Committee

The Audit Committee met Four (4) times during the financial year 2024-25 on May 9, 2024, August 7, 2024, October 23, 2024 and January 30, 2025. The time gap between any two meetings was less than 120 days as prescribed under the Listing Regulations.

Details of attendance		
Name of the Directors	**No. of Meetings held**	**No. of Meetings attended**
Mr. Adesh Kumar Gupta[#]	1	1
Mr. V. Chandrasekaran[$]	2	2
Ms. Sonal Desai	4	4
Mr. Gurumoorthy Mahalingam	4	4
Mr. Sobhag Mal Jain	4	4

[#] Mr. Adesh Kumar Gupta ceased to be Member and Chairman of the Committee w.e.f. July 9, 2024

[$] Mr. V. Chandrasekaran was appointed as Member and Chairman of the Committee w.e.f. August 7, 2024

Mr. Adesh Kumar Gupta, then Chairman of Audit Committee attended the Annual General Meeting of the Company which was held on July 9, 2024.

The Company Secretary of the Company is the Secretary to the Audit Committee.

2.2. Nomination and Remuneration Committee

(A) Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") has been constituted in compliance with the provisions of Section 178 of the Act read with Regulation 19 of the Listing Regulations.

During the year under review, there were no changes in the composition of the Committee.

Composition of NRC:

Name of the Directors	Position held
Ms. Sonal Desai	Chairperson
Mr. Najib Shah	Member
Mr. V. Chandrasekaran	Member

The Company Secretary of the Company is the Secretary to the NRC.

(B) Terms of Reference

The terms of reference of the NRC approved by the Board as per the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations are as follows:

1) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;

2) Recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual Directors to be carried out either by the Board, by the Committee or by any an independent external agency and review its implementation and compliance;

3) Formulate the criteria for determining qualifications, positive attributes and independence of a director;

4) Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

5) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

6) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a) use the services of an external agencies, if required;

   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) consider the time commitments of the candidates.;

7) Formulation of criteria for evaluation of Independent Directors and the Board;

8) Devising a policy on Board diversity;

9) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;

10) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report and

11) Recommend to the board, all remuneration, in whatever form, payable to senior management.

(C) Meetings & attendance of the Nomination and Remuneration Committee

The Committee met Three (3) times during the financial year 2024-25 on May 3, 2024, August 7, 2024 and October 22, 2024.

Details of attendance		
Name of the Directors	**No. of Meetings held**	**No. of Meetings attended**
Ms. Sonal Desai	3	3
Mr. Najib Shah	3	3
Mr. V. Chandrasekaran	3	3

(D) Remuneration/Sitting Fees paid to Directors

During the Financial year 2024-25, your Company paid remuneration to its Managing Director and Group CEO in accordance with the remuneration approved by the Members at the Annual General Meeting held on September 26, 2022 and the remuneration paid was within the limits envisaged under the applicable provisions of the Act. The remuneration paid to the Managing Director and Group CEO was approved by the Board and the NRC before seeking the approval of the Members.

Criteria for making payments to Non-Executive Directors:

Sitting fees: Rs. 100,000/- for attending each Board meeting and Rs. 50,000/- for attending each Committee meeting

Details of Remuneration/Sitting Fees paid and Commission to be paid to Directors:

Sr. No.	Name of the Director	Amount (in Rs.)	
		Sitting Fees	Commission*
1	Mr. Najib Shah (Non-Executive Independent Director)	9,50,000	36,36,364
2	Mr. V. Chandrasekaran (Non-Executive Independent Director)	11,50,000	18,18,182
3	Mr. Adesh Kumar Gupta (Non-Executive Independent Director)#	2,00,000	4,54,546
4	Ms. Sonal Desai (Non-Executive Independent Director)	10,50,000	18,18,182
5	Dr. M Mathisekaran (Non-Executive Independent Director)	8,00,000	18,18,182
6	Mr. Gurumoorthy Mahalingam (Non-Executive Independent Director)	10,00,000	18,18,182
7	Mr. Manoj Chugh (Non-Executive Independent Director)$	6,00,000	18,18,182
8	Mr. Sobhag Mal Jain (Non-Executive Non-Independent Director)	8,50,000	18,18,182^
9	Mr. Mehul Pandya (Managing Director and Group CEO)	As mentioned below	

Mr. Adesh Kumar Gupta ceased to be an Independent Director of the Company w.e.f. July 9, 2024, due to completion of second term as an Independent Director of the Company.

$ Mr. Manoj Chugh was appointed as an Independent Director of the Company w.e.f. May 9, 2024

^ Being paid to the public financial institution, the Director represented.

* Commission will be paid after the Annual General Meeting

The details of the remuneration to Mr. Mehul Pandya, Managing Director and Group CEO are as follows:

(Amount in Rs.)

Particulars	Mr. Mehul Pandya
Salary and Allowance	2,32,80,586
Variable Pay	1,50,00,000
Provident Fund Contribution	9,82,500
Perquisite Value-Stock Option (ESOP)*	16,72,650
Leave Encashment	4,37,820
Superannuation	8,18,750
Car Perquisite	39,600
Total	4,22,31,906

*Mr. Mehul Pandya, Managing Director and Group CEO was granted 100,000 (One Lakh) stock options under Employee Stock Option Scheme 2020. The Exercise period for stock options would be two years from the date of vesting in line with the ESOS Scheme 2020.

(E) Directors with materially significant related party transactions, pecuniary or business relationship or transaction with the Company:

Except for drawing remuneration in case of Executive Director and Sitting Fees and Commission in case of Non-Executive Directors, none of the Directors have any other materially significant related party transactions, pecuniary relationship or transaction with the Company.

(F) Details of the shareholding of Non-executive Directors:

None of the Non-Executive Directors hold any shares in the Company.

(G) Performance Evaluation of Independent Directors:

The Performance Evaluation of Independent Directors was done by the entire Board of Directors excluding the Director being evaluated. The evaluation questionnaire form in respect of each Independent Director was filled up by the Directors. The Independent Directors were evaluated on the basis of criteria such as skills, knowledge, discharge of duties, level of participation in the meetings etc. The results of such evaluation are presented to the NRC and Board of Directors.

2.3. Stakeholders Relationship Committee

(A) Composition of Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company was constituted by the Board in compliance of the provisions of Section 178 of the Act read with Regulation 20 of the Listing Regulations to look into the redressal of shareholders'/investors' complaints, such as transfer of securities, non-receipt of dividend, notice, annual reports and all other securities related matters.

Composition of Stakeholders Relationship Committee:

Name of the Directors	Position held
Ms. Sonal Desai$	Chairperson
Dr. M. Mathisekaran^	Member
Mr. Sobhag Mal Jain	Member
Mr. Mehul Pandya	Member

Mr. Manoj Kumar CV, Company Secretary of the Company is the Secretary to the Stakeholders Relationship Committee and acts as the Compliance Officer of the Company.

(B) Terms of Reference

1) To review the redressal of Investors' complaints like transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividend, delays in transfer of shares, dematerialisation / rematerialisation of shares etc.

2) To act on behalf of the Board, in the matters connected with issuance of duplicate share certificates, split and consolidation etc.

3) Review of measures taken for effective exercise of voting rights by shareholders.

4) To oversee performance of the Registrar and Transfer Agents of the Company and their adherence to service standards and recommend measures for overall improvement in the quality of investor services.

5) To review the process of complaint and grievance handling mechanism at periodic intervals.

6) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

7) To review various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividends warrants, annual reports, statutory notices by the shareholders of the Company.

8) To undertake such other matters as deemed fit and proper for effective discharge of the above responsibilities.

(C) Meetings & attendance of the Stakeholders Relationship Committee

The Committee met once (1) during the financial year 2024-25 on March 12, 2025.

Details of attendance		
Name of the Directors	**No. of Meetings held**	**No. of Meetings attended**
Ms. Sonal Desai[$]	1	1
Dr. M. Mathisekaran[^]	1	1
Mr. Najib Shah[#]	0	0
Mr. Sobhag Mal Jain	1	1
Mr. Mehul Pandya	1	1

[$] Ms. Sonal Desai was appointed as Member and Chairperson of the Committee w.e.f. August 7, 2024

[^] Dr. M. Mathisekaran ceased to be Chairman of the Committee w.e.f. August 7, 2024 but continued as Member of the Committee

[#] Mr. Najib Shah ceased to be Member of the Committee w.e.f. August 7, 2024

Details of shareholders complaints during Financial Year ended March 31, 2025 are as follows:

The Company has not received any complaint from the shareholders during the financial year ended March 31, 2025.

2.4 Corporate Social Responsibility and Sustainability Committee

(A) Composition of Corporate Social Responsibility and Sustainability Committee

Corporate Social Responsibility and Sustainability Committee has been constituted as per Section 135 of the Act and rules made thereunder:

Composition of Corporate Social Responsibility and Sustainability Committee

Name of the Directors	Position held
Dr. M. Mathisekaran	Chairperson
Ms. Sonal Desai	Member
Mr. Mehul Pandya	Member

(B) Terms of Reference

The terms of reference of the Corporate Social Responsibility and Sustainability Committee approved by the Board as per the provisions of Section 135 of the Companies Act, 2013 are as follows:

1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.

2) Formulate and recommend to the Board an Annual Action Plan covering following that are in line with the CSR Policy of the Company:

- The list of CSR projects or programmes that are approved to be undertaken in the area of Schedule VII;
- Manner of the execution of such projects;
- Modalities of utilization of funds and implementation of schedule for the projects;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the project undertaken by the Company.

3) Recommend the amount of CSR expenditure to be incurred on the activities referred in clause (2) for approval of the Board.

4) Put monitoring mechanisms in place to track the progress of each project.

5) Undertake such other duties and responsibilities as specified under the Act and the CSR Rules.

6) Explore the benchmarks available, if any, for formulating BRSR policy.

7) Periodically review environmental, social and governance (ESG)/ Sustainability matters pertaining to the Company, including initiatives and reporting and

8) Review and recommend to the Board the Business Responsibility and Sustainability Report which is required to be included in the Annual Report of the Company.

(C) Meetings & attendance of the Corporate Social Responsibility and Sustainability Committee

The Committee met Two (2) times during the financial year 2024-25 on May 6, 2024 and July 24, 2024.

Details of attendance		
Name of the Directors	**No. of Meetings held**	**No. of Meetings attended**
Dr. M. Mathisekaran	2	2
Ms. Sonal Desai	2	2
Mr. V. Chandrasekaran[$]	2	2
Mr. Mehul Pandya	2	2

[$]Mr. V. Chandrasekaran ceased to be Member of the Committee w.e.f. August 7, 2024

2.5 Risk Management Committee

(A) Composition of Risk Management Committee

Risk Management Committee has been constituted in compliance with Regulation 21 of the Listing Regulations.

Composition of Risk Management Committee

Name of the Directors	Position held
Mr. Manoj Chugh	Chairman
Dr. M. Mathisekaran	Member
Mr. Sobhag Mal Jain	Member
Mr. Mehul Pandya	Member

(B) Terms of Reference

The terms of reference of the Risk Management Committee approved by the Board is as follows:

1) Formulate a detailed risk management policy which shall include:

   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   c) Business continuity plan.

2) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

   Further, it shall periodically review and evaluate the Company's policies and practices with respect to risk assessment and risk management and annually present to the full board a report summarising the committee's review of the Company's methods for identifying, managing, and reporting risks and risk management deficiencies;

5) Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7) The Risk Management Committee may form and delegate authority to subcommittees when appropriate. It shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

8) The Risk Management Committee shall make regular reports to the Board, including with respect to risk management and minimization procedures;

9) The Risk Management Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval;

10) The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role. The Risk Management Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors and

11) The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

(C) Meetings & attendance of the Risk Management Committee

The Committee met twice (2) during the financial year 2024-25 on April 24, 2024 and October 14, 2024.

Details of attendance		
Name of the Directors	**No. of Meetings held**	**No. of Meetings attended**
Mr. Manoj Chugh[$]	1	1
Mr. V. Chandrasekaran[#]	1	1
Dr. M. Mathisekaran	2	2
Mr. Mehul Pandya	2	2
Mr. Sobhag Mal Jain	2	2

[$]Mr. Manoj Chugh was appointed as Member and Chairperson of the Committee w.e.f. August 7, 2024

[#]Mr. V. Chandrasekaran ceased to be Member and Chairperson of the Committee w.e.f. August 7, 2024

2.6 Rating Sub-Committee

(A) Composition of Rating Sub-Committee

Securities & Exchange Board of India (SEBI), with a view to enhance the governance norms for Credit Rating Agencies (CRAs) had recommended constitution of a committee of the Board of Directors of the CRA titled "Rating Sub-committee" (RSC).

The purpose of this sub-committee is to ensure independence of the rating function. The Chief Rating Officer of CARE Ratings (who presides over the entire rating analytical function) reports to RSC. This committee is responsible for approving the operating guidelines and policies for rating including the rating code of conduct, policy on management of conflict of interest, etc.

Apart from this, the RSC also reviews the compliance status with respect to SEBI CRA Regulations, IOSCO Code of Conduct, internal audit of rating operations and steps taken by the Company to continuously improve its rating processes.

The RSC has provided valuable inputs to strengthen the rating process as well as the analytical capabilities. Under their guidance, the rating performance as measured by Default and Transition statistics has improved significantly.

Composition of Rating Sub-Committee:

Name of the Director	Position held
Mr. Gurumoorthy Mahalingam	Chairman
Mr. Najib Shah	Member
Mr. V. Chandrasekaran	Member

(B) Terms of Reference

1) The Rating Sub-Committee shall:

a) Approve the following

i. Operating Guidelines and Policies for Rating

ii. Ratings code of conduct

iii. Policy on management of Conflict of Interest

iv. Policy for dealing with Conflict of Interest in investment / trading by CARE, Access Persons and other Employees

v. Whistle- blower policy for ratings

b) Review the following

- Compliance Status of IOSCO Code of Conduct
- Internal Audit reports on
  - Semi-annual SEBI mandated Audit (which incorporates Compliance Officer's observation) for the comments of Board
  - Any other audit conducted on the Ratings business
- Report on Chairperson's review of Rating Committee decisions
- Report on breaches, complaints (including SCORES) and incidents
- Report on compliance with CRA regulations
- Report on findings of SEBI inspection and action taken report
- Report on any other action taken by SEBI against CRA
- Report on regulatory developments and their implications
- Bi-annual update on the performance of the ratings – default and transition statistics, criteria updates, knowledge sharing opinion pieces etc. presented by the Chief Rating Officer ("CRO")
- Report by the CRO that all required disclosures have been made on a timely basis along with reasons for deviations
- Sharp rating changes study as mandated per SEBI circular and place the same before the Board for review.
- Constitution/reconstitution of Rating Committee(s)
- Steps taken by the company to improve its analytical capabilities and market acceptability.
- Latest developments in the CRA industry including relative placement of CARE's ratings.

2) The Rating Sub-Committee shall not certify, clear and approve any ratings/ rating decisions. This will remain the responsibility of the rating committees.

3) The Rating Sub-Committee shall have authority to investigate into any matter in relation to the items specified in sub-section 1 (b) (vii) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

4) The Ratings Sub-Committee shall recommend the appointment of the CRO to the NRC/Board.

5) The CRO will have the responsibilities as per the Charter of this Committee.

6) The minutes of the Committee shall be placed before the Board.

(C) Meetings & attendance of the Rating Sub-Committee

The Committee met Four (4) times during the financial year 2024-25 on April 30, 2024, July 19, 2024, October 14, 2024 and January 17, 2025.

Details of attendance		
Name of the Directors	**No. of Meetings held**	**No. of Meetings attended**
Mr. Gurumoorthy Mahalingam	4	3
Mr. V. Chandrasekaran	4	4
Mr. Adesh Kumar Gupta#	1	1
Mr. Najib Shah	4	4

Mr. Adesh Kumar Gupta ceased to be Member of the Committee w.e.f. July 9, 2024

2.7 Technology Committee

The Technology Committee has been constituted for monitoring the progress of IT projects and approval of cost of projects.

(A) Composition of Technology Committee

Name of the Directors	Position held
Mr. Najib Shah	Chairman
Mr. Gurumoorthy Mahalingam	Member
Mr. Manoj Chugh	Member

(B) Terms of Reference

a) To provide an oversight on critical IT projects / initiatives;

b) To approve the cost of IT projects/ initiatives (capex exceeding Rs.3 crores) and monitor the progress of the same; and

c) Any other matter pertains to IT as it may deem fit.

(C) Meetings & attendance of the Technology Committee

During the financial year 2024-25, the Committee met Two (2) times i.e. on September 24, 2024 and January 7, 2025.

Details of attendance		
Name of the Directors	**No. of Meetings held**	**No. of Meetings attended**
Mr. Najib Shah	2	2
Mr. Adesh Kumar Gupta^	-	-
Mr. G. Mahalingam	2	2
Mr. Manoj Chugh$	2	2

^Mr. Adesh Kumar Gupta ceased to be Member of the Committee w.e.f. July 9, 2024

$Mr. Manoj Chugh was appointed as Member of the Committee w.e.f. August 7, 2024

2.8 Strategy and Investment Committee

In view of pursuing a growth path, the Company has formed a Strategy and Investment Committee on April 15, 2021. The Committee was formed for evaluating the strategic and investment decisions.

(A) Composition of Strategy and Investment Committee:

Name of the Directors	Position held
Mr. Najib Shah	Chairman
Mr. V. Chandrasekaran	Member
Mr. Adesh Kumar Gupta#	Member
Mr. Manoj Chugh$	Member
Mr. Gurumoorthy Mahalingam	Member

Mr. Adesh Kumar Gupta ceased to be a Member of the Committee w.e.f. July 9, 2024

$ Mr. Manoj Chugh was appointed as a Member of the Committee w.e.f March 12, 2025

(B) Terms of Reference

a) To consider any proposals relating to mergers, acquisitions, strategic investments, buy-back, slump sale and divestments by the Company and recommend them to the Board for approval;

b) To approve and recommend to the Board the Business Plan / Feasibility Report of any new projects that are strategic in nature (as distinct from the projects for the normal operations of the Company) and that require funding by the Company;

c) Any restructuring at the Group level that entails formation / cessation of any entity shall be previewed and recommended to the Board for approval.

Any strategic projects at the subsidiary level that does not warrant any funding by the parent company shall be approved by the board of the respective subsidiaries.

(C) Meetings & attendance of the Strategy and Investment Committee

During the year under review, no meeting of the Committee was held.

2.9 Independent Directors Meeting

As on March 31, 2025, the Company had Six (6) Independent Directors i.e. Mr. Najib Shah, Mr. V. Chandrasekaran, Ms. Sonal Desai, Dr. M. Mathisekaran, Mr. Gurumoorthy Mahalingam and Mr. Manoj Chugh on its Board.

Regulation 25(3) of the Listing Regulations and Section 149(8) read with Schedule IV of the Act and the rules made thereunder, mandate that the Independent Directors of the Company shall hold atleast one meeting in a year, without the presence of non-independent directors and members of the Management.

Accordingly, during the financial year 2024-25, one meeting of the Independent Directors was held on March 12, 2025. The meeting was attended by Mr. Najib Shah, Mr. V. Chandrasekaran, Ms. Sonal Gunvant Desai, Dr. M Mathisekaran, Mr. Gurumoorthy Mahalingam and Mr. Manoj Chugh without the attendance of non-independent directors and members of the management. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and determine their combined views to be put forth to the Board of Directors of the Company.

3. Details of Senior Management and changes therein:

The details of Senior Management of the Company and changes therein are as under:

Sr. No.	Name	Designation
1	Mr. Mehul Pandya	Managing Director & Group CEO
2	Mr. Sachin Gupta	Chief Rating Officer
3	Ms. Revati Kasture	Executive Director – Business Development
4	Ms. Nehal Shah#	Head – Legal, Secretarial and Compliance
5	Mr. Jinesh Shah	Chief Financial Officer

Sr. No.	Name	Designation
6	Mr. Anirudhha Sen	Head – Human Resource
7	Ms. Rashi Shingal	Head-Compliance and Legal (Ratings)
8	Mr. Nadir Bhalwani	Chief Information and Technology Officer
9	Ms. Rajani Sinha	Chief Economist
10	Ms. Smita Rajpurkar	Director - Criteria & Policy and Regulatory Affairs
11	Mr. Manoj Kumar CV[$]	Company Secretary and Compliance Officer

[#] Ms. Nehal Shah resigned as Company Secretary and Compliance Officer of the Company w.e.f. August 31, 2024

[$] Mr. Manoj Kumar CV was appointed as Company Secretary and Compliance Officer of the Company w.e.f. September 1, 2024

4. General Meetings

Details of last three Annual General Meetings (AGM) and Extra Ordinary General Meetings:

Financial Year	Venue	Date and Time	No. of special resolutions passed	Special Resolutions Passed
2023-24	The Company conducted AGM through VC/ OAVM pursuant to the MCA Circular dated April 08, 2020, April 13, 2020, May 5, 2020, December 31, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022, and September 25, 2023 and as such there is no requirement to have a venue for the AGM	July 9, 2024 at 3:30 p.m.	1	Appointment of Mr. Manoj Chugh (DIN: 02640995) as a Non-Executive Independent Director of the Company
2022-23	The Company conducted AGM through VC/ OAVM pursuant to the MCA Circular dated April 08, 2020, April 13, 2020, May 5, 2020, December 31, 2020, January 13, 2021, December 14, 2021, May 5, 2022, and December 28, 2022, and as such there is no requirement to have a venue for the AGM	July 28, 2023 at 3:30 p.m.	-	-
2021-22	The Company conducted AGM through VC/ OAVM pursuant to the MCA Circular dated April 08, 2020, April 13, 2020, May 5, 2020, December 31, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 and as such there is no requirement to have a venue for the AGM	September 26, 2022 at 3:00 p.m.	3	1. Re-appointment of Mr. Najib Shah (DIN:08120210) as an Independent Director of the Company for a second term; 2. Re-appointment of Ms. Sonal Gunvant Desai (DIN:08095343) as an Independent Director of the Company for a second term and 3. Re-appointment of Dr. M. Mathisekaran (DIN:03584338) as an Independent Director of the Company for a second term

5. Resolution passed through Postal Ballot:

During the financial year 2024-25, the Company did not seek any approval of the Members through postal ballot.

Person who conducted the Postal Ballot exercise i.e. Scrutinizer of Postal Ballot: Not Applicable

Whether any Special Resolution is proposed to be conducted through Postal Ballot:

No Special Resolution is proposed to be conducted through Postal Ballot.

6. Policies under Insider Trading Regulations

Based on the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted Code of Conduct for Directors, Rating Committee members and Employees of CARE.

The Board of Directors of the Company has also adopted the Code of practices and procedures of fair disclosure of unpublished price sensitive information in compliance with the said Regulations. The said Code is also available on the website of the Company i.e. www.careedge.in

7. Other policies

Your Company had adopted the necessary policies as required under Listing Regulations. These policies have been uploaded on the website of the Company i.e. www.careedge.in

8. Disclosure Requirements:

a) Related party disclosures:

All transactions entered into during the financial year 2024-25 with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any transaction referred to in Section 188 of the Act with related parties which could be considered material under the Listing Regulations. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Act in Form AOC-2 is not applicable.

As required under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on Materiality of and dealing with Related Party Transactions which is available on the website of the Company at www.careedge.in

b) Details of non-compliance, penalties and strictures imposed on any matter related to capital markets during the last three years:

There has been no incidence of non-compliance with any of the legal provisions of law nor has any penalty or stricture been imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to the capital markets during the last three years.

Further, please refer to the disclosures pertaining to certain matters, as provided under 'Update regarding certain matters' in the Directors Report of the Board of Directors, which are self-explanatory.

c) Whistle Blower Policy / Vigil Mechanism:

The Company's Whistle Blower Policy is in line with the provisions of the sub-section (9) and (10) of Section 177 of the Act and Regulation 22 of the Listing Regulations. This Policy establishes the necessary mechanism for employees to report to the management concerns about unethical behavior or actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. Further, no member of staff has been denied access to the Audit Committee. The policy has been uploaded on the website of the Company at www.careedge.in

9. Details of compliance with mandatory requirements and adoption of non-mandatory Corporate Governance requirements of Listing Regulations:

The Company has complied with all the mandatory requirements of Listing Regulations and has also adopted the following non-mandatory requirements of the Listing Regulations:

i. The Board:

The Company arranges for reimbursements of expenses incurred by Non-Executive Chairperson of the Company for his official duties.

ii. Shareholders' right:

The quarterly, half yearly and annual financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the Members.

iii. Unmodified Opinion:

The Statutory Auditors have expressed an unmodified opinion on the Company's financial statements for the financial year 2024-25.

iv. Reporting of Internal Auditor:

The internal auditors of the Company directly report to Audit Committee.

10. Means of communication

Your Company's corporate website www.careedge.in provides comprehensive information to the members. The quarterly, half yearly and annual

financial results are published in English and Marathi daily newspapers i.e. Business Standard and Navshakti respectively. The quarterly and annual financial results and the press releases issued are also available on your Company's website www.careedge.in. Detailed presentations are made to analyst on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the website of the Company. The disclosures as required under Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 are uploaded on the website of the Company. The shareholding pattern is updated every quarter and is displayed on the website of the Company.

11. Dividend

In the financial year 2024-25, the Company had declared one Interim Dividend of Rs. 7/- (Rupees Seven only) per equity share. Further, the Board of Directors recommended a Final Dividend of Rs. 11/- (Rupees Eleven only) per equity share respectively subject to the approval of the Members at the ensuing Annual General Meeting.

12. Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund:

In accordance with the provisions of the Section 124 of the Act read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), companies retain dividends, for seven years with them for payment to investors and after expiry of seven years, transfer the said amount to IEPF along with all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more.

In accordance with the said IEPF Rules and any amendments thereto, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of IEPF Rules, Rs. 3,32,050/- of unpaid/unclaimed dividends and 225 shares were transferred during the financial year 2024-25 to the Investor Education and Protection Fund.

The Company has appointed a Nodal Officer under the provisions of IEPF Rules, the details of which are available on the website of the Company at www.careedge.in.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2025 on the Company's website at www.careedge.in.

13. Subsidiary companies:

The financial statements of the subsidiaries are reviewed by the Audit Committee of the Company. Further, the minutes of the meetings of board of directors of the subsidiary companies are also placed before the Board of Directors of the Company.

14. Management discussion and analysis report:

The Management Discussion and Analysis Report has been annexed to the Directors' Report.

15. Details of utilization of funds raised through Preferential Allotment/Qualified Institutional Placement:

During the financial year 2024-25, the Company has not raised any capital through preferential allotment of shares or through qualified institutional placement.

16. Auditor's Certificate on Corporate Governance

As required by Schedule V of the Listing Regulations, the Auditors' certificate with respect to compliance of Corporate Governance has been annexed to Directors' Report.

17. CEO & CFO certification

As required under Regulation 17(8) of the Listing Regulations, the CEO and CFO certification on the financial statement and the internal control system for financial reporting for financial year 2024-25 has been obtained and the same was reviewed by the Board of Directors.

A copy of the certificate is annexed to this Report as **Annexure VIIA**.

18. Reconciliation of share capital audit

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent Practicing Company Secretary on a quarterly basis to confirm reconciliation of the issued and listed capital, of shares held in dematerialized and physical mode, and the status of the Register of Members.

19. Disclosures with respect to Demat suspense account / Unclaimed suspense account:

The Company does not have any shares lying in its Demat Suspense Account/Unclaimed Suspense Account.

20. Certificate from Company Secretary in practice regarding disqualification of directors:

As required under Schedule V of the Listing Regulations, the Company has obtained a certificate from a company secretary in practice, that none of the Directors on the Board of the Company as on March 31, 2025 is debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India or the Ministry of Corporate Affairs, or any such

authority. A certificate from a company secretary in practice for the financial year 2024-25 is annexed to this Report as **Annexure VIIB**.

21. Recommendations of Board/Committees:

During the financial year 2024-25, the recommendations/opinion suggested by the members on respective subject matters during the Committee/Board Meetings were thoroughly discussed and broadly reviewed by the members and were unanimously approved.

22. Fees paid to Auditors:

The fees paid by the Company and its subsidiaries (on a consolidated basis) to the statutory auditors and its network firm during the financial year 2024-25 are as under:

Sr. No.	Services provided	Amount (Rupees in Lacs)
1	Audit Fees	55.18
2	Tax Audit Fees	3.75
3	Other Services	3.00
4	Reimbursement of Expenses	0.80
	Total	**62.73**

23. Mandatory requirements as per the Chapter IV of the Listing Regulations:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with requirements as per Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) relating to the dissemination of information on the website of the Company.

24. Details of Non-compliance of any requirement of Corporate Governance

The Company has complied with all the requirement of Corporate Governance specified under Listing Regulations.

25. General Shareholders Information

a) **Annual General Meeting:** Thursday, July 10, 2025

Time-3:30 p.m.

Venue- The Company is conducting meeting through VC/OAVM pursuant to the relevant MCA General Circular dated September 19, 2024 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

b) **Financial Year:** April 1, 2024 to March 31, 2025

Financial Reporting for the quarter ending June 30, 2025: On or before August 14, 2025

Financial Reporting for the quarter and half year ending September 30, 2025: On or before November 14, 2025

Financial Reporting for the quarter ending December 31, 2025: On or before February 14, 2026

Financial Reporting for the quarter and year ending March 31, 2026: On or before May 30, 2026

c) **Record Date:** Friday, June 27, 2025

d) **Dividend Payment Date:** Final dividend on equity shares for the year ended March 31, 2025 as recommended by the Directors, if approved by the Members at the Annual General Meeting will be paid on or before Friday, August 8, 2025.

e) **Listing on Stock Exchange:** The Company got listed on December 26, 2012. The shares of your Company are listed on:

a. BSE Limited

P.J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India

b. National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India

The Annual Listing fees for the financial year 2024-25 have been paid to BSE Limited and National Stock Exchange of India Limited.

f) Registrar and Share Transfer Agent:

KFin Technologies Limited

Unit: CARE Ratings Limited

Selenium Building, Tower - B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad – 500 032.

Tel. No. 040 – 67162222, Fax No. 040 – 23001153

Email: einward.ris@kfintech.com,

Website: www.kfintech.com

Contact Person: Mr. Ganesh Chandra Patro and Mr. Anandan K.

g) Share Transfer System: As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and have received the same under objection can re-lodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

99.99% of the equity shares of the Company are in electronic form. Transfer of shares is done through the depositories with no involvement of the Company.

h) Top 10 equity shareholders of the Company as on March 31, 2025:

Sr. No.	Name	Total Shares	% to Equity
1	Life Insurance Corporation of India	28,68,230	9.58
2	CRISIL Limited	26,22,431	8.76
3	Nippon Life India Trustee Ltd	23,90,187	7.99
4	Pari Washington India Master Fund, Ltd.	17,50,956	5.85
5	Pari Washington Investment Fund	11,02,150	3.68
6	Mirae Asset Multicap Fund	8,57,521	2.86
7	Tencore Partners Master Ltd.	8,31,148	2.78
8	India Insight Value Fund	7,20,000	2.41
9	Aquamarine Master Fund L.P	6,51,756	2.18
10	SBI Banking & Financial Services Fund	5,38,620	1.80

i) Distribution Schedule and Shareholding Pattern as on March 31, 2025:

Sr. No.	No. of Equity Shares	No. of Shareholders		No. of Shares		% of Equity Capital	
		Physical	Demat	Physical	Demat	Physical	Demat
1	1-5000	2	49,927	964	25,80,302	0.003	8.621
2	5001-10000	-	1,268	-	9,34,674	-	3.123
3	10001-20000	-	628	-	9,10,699	-	3.043
4	20001-30000	-	221	-	5,53,492	-	1.849
5	30001-40000	-	87	-	3,02,606	-	1.011
6	40001-50000	-	57	-	2,64,053	-	0.882
7	50001-100000	-	148	-	10,66,520	-	3.563
8	100001 and above	-	165	-	2,33,18,838	-	77.906
	Total	**2**	**52,501**	**964**	**2,99,31,184**	**0.003**	**99.997**

j) Shareholding Pattern as on March 31, 2025

Sr. No.	Category	No. of Shares held	Percentage (%)
I	Promoters	-	
II	Non-Promoters		
a)	Alternative Investment Fund	13,89,838	4.64
b)	Banks	12	0.00
c)	Clearing Members	1,339	0.00
d)	Employees	3,02,848	1.01
e)	Foreign Portfolio-Corp	71,03,889	23.73
f)	Foreign Portfolio Investors	3,120	0.01
g)	HUF	3,26,479	1.09
h)	Foreign Nationals	100	0.00
i)	Bodies Corporates	52,99,727	17.71
j)	Mutual Funds	43,16,112	14.42
k)	NBFC	350	0.00
l)	Non-Resident Indians	4,67,637	1.56
m)	NRI Non-repatriation	2,56,042	0.86
n)	Resident Individuals	73,24,975	24.47
o)	QIB	30,88,379	10.32
p)	Trusts	2,534	0.01
q)	IEPF	1,028	0.00
r)	Key Managerial Personnel	3,550	0.01
s)	Directors and Their Relatives	44,189	0.15
	Total	**2,99,32,148**	**100.00**

k) Dematerialization of Shares and Liquidity

2,99,31,184 equity shares which constitutes 99.99% of the paid-up capital as on March 31, 2025 of the Company are held in electronic mode.

l) Registered Office and Address for correspondence

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off. Eastern Express Highway,
Sion (East), Mumbai -400 022
Tel No.- 022-6754 3456
Fax No.- 022- 6754 3457

m) Plant Location: In view of the nature of the Company's business viz. providing rating services, the Company operates from the following mentioned offices in India.

Ahmedabad 32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015 Tel: +91-79-4026 5656	**Mumbai - Andheri** A Wing - 1102/1103, Kanakia Wall Street, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400 093 Tel No.: +91-22-6837 4400
Bengaluru Unit No. 205 -208, 2nd Floor, Prestige Meridian 1, No. 30, M. G. Road, Bengaluru, Karnataka 560 001 Tel: +91-80-46625555	**Chennai** Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai – 600 002 Tel: +91-44-2849 7812 / 0811
Hyderabad 401, Ashoka Scintilla, 3-6-520, Himayat Nagar, Hyderabad - 500 029 Tel: +91-40-4010 2030	**Coimbatore** T-3, 3rd Floor, Manchester Square, Puliakulam Road, Coimbatore - 641 037 Tel: +91-422-4332399 / 4502399

Kolkata	Noida
Unit No A / 7 / 4, 7th Floor, Block A, Apeejay House, 15 Park Street, Kolkata – 700 016 Tel: +91-33- 4018 1600	Plot no. C-001 A/2 Sector 16B, Berger Tower, Noida, Gautam Budh Nagar (UP) – 201301 Phone: +91-120-4452000
Pune	
9th Floor, Pride Kumar Senate, Plot No. 970, Bhamburda, Senapati Bapat Road, Shivaji Nagar, Pune - 411 015. Tel: +91-20- 4000 9000	

n) **Email:** care@careedge.in

o) **Investor Complaints ID:** investor.relations@careedge.in

p) **Website:** www.careedge.in

q) **Compliance Officer:**

Mr. Manoj Kumar CV

Company Secretary & Compliance Officer

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road,

Off. Eastern Express Highway, Sion (East),

Mumbai – 400 022

Tel No: 022 - 67543456, Fax No: 022 – 67543457

r) **Green Initiative:** Pursuant to Section 20 of the Act, read with Rule 35 of the Companies (Incorporation) Rules, 2014, companies are allowed to send to their Members notices/ documents in the electronic form.

To enable the Company to send its Annual Report, Notice of AGM and other documents for the financial year ended March 31, 2025 electronically, Members are requested to update (in case of change)/ register their email IDs with their Depository Participants/the Registrar and Share Transfer Agent at the earliest.

s) **The Company has not received any complaint during the financial year ended March 31, 2025 relating to sexual harassment at Workplace.**

t) During the year under review, the Company or its subsidiaries has not given loan to any firm/ company in which directors are interested.

u) **Details of Material Subsidiary:**

Name of Material Subsidiary: CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited)

Date and Place of Incorporation: February 15, 1999 (Mumbai)

Name of Statutory Auditors: M/s. BSR & Co., LLP, Chartered Accountants

Date of appointment of Statutory Auditors: September 8, 2021

v) **Outstanding GDRs/ ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company does not have outstanding Global Depository Receipt, American Depository Receipt or Warrant or any Convertible instrument during the financial year ended March 31, 2025.

w) **Commodity Price risk or foreign exchange risk and hedging activities:**

Commodity Price Risk/Foreign Exchange Risk and Hedging is not applicable to the Company.

ANNEXURE – VIIA

CEO & CFO CERTIFICATE

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

To,
The Board of Directors,
CARE Ratings Limited

We, Mehul Pandya, Managing Director & Group Chief Executive Officer and Jinesh Shah, Chief Financial Officer of CARE Ratings Limited, to the best of our knowledge and belief, certify that:

A. We have reviewed financial statements, the cash flow statement for the financial year ended March 31, 2025 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee

   (1) significant changes in the internal control over financial reporting during the year;

   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For CARE Ratings Limited

Sd/-
Mehul Pandya
Managing Director & Group CEO

Sd/-
Jinesh Shah
Chief Financial Officer

Place: Mumbai
Date: May 12, 2025

ANNEXURE – VIIB

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
CARE Ratings Limited
4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Sion (East), Mumbai 400022

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CARE Ratings Limited** having **CIN L67190MH1993PLC071691** and having registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Sion (East), Mumbai 400022 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Mr. Gurumoorthy Mahalingam	09660723	21/11/2022
2.	Mr. Venkatadri Chandrasekaran	03126243	15/11/2017
3.	Mr. Mehul Harshadray Pandya	07610232	29/07/2022
4.	Mr. Najib Shah	08120210	17/07/2019
5.	Mr. Madasamy Mathisekaran	03584338	19/08/2019
6.	Ms. Sonal Gunvant Desai	08095343	30/03/2019
7.	Mr. Sobhag Jain	08770020	28/01/2023
8.	Mr. Manoj Chugh	02640995	09/05/2024

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

Sarvari Shah
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697G000323001
PR No.: 6556/2025

Place: Mumbai
Date: May 12, 2025

ANNEXURE – VIIC

DECLARATION BY THE MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY UNDER REGULATION 26(3) AND AS PER PARA D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
CARE Ratings Limited

I, Mehul Pandya, Managing Director & Group Chief Executive Officer of CARE Ratings Limited, hereby confirm pursuant to Regulation 26(3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that:

The Board of CARE Ratings Limited had laid down a Code of Conduct (Code of Ethics) for all Board members and Senior Management of the Company. The said code of conduct has also been posted on the Company's website viz. www.careedge.in

As provided under Regulation 26(3) read with Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct (Code of Ethics) for the year ended March 31, 2025.

For CARE Ratings Limited

Sd/-

Mehul Pandya
Managing Director & Group CEO

Place: Mumbai
Date: May 12, 2025

ANNEXURE – VIID

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF CARE Ratings Limited

1. This certificate is issued in accordance with the terms of our engagement letter to the Board of Directors dated 12 October 2021 and our addendum to the same dated 9 May 2025.

2. We have examined the compliance of conditions of Corporate Governance by CARE Ratings Limited ("the Company"), for the year ended 31 March 2025, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2025.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Ajit Viswanath
Partner
Membership No: 067114
UDIN: 25067114BMLCLE1397

Place: Mumbai
Date: 12 May 2025

ANNEXURE – VIII

ANNUAL REPORT ON CSR ACTIVITIES

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

1. Brief outline on CSR Policy of the Company

Primary theme: To contribute towards promotion of financial education.

Concurrent Theme: To contribute towards local area community development.

As a part of its primary theme, the Company shall look at opportunities for funding higher education for the students in the field of finance. Such funding could also be for training of students in the field of finance.

To implement its concurrent theme, the Company may look to provide for development of Local Area (area in the city in which CARE's office is located) in terms providing assistance and infrastructure to local bodies, government offices, schools and public places and women empowerment.

To support children and adults in cardiac surgeries for unprivileged section of society.

The CSR Policy of the Company is available on the website – www.careedge.in

2. Composition of CSR and Sustainability Committee (as on 31st March, 2025):

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR and Sustainability Committee held during the year	Number of meetings of CSR and Sustainability Committee attended during the year
1.	Dr. M. Mathisekaran	Chairman (Independent Director)	2	2
2.	Mr. V Chandrasekaran[$]	Member (Independent Director)	2	2
3.	Ms. Sonal Gunvant Desai	Member (Independent Director)	2	2
4.	Mr. Mehul Pandya	Member (Managing Director and Group CEO)	2	2

[$]Ceased to be Member of the Committee w.e.f. August 7, 2024

3. Provide the web-link where Composition of CSR and Sustainability Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The composition of the CSR and Sustainability Committee, CSR Policy and CSR projects are available on the Company's website at the following links:

- Composition of CSR and Sustainability Committee: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1729747230_Composition%20of%20Commitees.pdf
- CSR Policy: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679039991_Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf
- CSR projects approved: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1746029730_CSR_Committee_and_CSR_projects_March_31_25%20(002).pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs. 135,51,89,269/-

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 2,71,03,785/-

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Rs 15,076/-

   (d) Amount required to be set off for the financial year, if any: N.A

   (e) Total CSR obligation for the financial year (b+c-d): Rs 2,71,03,785/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):Rs 2,75,00,000/-

   (b) Amount spent in Administrative Overheads: NIL

   (c) Amount spent on Impact Assessment, if applicable: Not Applicable

   (d) Total amount spent for the Financial Year (a+b+c):Rs 2,75,00,000/-

   (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2024-25 (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Fund	Amount	Date of transfer
Rs. 2,75,00,000/-	-	-	-	-	-

   (f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 2,71,03,785
(ii)	Total amount spent for the Financial Year	Rs. 2,75,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 3,96,215
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Rs. 15,076
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 4,11,291

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso of section 135(5), if any		Amount remaining to be spent in succeeding Financial Years. (in Rs.)	Deficiency, if any
					Amount (in Rs).	Date of transfer		
1	FY 2023-24				NA			
2	FY 2022-23				NA			
3	FY 2021-22	-	-	Rs. 1,98,12,869	Rs. 39,02,242	July 28, 2022	NIL	

6. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired:

Sr. No.	Short particulars of the property or asset(s) (including complete address and location of the property).	Pin-code of the property or asset(s)	Date of creation	Amount of CSR spent	Details of the entity / authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA							

7. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not applicable

Sd/-
Dr. M. Mathisekaran
Chairman – CSR and Sustainability Committee

Place: Mumbai
Date: 12 May 2025

Sd/-
Mr. Mehul Pandya
Managing Director & Group CEO

Place: Mumbai
Date: 12 May 2025

Independent Auditor's Report

To the Members of CARE Ratings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **CARE Ratings Limited** (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	
See Note 23 to standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Company's revenue from operations primarily comprises of income from providing rating services to customers. Refer note 23 for details of revenue from operations for current financial year. The revenue is recognized based on completion of identified performance obligation from customer contracts in accordance with Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115). There is a risk that revenue recognized is not based on completion of identified performance obligation arising from valid customer contracts.	Our audit procedures included the following: • Obtained an understanding of the revenue related business process, and assessed the appropriateness of revenue recognition policies adopted by the Company. • Tested the design and implementation, and operative effectiveness of internal controls related to the process of revenue recognition. • On selected samples of contracts we performed the following procedures: i. Reviewed the terms and conditions in the contracts. ii. Evaluated the identification of the performance obligations for the respective contracts. iii. Evaluated the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent revenue recognition.

Key audit matter	
	iv. Verified the revenue recognition for cut off transactions to assess whether the timing of revenue recognition is appropriate. • Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for the revenue recognized during the year.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone 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 financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, 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 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 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 in preparation of standalone financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors between 01 April 2025 and 14 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d(i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As stated in Note 39 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the Company as per the statutory requirements for record retention except for the periods where audit trail was not enabled or where independent auditors' reports for softwares operated by third party service providers were not available in the prior year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current period is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ajit Viswanath
Partner
Membership No.: 067114
ICAI UDIN:25067114BMLCLH2285

Place: Mumbai
Date: 12 May 2025

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CARE Ratings Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in every two years. In accordance with this programme, no property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering rating related services to corporate and corporate customers. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in firms, limited liability partnerships or any other parties and it has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms or limited liability partnerships during the year. The Company has not provided any guarantee or security to companies, firms or limited liability partnership or any other parties during the year. Further, the Company has not granted any advance in nature of loan to any other parties during the year. The Company has made investment in Optionally Convertible Cumulative Redeemable Preference Shares of one of the subsidiary Company and Equity Shares of one of the subsidiary Company during the year. The Company has granted unsecured loans to any other parties (employee loan) during the year, in respect of which the requisite information is as below:

Particulars	Guarantees	Security	Loans (Rs. in lakhs)	Advances in nature of loans
Aggregate amount during the year.				
Others (employee loans)	-	-	213.44	-
Balance outstanding as at balance sheet date				
1. Subsidiary*			1,250.60	
2. Others (employee loans)*	-	-	233.47	-

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the following cases where there is no stipulation of schedule of repayment of principal and payment of interest and accordingly we are unable to comment on the regularity of repayment of principal and payment of interest:.

Name of the entity	Amount (Rs. in lakhs)	Remarks
Loan to CARE Analytics and Advisory Private Limited (CAAPL)	1,250.00	There is not stipulation of schedule of repayment of principal or payment of interest

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given except in the case of loans aggregating Rs. 1,250.60 lakhs given to CAAPL where schedule of repayment of principal and payment of interest have not been stipulated and accordingly, we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Employees State Insurance, Income-Tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	180.15	A.Y. 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143.70	A.Y. 2020-21	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	198.35	A.Y. 2022-23	Commissioner of Income Tax (Appeals)
Goods and Service Tax Act, 2017	GST	202.69	A.Y. 2019-20	Deputy Commissioner of Sales Tax

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ajit Viswanath
Partner
Membership No.: 067114
ICAI UDIN:25067114BMLCLH2285

Place: Mumbai
Date: 12 May 2025

Annexure B to the Independent Auditor's Report on the standalone financial statements of CARE Ratings Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of CARE Ratings Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ajit Viswanath
Partner
Membership No.: 067114
ICAI UDIN:25067114BMLCLH2285

Place: Mumbai
Date: 12 May 2025

Standalone Balance Sheet

as at March 31, 2025

(Rs. in Lakhs)

Particulars	Note Number	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
(1) Non-current assets			
a. Property plant and equipment	2	7,796.92	7,676.63
b. Right-of-use assets	42	1,382.70	1,570.38
c. Intangible assets	3 (a)	100.78	50.50
d. Intangible assets under development	3 (b)	292.40	147.14
e. Financial assets			
(i) Investments	4	25,549.13	12,929.83
(ii) Loans	5	1,360.24	1,284.45
(iii) Other financial assets	6	66.70	57.57
f. Other non-current assets	7	162.68	45.27
Total non-current assets		**36,711.55**	**23,761.77**
(2) Current assets			
a. Financial assets			
(i) Trade receivables	9	2,247.51	1,470.77
(ii) Cash and cash equivalents	8	2,634.87	3,028.54
(iii) Bank balances other than cash and cash equivalents	10	21.62	21.58
(iv) Loans	11	123.83	95.07
(v) Other financial assets	12	54,895.70	56,273.95
b. Current tax asset (Net)	13	-	12.84
c. Other current assets	14	276.66	447.38
Total current assets		**60,200.19**	**61,350.13**
Total assets		**96,911.74**	**85,111.90**
II. EQUITY AND LIABILITIES			
(1) Equity			
a. Equity share capital	15	2,993.21	2,985.21
b. Other equity	16	82,790.81	72,940.45
Total equity		**85,784.02**	**75,925.66**
Liabilities			
(2) Non-current liabilities			
a. Financial liabilities			
(i) Lease liabilities	42	1,436.58	1,521.00
b. Provisions	17	1,262.67	1,137.21
c. Deferred tax liabilities (net)	18	660.16	547.11
Total non-current liabilities		**3,359.41**	**3,205.32**
(3) Current liabilities			
a. Financial liabilities			
(i) Lease liabilities -	42	134.79	148.17
(ii) Trade payables	22		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of other than micro enterprises and small enterprises		817.34	419.25
(iii) Other financial liabilities	19	2,618.21	1,970.28
b. Other current liabilities	20	3,745.43	3,008.66
c. Provisions	21	342.61	434.56
d. Current tax liabilities (Net)	13a	109.93	-
Total current liabilities		**7,768.31**	**5,980.92**
Total liabilities		**11,127.72**	**9,186.24**
Total equity and liabilities		**96,911.74**	**85,111.90**
Material Accounting Policies	1.3		

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Note Number	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Income			
I. Revenue from operations	23	33,668.50	28,306.57
II. Other income	24	5,139.04	4,696.24
III. Total income (I + II)		**38,807.54**	**33,002.81**
Expenses			
IV. Employee benefit expenses	25	14,623.86	12,511.90
V. Finance costs	26	158.33	147.54
VI. Depreciation and amortisation expense	27	794.26	764.66
VII. Impairment of non current assets		-	350.00
VIII. Other expenses	28	3,529.44	3,040.68
IX. Total expenses (IV TO VIII)		**19,105.89**	**16,814.78**
X. Profit before tax (III- IX)		**19,701.65**	**16,188.03**
Tax expense			
(i) Current tax	34 (A)	4,891.17	4,151.51
(ii) Adjustment of tax relating to earlier periods	34 (A)	(57.35)	-
(iii) Deferred tax	18	68.47	92.34
XI. Total tax expense		**4,902.29**	**4,243.85**
XII. Profit after tax (X- XI)		**14,799.36**	**11,944.18**
A. Other comprehensive Income			
(i) Items that will not be reclassified to profit or loss	50	(58.86)	(61.85)
(ii) Income tax relating to items that will not be reclassified to profit or loss	18	(44.58)	39.15
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		-	-
XIII. Other comprehensive income/ (loss), net of income tax		**(103.44)**	**(22.70)**
XIV. Total comprehensive Income for the year (XII + XIII)		**14,695.92**	**11,921.48**
XV. Earnings per equity share (Rs)			
(Face value Rs.10/- each):			
1. Basic	33	49.49	40.12
2. Diluted	33	49.27	40.00
Material Accounting Policies	1.3		

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833

Manoj Kumar CV
Company Secretary
M No.- A15140

Mumbai
Date : May 12, 2025

Standalone Statement of Cash flow

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Note Number	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. Cash flow from operating activities			
Profit before tax		**19,701.65**	**16,188.03**
Adjustments for			
Interest income	24	(4,244.45)	(3,886.41)
Dividend income from equity securities	24	(180.93)	(225.21)
Realized gain on sale of investments	24	(184.99)	(246.85)
Unrealized gain on fair valuation of investments through profit and loss	24	(251.35)	-
Provision for bad debts	28	57.08	(77.00)
Bad debts written off	28	0.64	7.85
Loss on sale of property, plant and equipment		8.22	-
Share based payment expenses	25	141.67	234.49
Finance costs on lease liabilities	26	158.33	147.54
Impairment losses on property, plant and equipment, intangible assets & investments		-	350.00
Depreciation and amortization expenses	27	794.26	764.66
Operating cash flow before working capital changes		**16,000.13**	**13,257.10**
Movements in working capital			
(Increase) in financial assets		(1,128.72)	(139.19)
Decrease/(Increase) in other assets non current		2.28	(7.00)
Decrease/(Increase) in other current assets		170.72	(106.02)
Increase in financial liabilities		1,045.98	321.80
Increase in other liabilities and provisions		666.84	1,324.31
Total movements in working capital		**757.10**	**1,393.90**
Taxes paid (net of refund)		(4,666.46)	(3,915.59)
Net cash generated from operating activities (A)		**12,090.77**	**10,735.41**
(B) Cash flow from investing activities			
Interest received		4,403.81	3,671.96
Interest received on loan to subsidiaries		115.09	60.12
Dividend received	24	180.93	225.21
Net proceeds from/(investment in) fixed deposits		1,284.38	(6,624.90)
Investment in new subsidiary - CareEdge Global IFSC Limited		(3,000.00)	-
Acquisition of property, plant & equipment, Intangible assets under development and capital advances		(992.23)	(359.47)
Loan given to subsidiary		-	(1,140.00)
Investment in subsidiary through preference shares		(600.00)	(2,050.00)
Purchase of investments		(8,893.51)	(32,122.45)
Redemption of investments		310.55	32,378.19
Net cash generated /(used) from investing activities (B)		**(7,190.98)**	(5,961.34)

Standalone Statement of Cash flow

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Note Number	For the Year ended March 31, 2025	For the Year ended March 31, 2024
(C) Cash flow from financing activities			
Dividend and dividend taxes paid		(5,380.10)	(6,546.68)
Buyback related income		-	3.00
Premium paid on buy back of shares		-	3.15
Share application money pending allotment		-	68.43
Proceeds from exercise of share options		400.87	752.58
Repayment of lease liability		(155.90)	(129.39)
Payment of interest on lease liability		(158.33)	(147.54)
Net cash used in financing activities (C)		**(5,293.46)**	(5,996.45)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(393.67)**	(1,222.38)
Add: Cash and cash equivalents at the beginning of year		3,028.54	4,250.92
Cash and cash equivalents at the end of the year		**2,634.87**	3,028.54
Components of Cash and cash equivalents (refer note 8)			
Balances with Banks			
On current account	8	1,701.01	432.71
Deposit accounts	8	-	300.00
Cash on hand	8	0.45	0.63
Others			
Liquid Mutual fund	8	932.79	2,295.07
Prepaid cards	8	0.62	0.13
Cash and cash equivalents at the end of the year		**2,634.87**	3,028.54

Notes:

(i) Cash flow statemement has been prepared under the Indirect method as set out in Ind AS 7" Statement of Cash Flows"

(ii) Ind AS 7 requires the entity to provide disclosures that enable users of financials statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company does not have any liabilities arising from financing activities except lease liabilities, refer note 42 for the movement in lease liabilities during the years ended March 31, 2025 and March 31, 2024.

Material Accounting Policies (refer note 1.3)

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

Standalone statement of Changes in Equity

for the year ended March 31, 2025

A. Equity Share Capital

(Rs. in Lakhs)

Balance as at April 01, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
2,985.21	8.00	2,993.21

(Rs. in Lakhs)

Balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
2,970.05	15.16	2,985.21

B. Other Equity

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Other comprehensive income	Total equity
	Share options outstanding account	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at April 01, 2024	**509.51**	**22.92**	**8,753.65**	**22,184.38**	**40,442.82**	**1,027.17**	**72,940.45**
Profit for the year (1)	-	-	-	-	14,799.36	-	14,799.36
Other comprehensive income/ (loss), net of income tax (2)	-	-	-	-	(82.62)	(20.82)	(103.44)
Total comprehensive income/(loss) for the year (1+2)	**-**	**-**	**-**	**-**	**14,716.74**	**(20.82)**	**14,695.92**
Contribution by and distribution to owners							
Dividends	-	-	-	-	(5,380.10)	-	(5,380.10)
Nominal value of shares bought back transferred to CRR	-	-	-	-	-	-	-
Buyback related expenses	-	-	-	-	-	-	-
Premium on share issued	-	-	346.87	-	-	-	346.87
Fair value of employee stock option exercised	(155.83)	-	155.83	-	-	-	-
Employee stock option granted/charge for this period*	187.67	-	-	-	-	-	187.67
Employee stock option lapsed during the period	-	-	-	-	-	-	-
Balance as at March 31, 2025	**541.35**	**22.92**	**9,256.35**	**22,184.38**	**49,779.46**	**1,006.35**	**82,790.81**

* Amount of Rs. 187.67 Lakhs includes Rs. 45.96 Lakhs relating to options issued to employees of subsidiaries.

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Standalone statement of Changes in Equity

for the year ended March 31, 2025

for the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Other comprehensive income	Total equity
	Share options outstanding account	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at April 01, 2023	**645.00**	**22.92**	**7,574.82**	**22,184.38**	**35,061.83**	**1,027.17**	**66,516.12**
Profit for the year (1)	-	-	-	-	11,944.18	-	11,944.18
Other comprehensive income/ (loss), net of income tax (2)	-	-	-	-	(22.70)	-	(22.70)
Total comprehensive income/(loss) for the year (1+2)	**-**	**-**	**-**	**-**	**11,921.48**	**-**	**11,921.48**
Contribution by and distribution to owners							
Dividends	-	-	-	-	(6,543.64)	-	(6,543.64)
Nominal value of shares bought back transferred to CRR	-	-	-	-	3.15	-	3.15
Buyback related expenses	-	-	3.00	-	-	-	3.00
Premium on share issued	-	-	-	-	-	-	-
ESOP application money received	-	-	68.43	-	-	-	68.43
Employee stock option exercised	(407.50)	-	1,107.40	-	-	-	699.90
Employee stock option granted/charge for this period*	272.01	-	-	-	-	-	272.01
Employee stock option lapsed during the period	-	-	-	-	-	-	-
Balance as at March 31, 2024	**509.51**	**22.92**	**8,753.65**	**22,184.38**	**40,442.82**	**1,027.17**	**72,940.45**

* Amount of Rs. 272.01 Lakhs includes Rs. 37.52 Lakhs relating to options issued to employees of subsidiaries.

Note 1 - Retained Earning -The Company has transferred Net profit/(Loss) for the year to retained earnings.

Note 2 - OCI: Re-measurement (comprising actuarial gains and losses, return on plan assets, etc.) of defined benefit plans in respect of post-employment are charged to Other Comprehensive Income. Re-measurement recognized in Other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The description of the nature and purpose of each reserve within equity is as follows:

a. Share options outstanding account

The Company has share options scheme under which option to subscribe for the Company's shares have been granted to selected employees. refer Note 35 for further details of this plan.

b. Capital redemption reserve

Capital redemption reserve represents nominal value of shares credited at the time of buyback of shares.

Standalone statement of Changes in Equity

for the year ended March 31, 2025

c. Securities premium Reserve

Securities premium reserve is credited when the shares are issued at premium. It will be utilized in accordance with the provision of the Companies Act, 2013 to issue bonus shares, to provide for premium on redemption of shares, equity related expenses like underwriting costs, etc.

e. Retained earnings

Retained earnings are the profits that the Company has earned till date after appropriation of profits.

f. Equity instruments through other comprehensive income

This represents the accumulated fair value gain or loss recognised in relation to equity investments designated as fair value through other comprehensive income.

Material Accounting Policies (refer note 1.3)

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note: 1

Company Overview and Material Accounting Policies

1.1 Company Overview:

CARE Ratings Limited (the Company), is domiciled and incorporated as a public limited company in India under the provisions of the Companies Act, 2013 with its equity shares listed on National Stock Exchange and Bombay Stock Exchange in India. The Company has commenced its operations in April 1993 and has established itself as the leading credit rating agency of India. The Company provides various credit ratings that helps corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. The Company has its registered office and head office both located in Mumbai. In addition, CARE Ratings has regional offices at Ahmedabad, Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, Noida and Pune.

1.2 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The standalone financial statements were approved for issue by the Board of Directors on May 12, 2025. There are no subsequent events that impacts the standalone financial statement.

The standalone financial statements have been prepared on a historical cost basis and on accrual basis, except for the following which have been measured at fair value:

- Fair value of Plan assets as reduced by defined benefit obligations;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Equity settled share based payments measured at fair value on grant date.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are included in the following notes:

Judgements:

In the process of applying the accounting policies,management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

(i) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events

(ii) Revenue

The Company recognizes the revenue measured at the fair value of consideration received or receivable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

The Company uses significant judgments to assess the efforts required for completion of various activities in the rating process. Based on assessment, the Company defines the percentage completion to be applied to measure income to be recognized from initial rating and surveillance during the year.The company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time

As a matter of prudent policy and on the basis of past experience of recoverability of income, fees in respect of certain defined categories of clients are recognized when there is reasonable certainty of ultimate collection.

(iii) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Assumptions and estimation uncertainties

(i) Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs for valuation techniques are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

(ii) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Share based payment

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Impairment of non-financial assets and investment in subsidiaries

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Investment in subsidiaries are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or CGU's to which these pertain is less than its carrying value.

The recoverable amount of a CGU or an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or asset.

In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(v) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period

(vi) Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(vii) Recognition of deferred tax assets

Deferred tax assets are recognised for temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which they can be used. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

1.3 Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's standalone financial statements are presented in INR, which is also the functional currency and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

c. Fair value measurement

The Company measures financial instruments, such as investments in mutual funds and equity shares at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole (Note 37 Fair value measurement):

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

d. Revenue recognition

Revenue from contract with customer

The Company earns revenue primarily from rendering rating and other related services.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Company does not satisfy a performance obligation over time (similar to percentage completion method), the performance obligation is considered to be satisfied at a point in time (similar to completed contract method).

- Recognising revenue over time: For each performance obligation satisfied over time the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict the Company's performance in transferring control of services promised to the customer (i.e. the satisfaction of an entity's performance obligation). The Company uses input method to measure the progress achieved towards satisfaction of the performance obligation.
- Recognising revenue at a point in time: Revenue is recognised on satisfaction of the respective performance obligation. Factors which are considered in determining whether the performance obligation is satisfied completely include applicable contractual terms, milestones indicative of satisfactory completion of performance obligation, history of client acceptance for similar products etc.

Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as trade receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. In other cases this is classified as other current assets.

Contract liabilities

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues

e. Other income

Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Sale of investments

Difference between the sale price and carrying value of investment as determined at the end of the previous year is recognized as profit or loss on sale / redemption on investment on trade date of transaction.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

f. Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

g. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(i) Depreciation on PPE is the systematic allocation of the depreciable amount over its useful life and is provided on a straight line basis over such useful lives as prescribed in Schedule II of the Companies Act, 2013.

The Company has established the estimated range of useful lives for different categories of PPE as follows:

Category of assets	Useful life (in years)
Furniture and Fixtures	10
Office Equipments	5
Computers	3
Vehicles	8
Electrical Installations	10
Buildings	30-60

Depreciation on additions is being provided on a pro rata basis from the date of such additions.

Depreciation on sale or disposal is provided on a pro rata basis till the date of such sale or disposal.

The Company reviews the estimated residual values and expected useful lives of assets at least annually.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Advances paid towards acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under other noncurrent assets

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognized in profit or loss as incurred.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The Company has determined the useful life for software as 3 years.

i. Intangible assets under development

Identifiable intangible assets under development are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets under development is measured at historical cost and not amortised. These assets are tested for impairment on an annual basis.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment. In the balance sheet, the right-of-use assets and lease liabilities are presented separately.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

b) Lease Liabilities

(i) At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

l. Impairment of Contract asset

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following contract asset:

The Company follows 'simplified approach' for recognition of impairment loss allowance on contract asset which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

m. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

n. Employee Benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans (provident fund, superannuation fund etc.)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans (gratuity)

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits (leave encashment)

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

o. Earnings per share

The basic Earnings per equity share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted Earnings per equity share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. Share based payments

The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in liability towards recharge arrangements with the Parent, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards.. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

q. Segment reporting – identification of segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's management to make decisions for which discrete financial information is available.

r. Financial Instruments

(i) Financial Assets

a) Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

b) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

c) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

d) Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from The asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

f) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial Liabilities

a) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

b) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

c) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit or loss.

d) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

e) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

IV. Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t. Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment in the financial statements.

u. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on the date of approval of these financial statements, there are no new standards or amendments to the existing standard, which are issued but not yet effective and which are expected to have material impact on the financial statements of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 2: Property, Plant and Equipment**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2024	Additions during the year	Deductions during the year	As at March 31, 2025	As at April 01, 2024	For the year	On deletions/ disposals during the year	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment*										
Furniture and fixtures	716.62	60.51	(0.20)	776.93	256.29	68.55	(0.02)	324.82	452.11	460.33
Office equipment	512.04	57.66	(5.99)	563.71	289.61	81.69	(0.43)	370.87	192.84	222.43
Computers	993.74	148.47	-	1,142.21	783.47	140.88	-	924.35	217.86	210.27
Vehicles	177.36	85.86	(54.47)	208.75	49.83	25.74	(18.68)	56.89	151.86	127.53
Electrical installations	259.97	74.24	(0.24)	333.97	90.71	29.14	(0.02)	119.83	214.14	169.26
Buildings	7,299.47	207.60	-	7,507.07	941.17	138.38	-	1,079.55	6,427.52	6,358.30
Leasehold improvements	145.12	32.84	-	177.96	16.61	20.75	-	37.36	140.60	128.51
Total Property, plant and equipment	**10,104.32**	**667.17**	**(60.90)**	**10,710.59**	**2,427.69**	**505.13**	**(19.15)**	**2,913.67**	**7,796.92**	**7,676.63**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	On deletions/ disposals during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment*										
Furniture and fixtures	667.93	48.69	-	716.62	191.03	65.26	-	256.29	460.33	476.90
Office equipment	445.01	67.03	-	512.04	205.63	83.98	-	289.61	222.43	239.38
Computers	856.92	136.82	-	993.74	611.54	171.93	-	783.47	210.27	245.38
Vehicles	177.36	-	-	177.36	27.66	22.17	-	49.83	127.53	149.70
Electrical installations	195.11	64.86	-	259.97	66.15	24.56	-	90.71	169.26	128.96
Buildings	7,299.47	-	-	7,299.47	804.69	136.48	-	941.17	6,358.30	6,494.78
Leasehold improvements	-	145.12	-	145.12	-	16.61	-	16.61	128.51	-
Total Property, plant and equipment	**9,641.80**	**462.52**	**-**	**10,104.32**	**1,906.70**	**520.99**	**-**	**2,427.69**	**7,676.63**	**7,735.10**

Note:- *In relation to an ongoing litigation, the Company is required to seek permission of the Hon'ble Madras High Court prior to sale etc. of any of its assets. The Company has assessed the likelihood of outflow of resources in relation to this litigation and has concluded that such likelihood is remote.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note - 3

(a) Intangible assets**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated amortisation				Net block	
	As at April 01, 2024	Additions during the year	Deductions during the year	As at March 31, 2025	As at April 01, 2024	For the year	On deletions/ disposals during the year	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Computer software	347.89	91.10	-	438.99	297.39	40.82	-	338.21	100.78	50.50
Total Intangible assets	**347.89**	**91.10**	**-**	**438.99**	**297.39**	**40.82**	**-**	**338.21**	**100.78**	**50.50**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated amortisation				Net block	
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	On deletions/ disposals during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Computer software	295.85	52.04	-	347.89	279.55	17.84	-	297.39	50.50	16.29
Total Intangible assets	**295.85**	**52.04**	**-**	**347.89**	**279.55**	**17.84**	**-**	**297.39**	**50.50**	**16.29**

** Note : There has been no revaluation of property, plant and equipments and intangible assets during the year.

(b) Intangible assets under development

(Rs. in Lakhs)

Description	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	147.14	285.64
Additions	206.58	107.11
Capitalised during the year	(61.32)	(245.62)
Balance at the end	**292.40**	**147.14**

(c) Intangible assets under development Ageing Schedule

(Rs. in Lakhs)

As at March 31, 2025	Intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	187.60	64.80	-	40.00	292.40
Projects temporarily suspended	-	-	-	-	-
Total	**187.60**	**64.80**	**-**	**40.00**	**292.40**

(Rs. in Lakhs)

As at March 31, 2024	Intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	72.94	0.00	34.20	40.00	147.14
Projects temporarily suspended	-	-	-	-	-
Total	**72.94**	**0.00**	**34.20**	**40.00**	**147.14**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(d) Details of overdue projects under development

(Rs. in Lakhs)

Particulars	To be completed in (contract value)				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Product development	40.00	-	-	-	40.00
Total	**40.00**	**-**	**-**	**-**	**40.00**

Note 4

Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Nos	Amount	Nos	Amount
Unquoted:				
Investments measured at cost				
Investment in Subsidiaries				
Equity Instruments:				
Face value of Rs. 10 each fully paid:				
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	4,92,97,730	5,186.26	4,92,97,730	5,186.26
Less Provision for impairment		(523.26)		(523.26)
Total		**4,663.00**		**4,663.00**
Face value of Rs. 10 each fully paid:				
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Limited	1,40,95,450	1,450.00	1,40,95,450	1,450.00
Face value of Rs. 10 each fully paid:				
CareEdge Global IFSC Ltd	3,00,00,000	3,000.00	-	-
Face value of NPR 100 each fully paid:				
CARE Ratings Nepal Limited	2,55,000	159.91	2,55,000	159.91
Face value of USD 1 each fully paid:				
CARE Ratings (Africa) Private Limited	3,12,001	224.81	3,12,001	224.81
Preference shares:				
Optionally convertible cumulative redeemable preference Shares			-	-
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	2,65,00,000	2,650.00	2,65,00,000	2,050.00
Investment measured at Fair value through Other comprehensive income				
Face value of USD 22,600 each fully paid:				
ARC Risk Group Limited BVI Company	20	209.85	20	744.20
Face value of RM 1 each fully paid:				
Malaysian Rating Corporation Berhad	20,00,000	2,334.10	20,00,000	1,748.20
Investments in Association of Indian Rating Agencies		0.53		0.53
Total unquoted investments		**14,692.20**		**11,040.64**
Quoted:				
Investment measured at amortized cost				
Tax free bonds*		1880.28		1,889.19
Investment measured at Fair value through Profit and loss account				
Mutual funds		8,976.65		-
Total quoted investments		**10,856.93**		**1,889.19**
Total investments		**25,549.13**		**12,929.83**
Aggregate amount of quoted investments		**10,856.93**		**1,889.19**
Market value of quoted investments		**10,972.15**		**2,002.96**
Aggregate amount of unquoted investments		**14,692.20**		**11,040.64**
Aggregate amount of impairment in value of investment		**523.26**		**523.26**

*This includes accrued interest of Rs. 63.92 Lakhs (Previous year: Rs. 63.92 Lakhs)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 5

Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and Considered Good		
Loan to CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited (Wholly owned subsidiary)* (Refer Note 48)	1,250.60	1,250.60
Loans to employees#	109.64	33.85
Total	**1,360.24**	**1,284.45**

This includes Rs. Nil Lakhs accrued interest on loans to employees (Previous Year = Rs. 6.31 Lakhs)

(Rs. in Lakhs)

Type of borrower	As at March 31, 2025	% of total Loans and Advances	As at March 31, 2024	% of total Loans and Advances
(a) Amounts repayable on demand				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Loan to related party	-	-	-	-
(b) Without specifying any terms or period of repayment				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Loan to related party – CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited (Wholly owned subsidiary)	1250.60	91.94%	1250.60	100.00%
Total	**1250.60**	**91.94%**	**1250.60**	**100.00%**

Note 6

Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with banks (with more than 12 months of original maturity)*	14.09	13.41
Security deposits	52.61	44.16
Total	**66.70**	**57.57**

*This includes accrued interest of Rs.2.09 Lakhs (Previous year: Rs. 1.41 Lakhs)

Note 7

Other non - current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	127.42	7.73
Others	35.26	37.54
Total	**162.68**	**45.27**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 8

Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Banks		
On current account	1,701.01	432.71
Deposit accounts (with original maturity of less than three months)*	-	300.00
Cash on hand	0.45	0.63
Others		
Prepaid cards	0.62	0.13
Liquid Mutual fund	932.79	2,295.07
Total	**2,634.87**	**3,028.54**

* - This includes accrued interest of Rs. Nil Lakhs (Previous year – Rs. Nil Lakhs)

Note 9

Trade receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
(a) Trade receivables - Considered good secured;	-	-
(b) Trade receivables - Considered good unsecured;	2,247.51	1,456.38
(c) Trade receivables which have significant increase in credit risk;	63.58	20.89
(d) Trade receivables – credit impaired	-	-
Total trade receivables	**2,311.09**	**1,477.27**
Less: Allowance for credit losses (refer Note 38 (B))	(63.58)	(6.50)
Net trade receivables	**2,247.51**	**1,470.77**

Trade receivables ageing schedule

Particulars As at March 31, 2025	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,138.97	171.29	0.82	-	-	2,311.09
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total trade receivables	**2,138.97**	**171.29**	**0.82**	**-**	**-**	**2,311.09**
Less: Allowance for credit losses (refer Note 38 (B))					-	(63.58)
Net trade receivables						**2,247.51**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Particulars As at March 31, 2024	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,456.38	-	-	-	-	1,456.38
(ii) Undisputed Trade receivables – which have significant increase in credit risk	3.52	17.37	-	-	-	20.89
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total trade receivables	**1,459.90**	**17.37**	**-**	**-**	**-**	**1,477.27**
Less: Allowance for credit losses (refer Note 38 (B))						(6.50)
Net trade receivables						**1,470.77**

Notes:

(i) There are no unbilled dues in the nature of trade receivables

(ii) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

(iii) No any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(iv) Further, the Company does not have any trade receivables relating to related parties.

Note 10

Bank Balances other than Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks		
Unclaimed dividend account	21.62	21.58
Total	**21.62**	**21.58**

Note 11

Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and considered good		
Loan to employees*	123.83	95.07
Total	**123.83**	**95.07**

* - This includes accrued interest of Rs.14.06 Lakhs (previous year – Rs. 2.01 Lakhs)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(Rs. in Lakhs)

Type of borrower	As at March 31, 2025	% of total Loans and Advances	As at March 31, 2024	% of total Loans and Advances
(a) amounts repayable on demand				
Promoter				
Directors	-	-	-	-
KMPs	-	-	-	-
Loan to related party	-	-	-	-
(b) without specifying any terms or period of repayment				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Loan to related party	-	-	-	-
Total	**-**	**-**	**-**	**-**

Note 12

Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with banks (with more than 12 months of original maturity)#	54,294.55	55,861.24
Security deposits	53.53	56.71
Other receivables	541.00	197.74
Lienmarked Deposit	6.62	158.26
Total	**54,895.70**	**56,273.95**

- This includes accrued interest of Rs. 1263.39 Lakhs (previous year – Rs. 1,543.61 Lakhs)

Note 13

Current tax assets (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance payment of taxes (Net of Provision for tax)	-	12.84
Total	**-**	**12.84**

Note 13 a

Current tax liability (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (Net of Advance tax payment)	109.93	-
Total	**109.93**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 14

Other current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract Assets	16.71	118.52
Prepaid expenses	105.83	281.85
Deposits with statutory authorities	25.00	25.00
Other advances	129.12	22.01
Total	**276.66**	**447.38**

Note 15

Equity share capital

(Rs. in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount (In Lakhs)	Number	Amount (In Lakhs)
Authorized				
Equity shares of Rs.10/- each	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Issued, subscribed and fully paid up				
Equity shares of Rs.10/- each				
Opening balance	2,98,52,113	2,985.21	2,97,00,612	2,970.05
Issued during the year for options	80,035	8.00	1,51,501	15.16
Total	**2,99,32,148**	**2,993.21**	**2,98,52,113**	**2,985.21**

15(a): List of shareholders holding more than 5% of Paid-Up equity Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Numbers	% Holding	Numbers	% Holding
Life Insurance Corporation Of India	28,68,230	9.58%	28,68,230	9.61%
CRISIL Limited	26,22,431	8.76%	26,22,431	8.78%
Nippon Life India Trustee Ltd-A/C Nippon India (MUL)	23,90,187	7.99%	25,26,099	8.46%
Pari Washington India Master Fund, Ltd.	17,50,956	5.85%	15,66,456	5.25%
Total	**96,31,804**	**32.18%**	**95,83,216**	**32.10%**

15(b): The reconciliation of the number of shares outstanding is set out below:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
	Numbers	Numbers
Equity shares at the beginning of the year	2,98,52,113	2,97,00,612
Add: Shares issued under employee stock options scheme (ESOS)	80,035	1,51,501
Equity Shares at the end of the year	**2,99,32,148**	**2,98,52,113**

15 (c) : Shares held by promoters:

The Company does not have any promoters holding in any of the period presented.

15(d): The Company does not have a Holding Company

15(e): Shares reserved for issue under options and contracts, including the terms and amounts:

For details of Shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company: refer Note 35.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

15(f): Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15(g): Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

The Company has not issued any bonus shares, shares for consideration other than cash during the period of five years immediately preceding the reporting date.

Note 16

Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital redemption reserve	22.92	22.92
Securities premium	9,256.35	8,753.65
Share options outstanding account	541.35	509.51
General reserve	22,184.38	22,184.38
Retained earnings	49,779.46	40,442.82
Equity instruments through other comprehensive income	1,006.35	1,027.17
Total Other Equity	**82,790.81**	**72,940.45**

Note – refer statement of changes in equity for description of the nature and purpose of each reserve.

Note 17

Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity (refer note 31)	509.34	464.38
Compensated Absence	753.33	672.83
Total	**1,262.67**	**1,137.21**

Note 18

Deferred tax liabilities (net)

(Rs. in Lakhs)

Particulars	April 01, 2024	Recognised in statement of profit and loss account	Recognised in other comprehensive income	March 31, 2025
Deferred tax liability				
Depreciation on property, plant and equipment & intangible assets	1,263.94	(13.22)	-	1,250.72
Fair valuation of investments	94.11	63.46	72.38	229.95
Deferred tax asset				
Provisions for employee benefits	(365.13)	14.08	(27.80)	(378.85)
Others	(445.80)	4.14	-	(441.66)
Total	**547.11**	**68.46**	**44.58**	**660.16**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	April 01, 2023	Recognised in statement of profit and loss account	Recognised in other comprehensive income	March 31, 2024
Deferred tax liability				
Depreciation on property, plant and equipment & intangible assets	1,177.35	86.59	-	1,263.94
Fair valuation of investments	77.56	40.00	(23.45)	94.11
Deferred tax asset				
Provisions for employee benefits	(311.06)	(38.50)	(15.57)	(365.13)
Others	(449.94)	4.14	-	(445.80)
Total	**493.91**	**92.23**	**(39.02)**	**547.11**

Note 19

Other financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Others	6.59	9.57
Unclaimed Dividend	21.62	21.58
Provision for Salary, Performance Related Pay and Commission	2,590.00	1,939.13
Total	**2,618.21**	**1,970.28**

Note 20

Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues	865.69	712.40
Contract Liabilities*	2,879.74	2,296.26
Total	**3,745.43**	**3,008.66**

*For contract liabilities (refer Note 23(b) and Note 23(c))

Note 21

Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Compensated absence	242.61	313.56
Gratuity	-	-
Provision for others		
Other provisions (refer note 29)	100.00	121.00
Total	**342.61**	**434.56**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 22

Trade Payables

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer Note 41)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	817.34	419.25
Total	**817.34**	**419.25**

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables to Related Parties	-	-
Trade payables to Others	817.34	419.25
Total	**817.34**	**419.25**

Trade payables ageing schedule

(Rs. in Lakhs)

Particulars As at March 31, 2025	Accrued expenses	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	780.27	37.07	-	-	-	817.34
(iii)Disputed Dues –MSME	-	-	-	-	-	-
(iv)Disputed Dues –Others	-	-	-	-	-	-
Total	**780.27**	**37.07**	**-**	**-**	**-**	**817.34**

(Rs. in Lakhs)

Particulars As at March 31, 2024	Accrued expenses	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	381.58	37.67	-	-	-	419.25
(iii)Disputed Dues –MSME	-	-	-	-	-	-
(iv)Disputed Dues –Others	-	-	-	-	-	-
Total	**381.58**	**37.67**	**-**	**-**	**-**	**419.25**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 23

Revenue from operations

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue from contracts with customers		
Sale of Services		
Rating Income (including Surveillance)*	33,668.50	28,306.57
Total revenue from contracts with customers (A)		
Other operating revenue (B)	-	-
Total revenue from operations (A+B)	**33,668.50**	**28,306.57**

*Rating Income (including Surveillance) includes Provision for discount/credit note of Rs.119.89 lakhs (PY Rs.95.60 lakhs).

(a) Revenue recognized from past performance obligations

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rating Income	107.37	123.93
Total	**107.37**	**123.93**

(b) Unearned revenue

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue to be recognised in:		
FY 25-26	1,144.79	-
FY 24-25	-	977.43
Total	**1,144.79**	**977.43**

(c) Revenue recognized that was included in contract liability balance at the beginning of the period:

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rating income	1,078.49	936.25
Total	**1,078.49**	**936.25**

(d) Transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Within one year	1,144.79	977.43
More than one year	-	-
Total	**1,144.79**	**977.43**

(e) Disaggregation of revenue

Timing of recognition of revenue

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
At a point in time	2,103.69	2,325.71
Over time	31,564.81	25,980.86
Total	**33,668.50**	**28,306.57**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Geographic revenue

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Within India	33,653.16	28,284.14
Outside India	15.34	22.43
Total	**33,668.50**	**28,306.57**

(f) The amount of revenue from contracts with customers recognised in the standalone statement of profit and loss is the contracted price.

(g) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Receivables, which are included in 'trade receivables	2,247.51	1,470.77
Contract assets	16.71	118.52
Contract liabilities	2,879.74	2,296.26

Note 24

Other Income

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest income	4,237.27	3,880.18
Dividend income	180.93	225.21
Interest on Income Tax Refund	48.64	131.03
Gain on fair valuation of investments through profit and loss -unrealised	251.35	261.55
Gain on fair valuation of investments through profit and loss - realised	184.99	-
Miscellaneous income	235.86	198.27
Total	**5,139.04**	**4,696.24**

Note 25

Employee benefits expense

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries and other allowances	13,371.02	11,324.26
Contribution to provident, gratuity and other funds (refer Note 31)	722.47	629.05
Employee shared-based payment expense (refer Note 35)	141.67	234.49
Staff welfare expenses	388.70	324.10
Total	**14,623.86**	**12,511.90**

Note 26

Finance costs

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest on lease liabilities (refer note 42)	158.33	147.54
Total Finance costs	**158.33**	**147.54**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 27

Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Property, plant and equipment (refer note 2)	505.12	520.99
Right-of-use assets (refer note 42)	248.32	225.83
Intangible assets (refer note 3 (a))	40.82	17.84
Total depreciation and amortization expense	**794.26**	**764.66**

Note 28

Other expenses

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Electricity Charges	103.80	92.67
Postage and telephone charges	90.38	59.21
Rent	12.55	18.10
Travelling and conveyance expenses	406.78	263.91
Directors' sitting fees	66.00	80.50
Insurance premium	45.62	49.69
Legal expenses	65.68	90.83
Professional fees	473.19	342.50
Off-roll manpower cost	96.85	89.15
Rates and taxes	77.73	199.20
Repairs and maintenance		
- Buildings	154.99	86.53
- Others	81.96	48.32
Advertisement and sponsorship expenses	95.34	155.46
Security, housekeeping and office supplies	188.03	182.80
Membership and subscription	99.40	84.82
Provision for bad and doubtful debts	57.08	-
Bad debts written off	0.64	7.85
Auditors remuneration		
- Audit fees (including limited review fees)	39.30	35.39
- Tax audit fees	1.50	2.93
- Other services	3.10	2.85
- Reimbursement to auditors	0.80	5.42
Corporate social responsibility (refer note 43)	275.00	228.00
Technology Cost	686.46	583.93
Recruitment expenses	105.51	66.56
Miscellaneous expenses	301.75	264.06
Total	**3,529.44**	**3,040.68**

Note 29: Provisions and Contingent Liabilities

(A) Contingent Liabilities

There are no claims against the Company not acknowledged as debts (to the extent not provided for).

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(B) Provisions

The closing balance of provisions as of 31 March 2025 aggregates Rs 100.00 Lakhs (Previous year Rs. 121 lakhs) This includes provision of Rs. 100.00 Lakhs relating adjudication proceedings initiated by Regulator / Government agencies pertaining to certain Credit ratings assigned by the Company to its clients, which is still in the process of being completed. In previous year the Company has created provision of Rs. 21 lakhs on accounts of regulatory matter which is paid during the year.

Further, the Company has assessed the probability of outflow of resources on account of other pending litigations and has concluded that the likelihood of outflow of resources in relation to such litigations is remote.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**121.00**	**325.92**
Charge/(Reversal) for the year	(7.95)	21.00
Payment	(13.05)	(225.92)
Closing balance	**100.00**	**121.00**

(C) Guarantees given by Bank on behalf of the subsidiary company in respect of lien marked Deposits placed by the Company is Nil (Previous Year Rs.141.35 Lakhs)

Note 30: Capital and other commitments

The amounts pending on account of contracts remaining to be executed on capital account, not provided for is Rs. 695.51 Lakhs (March 31, 2024 – 110.70 Lakhs).

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long-term contracts has been made in the books of account.

Note 31: Employee benefits

A. Defined benefit plans: Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company for payment of gratuity. The Company accounts for the liability based on actuarial valuation. The Company has created a trust for future payment of gratuities which is funded through gratuity-cum-life insurance scheme of LIC of India.

Inherent risk on above:

The plan is defined in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to the employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	As at March 31, 2025	As at March 31, 2024
i. Change in present value of obligations:		
Opening defined benefit obligation	1,471.50	1,298.19
Current service cost	135.94	117.03
Interest cost	93.73	84.98
Actuarial (gain)/loss on obligations due to change in financial assumptions	2.15	7.38
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	10.64	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	As at March 31, 2025	As at March 31, 2024
Actuarial (gain)/loss on obligations due to experience	52.41	43.68
Benefits paid	(167.01)	(79.76)
Benefits paid by the employer	(21.62)	0.00
Closing defined benefit obligations	**1,577.74**	**1,471.50**
ii. Change in fair value of plan assets:		
Opening fair value of the plan assets	1,007.11	910.60
Expected return on plan assets	72.31	66.56
Contribution by the employer	201.20	120.50
Benefits paid	(167.01)	(79.76)
Actuarial Gain/(Loss) on plan assets	(45.21)	(10.78)
Closing fair value of the plan assets	**1068.40**	**1007.11**
iii. Net asset / (liability) recognized in the balance sheet		
Present value of the funded defined benefit obligation at the end of the period	(1577.74)	(1471.50)
Fair value of plan assets	1068.40	1007.11
Net asset / (liability)	**(509.34)**	**(464.38)**
iv. Expenses recognized in the statement of profit and loss		
Current service cost	135.94	117.03
Interest on defined benefit obligations	21.42	18.41
Past service cost	-	-
Amount recognized in statement of profit and loss	**157.36**	**135.44**
v. Re-measurements recognized in other comprehensive income (OCI):		
Actuarial (gains)/losses on obligation for the period	65.20	51.07
Expected return on plan assets	45.21	10.78
Amount recognized in other comprehensive income (OCI)	**110.41**	**61.85**
vi. Maturity profile of defined benefit obligation:		
Within the next 12 months	253.02	332.11
Between 1 and 5 years	853.06	846.91
Between 5 and 10 years	607.29	524.13
10 Years and above	614.10	350.03
vii. The major categories of plan assets as a percentage of total plan:		
Insurer Managed Funds	100%	100%
viii. Actuarial Assumptions:		
Discount rate (p.a.)	6.57%	7.18%
Expected return on plan assets (p.a.)	6.57%	7.18%
Withdrawal rate	For service 4 years and below 30.00% p.a. For service 5 years and above 15.00% p.a.	For service 4 years and below 36.00% p.a. For service 5 years and above 19.00% p.a.
Mortality tables	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Salary escalation Rate (p.a.)	9.00% p.a	10.00% p.a
Retirement age	60 years	60 years
ix. Weighted average duration of defined benefit obligation	3.08 years	2.52 years
x. Sensitivity analysis for significant assumptions: *		
Increase present value of defined benefits obligation at the end of the year	1,577.86	1,471.50
1% increase in discount rate	(73.02)	(54.82)

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Gratuity (Funded)	
	As at March 31, 2025	As at March 31, 2024
1% decrease in discount rate	80.73	59.59
1% increase in salary escalation rate	45.53	33.88
1% decrease in salary escalation rate	(45.13)	(33.80)
1% increase in employee turnover rate	0.12	0.40
1% decrease in employee turnover rate	(0.20)	(0.69)

* The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

xi. Basis used to determine expected rate of return on plan assets:

Expected rate of return on Plan Assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

xii. Salary escalation rate:

Salary escalation rates are determined considering seniority, promotion, inflation and other relevant factors.

xiii. Asset liability matching (ALM) strategy:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

xiv. The Company's expected contribution during next year is 253.02 Lakhs.

B. Compensated absences:

The compensated absences cover the Company's liability for earned leave. Long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Short term compensated absences are provided for based on estimates. Amount recognized as an expense in respect of Compensated Absences is Rs. 250.67 Lakhs (March 31, 2024 - Rs. 301.93 Lakhs).

C. Defined contribution plans:

Amount recognized as an expense and included in Note 25 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is Rs. 519.98 Lakhs (March 31, 2024- Rs. 390.00 Lakhs).

D. Superannuation benefits:

Superannuation Benefits is contributed by the Company to Life Insurance Corporation of India (LIC) @ 10% of basic salary with respect to certain employees.

Contribution to Superannuation Fund charged to Statement of Profit and Loss in Note 25 under the head "Contribution to Provident and other Funds" is Rs. 45.14 Lakhs (March 31,2024 – Rs. 43.22 Lakhs).

E. Long term incentive:

Amount recognized as an expense and included in Note 25 under the head "Salaries and other allowances " of Statement of Profit and Loss is Rs. 138.62 Lakhs (March 31, 2024 - Rs. 126.58 Lakhs).

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 32: Related party disclosures

A. List of related parties where control exists:

Name of Related Parties	Nature of Relationship	% Shareholding and Voting Power	
		As at March 31, 2025	As at March 31, 2024
Related party where control exists			
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	Wholly Owned Subsidiary	100.00%	100.00%
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Limited	Wholly Owned Subsidiary	100.00%	100.00%
CARE Edge Global IFSC Limited (w.e.f April 29,2024)	Wholly Owned Subsidiary	100.00%	-
CARE Ratings (Africa) Private Limited	Subsidiary	78.00%	78.00%
CARE Ratings South Africa (Pty) Limited (incorporated from 25th October, 2023)	Subsidiary	78.00%	78.00%
CARE Ratings (Nepal) Limited	Subsidiary	51.00%	51.00%

B. Other Related Parties:

Name of Related Parties	Nature of Relationship
Key management personnel:	
Mr. Mehul Pandya	Managing Director & Group CEO
Mr. Najib Shah	Independent Director
Mr. Venkatadri Chandrasekaran	Independent Director
Mr. Adesh Kumar Gupta	Independent Director upto 9th July, 2024
Ms. Sonal Gunvant Desai	Independent Director
Dr. M Mathisekaran	Independent Director
Mr. Gurumoorthy Mahalingam	Independent Director
Mr. S.M.Jain	Non-Executive Non-Independent Director
Mr. Manoj Chugh	Independent Director w.e.f. 9th May, 2024
Mr. Ananth Narayan Gopalakrishanan	Independent Director (upto september 2022)

C. Following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lakhs)

Name of the related party	Relationship	Nature of transactions	For the Year ended March 31, 2025	For the Year ended March 31, 2024
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	Wholly owned subsidiary	Loan given	-	1,290.00
		Loan repaid	-	150.00
		Investments in Preference shares	600.00	2,050.00
		Interest income	115.09	60.12
		Professional fees paid for Software development by CAAPL (Formely known as CRSPL) for company	-	10.75
		ESOP Income	39.82	22.03
		AMC of software	3.60	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(Rs. in Lakhs)

Name of the related party	Relationship	Nature of transactions	For the Year ended March 31, 2025	For the Year ended March 31, 2024
		Professional fees for advisory service	32.25	11.50
		Computer software purchased	9.63	-
		Manpower cost recharge/ Personal recharge cost	14.29	48.65
		Capital work in progress	-	8.51
		Revenue from operation	3.50	-
		IT recharge cost	7.41	-
		Rent income	57.31	28.75
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Limited	Wholly owned subsidiary	Rent income	56.56	22.68
		Revenue	-	3.00
		Reimbursement of expenses	-	4.78
		IT recharge cost	3.10	-
		Business sourcing fees	5.49	-
		ESOP Income	-	14.57
		Manpower cost recharge	16.75	81.37
		Professional fees paid to	-	11.35
CARE Edge Global IFSC Limited (w.e.f April 29,2024)	Wholly owned subsidiary	ESOP Income	6.15	-
		Royalty	9.81	-
		Business sourcing	20.72	-
		Manpower cost recharge	23.84	-
		Professional fees recharge	14.25	-
		Salary & related benefits reimbursement	59.47	-
		Other expenses - reimbursement	16.60	-
		IT Recharge Cost	11.08	-
		Preliminary expe - reimbursement	55.88	-
		Investment in Equity shares	3,000.00	-
CARE Ratings (Africa) Private Limited (CRAF)	Subsidiary	Royalty income	46.78	32.03
		Deemed investment cost	-	19.66
		IT Recharge Cost	10.89	7.10
		Other expenses - reimbursement	4.60	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(Rs. in Lakhs)

Name of the related party	Relationship	Nature of transactions	For the Year ended March 31, 2025	For the Year ended March 31, 2024
		ESOP Income	-	1.62
		Dividend received	67.75	69.46
CARE Ratings Nepal Limited (CRNL)	Subsidiary	Dividend income	95.54	121.01
		IT recharge Cost	8.88	3.86
		Sitting fees income	0.35	0.63
		Royalty income	31.45	25.02
Mr. Mehul Pandya	Managing Director & Group CEO	Remuneration	542.70	300.00
Mr. Najib Shah	Independent Director	Director sitting fees	9.50	12.00
		Commission expense	36.36	24.20
Mr. Adesh Kumar Gupta	Independent Director	Director sitting fees	2.00	13.00
		Commission expense	4.55	12.10
Dr. M Mathisekaran	Independent Director	Director sitting fees	8.00	9.50
		Commission expense	18.18	12.10
Mrs. Sonal Gunvant Desai	Independent Director	Director sitting fees	10.50	10.50
		Commission expense	18.18	12.10
Mr. Venkatadri Chandrasekaran	Independent Director	Director sitting fees	11.50	13.50
		Commission expense	18.18	12.10
Mr. Gurumoorthy Mahalingam	Independent Director	Director sitting fees	10.00	12.50
		Commission expense	18.18	12.10
Mr. S.M.Jain	Non-Executive Non-Independent Director	Director sitting fees	8.50	9.50
		Commission expense *	18.18	12.10
Mr. Ananth Narayan Gopalakrishanan	Independent Director	Commission expense	-	12.10
Mr. Manoj Chugh	Independent Director	Director sitting fees	6.00	-
		Commission expense	18.18	-

* The LIC has nominated the director, hence commission expenses is directly paid/Payable to LIC.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

D. Outstanding balances:

(Rs. in Lakhs)

Name of the related party	Relationship	Nature of transactions	As at March 31, 2025	As at March 31, 2024
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	Wholly owned subsidiary	ESOP amount receivable	18.36	8.99
		Other liabilties	15.96	15.96
		Investments in preference share	2,650.00	2,050.00
		Loan given	1,250.60	1250.60
		Other receivables	-	10.75
		Interest income	-	0.01
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Limited	Wholly owned subsidiary	Manpower cost recharge receivable	-	5.48
		ESOP amount receivable	-	1.58
		Receivable towards vehicle loan - accrued int	-	0.27
		Other receivable	5.49	-
CARE Edge Global IFSC Limited (w.e.f April 29,2024)	Wholly owned subsidiary	ESOP amount receivable	4.93	-
		Reimbursement salary cost receivable	45.71	-
		Manpower cost recharge receivable	16.45	-
		Professional cost receivable	14.25	-
		Other expenses reimbursement	11.75	-
		IT recharge cost receivable	11.08	-
		Royalty receivable	9.81	-
		Other receivable	20.72	-
CARE Ratings (Africa) Private Limited (CRAF)	Subsidiary	Royalty Receivable	46.50	39.14
		Other receivables	15.49	-
CARE Ratings Nepal Limited (CRNL)	Subsidiary	Sitting fees receivable	0.24	0.43
		Other receivables - IT cost	12.16	3.86
		Royalty Receivable	19.52	14.99

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

E. Compensation of Key Management Personnel of the company:

(Rs. in Lakhs)

Nature of Transaction/Relationship	As at March 31, 2025	As at March 31, 2024
A.		
- Short term employee benefits	534.51	293.13
- Other long terms benefits	8.19	6.87
- Share based payments *	25.91	66.26
Total	**568.60**	**366.26**
B. Director's sitting fees	66.00	80.50
C. Director's commission	150.00	96.81
Total Compensation (A+B+C)	**784.60**	**543.56**

*Share based payments refer to amounts charged to the statement of Profit and Loss account, being charge on ESOP granted to Key Management Personnel as per ESOS 2021 and ESOS 2022 schemes based on Fair Value method. (Refer Note No.35 for more details related to ESOP granted to MD and other KMPs)

Note 33: Earnings per equity share (EPS):

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
A) Basic EPS		
(i) Net Profit attributable to Equity Shareholders	14,799.36	11,944.18
(ii) Weighted average number of Equity shares outstanding	2,99,03,876	2,97,69,638
Basic Earnings Per Share (i)/(ii)	**49.49**	**40.12**
B) Diluted EPS		
(i) Weighted average number of Equity shares outstanding	2,99,03,876	2,97,69,638
(ii) Add: Potential Equity Shares on exercise of option	1,35,029	88,183
(iii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS	3,00,38,904	2,98,57,821
Diluted EPS {(A)(i)/(B)(iii)}	**49.27**	**40.00**

Note 34: Income Taxes:

The major components of income tax expense for the years ended March 31, 2025 and March 31,2024 are:

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. Income tax expense recognized in Statement of Profit and Loss:		
Current tax		
Income Tax for Current Year	4,891.17	4,151.51
Tax Adjustment for earlier years	(57.35)	-
Total	**4,833.82**	**4,151.51**
Deferred tax		
Attributable to -		
Origination and reversal of temporary differences	68.47	92.34
Total	**68.47**	**92.34**
Total tax expense recognized in the standalone statement of profit and loss	**4,902.29**	**4,243.85**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

B. Deferred tax recognized in other comprehensive income:

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Remeasurements of defined benefit obligation	27.79	39.15
Fair value of investments	(72.37)	-
Income tax (charged) / credited to other comprehensive income	**(44.58)**	**39.15**

C. Aggregate current and deferred tax charge relating to items that are (charged) or credited directly to equity.

D. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate.

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Accounting profit before tax	19,701.65	16,188.03
Tax using Comapany's domestic tax rate 25.168% (previous year 25.168%)	4,958.51	4,074.20
Effect of:		
Non-deductible expenses	15.45	145.47
Tax Adjustment for earlier years	(57.35)	-
Exempt Income	(82.79)	(93.93)
Others	68.47	118.10
Total tax expense	**4,902.29**	**4,243.85**

Note 35: Share based payments:

The company has granted 811500 options to its eligible employees as per the ESO schemes, details are as under:

A. Employees Stock Option Scheme:

Particulars	ESOS 2020									
Nos. of Options	322000 to others	123500 to others	25000 to others	1,00,000 to others	72000 to others	10000 to others	105000 to others	6000 to others	22000 to others	26000 to others
Method of Accounting	Fair Value method									
Vesting Plan	1/3rd on completion of one year from the grant date 1/3rd on completion of two years from the grant date 1/3rd on completion of three years from the grant date									
Exercise Period	2 years after the vesting period									
Grant Date	December 1, 2020	October 29, 2021	May 28, 2022	July 29, 2022	November 08, 2022	January 04, 2023	September 27, 2023	September 30, 2023	August 7, 2024	October 22, 2024
Exercise Price (Per Share)	Rs. 416/ share	Rs.682/ share	Rs.464.50/ share	Rs. 427/ share	Rs. 506/ share	Rs. 585/ share	Rs. 836/ share	Rs. 836/ share	Rs. 939/ share	Rs. 1122/ share
Fair value on the date of grant of option (Per share)	Rs.249.24/ share Rs.282.97/ share Rs.310.18/ share	Rs.187.89/ share Rs.232.29/ share Rs.269.57/ share	Rs.103.04/ share Rs.145.44/ share Rs.150.02/ share	Rs.109.41/ share Rs.148.04/ share Rs.151.59/ share	Rs.119.29/ share Rs.164.91/ share Rs.182.99/ share	Rs.149.56/ share Rs.205.08/ share Rs.234.40/ share	Rs.191.20/ share Rs.251.62/ share Rs.305.91/ share	Rs.191.20/ share Rs.251.62/ share Rs.305.91/ share	Rs.185.72/ share Rs.242.20/ share Rs.298.16/ share	Rs.185.72/ share Rs.242.20/ share Rs.298.16/ share
Method of Settlement	Equity									

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

B. Movement of Options granted:

(Rs. in Lakhs)

Particulars	ESOS (2020) (Others)	
	As at March 31, 2025	As at March 31, 2024
Options outstanding at beginning of the year	**3,69,434**	**4,53,403**
Granted during the year	48,000	1,11,000
Exercised during the year	(64,234)	(1,67,302)
Lapsed during the year	(13,500)	(27,667)
Options outstanding at the end of the year	**3,39,700**	**3,69,434**
Options unvested at the end of year	**2,91,700**	**2,57,991**
Options exercisable at the end of the year	**48,000**	**1,11,443**
Weighted Average exercise price	Rs. 416 - Rs.939	Rs. 416 - Rs.836
Weighted average remaining contractual life (years)	0.62 to 3.36	1.17 to 3.50

The ESOS compensation cost is amortized on a straight-line basis over the total vesting period of the options. Accordingly for ESOS, an amount of Rs. 141.67 Lakhs (Previous Year Rs.234.49 Lakhs) has been charged to the current year Statement of Profit and Loss.

C. Fair Valuation:

The fair value of the options used to compute proforma net profit and Earnings per equity share have been done by an independent valuer on thedate of grant using Black – Scholes-Merton Formula. The key assumptions and the Fair Value are as under:

Particular	ESOS 2020
	Other employees
Risk free interest rate (%)	4.01%-7.59%
Option life (Years)	3 years to 5 years
Expected volatility	28.81% - 60.25%
Expected dividend yield (%)	0.96% - 3.83%
Weighted average fair value per option	Rs. 107.77 to Rs.616.10

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

D. Details of the reserves arising from the share based payments wereas follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Carrying Amount	541.35	509.51

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 36: Financial instruments: disclosure:

A. Classification of financial assets and liabilities:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at amortized cost:		
Investment (non-current)	1,880.28	1,889.19
Loans (non-current)	1360.24	1284.45
Investment (current)	-	-
Loans (current)	123.83	95.07
Trade receivables	2,247.51	1,470.77
Cash and cash equivalents	2,634.87	3,028.54
Other bank balances	21.62	21.58
Other non-current financial assets	66.70	57.57
Other current financial assets	54,895.70	56,273.95
Financial assets at fair value through profit and loss:		
Investments (non-current)	8,976.65	-
Financial assets at fair value through OCI:		
Investment (non-current)	2,544.48	2,492.93
Total	**74,751.88**	**66,614.04**
Financial liabilities at amortized cost:		
Lease liabilities (non current)	1,436.58	1,521.00
Lease liabilities (current)	134.79	148.17
Trade payables	817.34	419.25
Other current financial liabilities	2,618.21	1,970.28
Total	**5,006.92**	**4,058.70**

B. Investments in equity instruments designated at Fair Value through other comprehensive income

As on March 31, 2025 and March 31, 2024, the Company has investments in ARC Risk Group Limited BVI Company of 20 Ordinary Shares of USD 22,600 each and 20,00,000 ordinary shares of RM 1 each in Malaysian Rating Corporation Berhad. The Company has opted to designate these investments at Fair Value through Other comprehensive income since these investments are not held for trading.

The fair value of each of these investments are as below:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at fair value through OCI:		
- Malaysian Rating Corporation Berhad	2,334.10	1,748.20
- ARC Risk Group Limited BVI Company	209.85	744.20
Total	**2,543.95**	**2,492.40**

The Company has received Rs. 17.64 Lakhs (Previous Year Rs. 34.74 Lakhs) as Dividend from Malaysian Rating Corporation Berhad and has recognized in the Statement of Profit and Loss under Note –24 - Other Income.

Note 37: Fair value measurement:

The fair values of the Financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1:

This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Level 2:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The investment in mutual funds are valued using the closing Net Asset Value based on the mutual fund statements received by the company. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The fair valuation of investment in Equity Shares of Malaysian Rating Corporation Berhad and ARC Risk Group Limited BVI Company is classified under Level 3. The details are given in the table below:

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3
As at March 31, 2025			
Investments measured at			
Fair Value through OCI	-	-	2,544.48
Fair Value through Profit and Loss	-	8,976.65	-
Amortised cost	1,955.50	-	-
As at March 31, 2024			
Investments measured at			
Fair Value through OCI	-	-	2,492.40
Fair Value through Profit and Loss	-	-	-
Amortised cost	1,889.19	-	-

For financial instruments other than covered above, their carrying values approximate their fair values.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2025 and March 31, 2024.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The valuation of investments in equity shares of 2 companies classified as Fair Value through Other Comprehensive Income have been determined with reference to the market multiples derived from quoted prices of companies comparable to the investees and expected revenue of the investees. The estimate is adjusted for the effect of non marketability of the relevant equity securities. There were no significant unobservable inputs other the adjustment for the effect of non marketability. The estimated fair value would reduce in case the adjustment for non marketability is increased and vice versa.

Note 38: Financial risk management objectives and policies:

The Company is a Debt Free Company. The principal financial liabilities of the Company comprise of other liabilities and Provisions which arise on account of normal course of business. The Company's principal financial assets include investments, trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets.

The Company is exposed to Market Risk, Credit Risk, and Liquidity Risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Management of the Company updates its Board of Directors on periodic basis about various risks to the business and status of various activities planned to mitigate the risk.

The Company has exposure to the following risks arising from financial instruments:

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

(A) Market Risk

Market risk is the risk that the fair value or future cash flows of such financial instrument will be impacted because of various financial and non financial market factors. The financial instruments affected by market risk include the investment in Mutual Funds and investment in Equity Shares of companies incorporated and operating outside India.

There is no Interest rate risk since the Company does not hold any financial instrument whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The following table shows foreign currency exposures in USD, MRF and MUR on financial instruments at the end of the reporting period. The exposure to foreign currency for all other currencies are not material. The Company does not hedge its foreign currency exposure.

Description	Currency	As at March 31, 2025		As at March 31, 2024	
		Amount in FC	Amount in Rs.	Amount in FC	Amount in Rs.
Other Receivable	MUR	-	-	17.88	40.34
Other Receivable	NPR	114.56	217.88	-	-
Other Receivable	USD	0.95	124.78	-	-
Other payable	USD	0.01	0.56	-	-
Trade Receivables	USD	0.45	37.50	-	-

Foreign Currency Sensitivity on unhedged exposure:

1% increase in foreign exchange rate will have the following impact on profit before tax:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
MUR	-	0.40
USD	1.63	-
NPR	2.18	-

Note: If the rate is decreased by 100 bps profit will increase by an equal amount

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating (primarily Trade receivables), investing and financing activities including Mutual Fund Investments, Investment in Debt Securities, Bank Balance, Deposits with Bank, Security Deposits, Loans to Employees and other financial instruments.

The Company measures and manages its Credit Risk by diversification of its surplus funds into various mutual fund schemes based on its investment policy.

Total Trade receivable as on March 31, 2025 is Rs.2,247.51 Lakhs (March 31, 2024 - Rs.1, 470.77 Lakhs). The Company does not have higher concentration of credit risks to a single customer.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Refer note 9 Trade receivables for ageing of trade receivables which reflects credit risk exposure of the Company.

As per the provision matrix receivables are classified into different bucket based on the overdue period, buckets range from 0 to 6 months, 6 months to 9 months, 12 months - 18 months and more than 18 months. The norms of provisioning on the same range are from 25% - 100% (which was 25% - 100% in previous year). The management, on a case to case basis may decide to provide or write off at a higher rate with reasons whenever felt necessary.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Provision	**6.50**	**83.50**
Add: Provided (utilized) during the Year	57.08	-
Less: Utilized during the Year	-	(77.00)
Closing Provision (refer note 9)	**63.58**	**6.50**

(C) Liquidity Risk

Investments, Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the PSU Banks. Investments of surplus funds are made only based on Investment Policy of the Company. Investments primarily include investment in units of mutual funds, Bonds issued by Government/ Semi Government Agencies/ PSU etc. These Mutual Funds and Counterparties have low credit risk.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The cash flows and liquidity of Company is monitored under the control of the management. The objective is to ensure that Company's surplus funds are not kept idle and invested in the financial instruments only after adequate review of such instrument and approval of the management.

The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasted and actual periodic cash requirement and matching the maturity profiles of financial assets and liabilities.

The Company generally has investments and liquids funds more than its forecasted and current liabilities and has not faced shortage of funds at any point of time. The Liquidity risk on the Group is very less.

The table below summarizes the maturity profile of the Company's financial liabilities & financial assets based on contractual undiscounted payments.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at amortized cost:		
Investment (non-current)	1,880.28	1,889.19
Loans (non-current)	1,360.24	1,284.45
Loans (current)	123.83	95.07
Trade receivables	2,247.51	1,470.77
Cash and cash equivalents	2,634.87	3,028.54
Other bank balances	21.62	21.58
Other non-current financial assets	66.70	57.57
Other current financial assets	54,895.70	56,273.95
Financial assets at fair value through OCI:		
Investment (non-current)	2,544.48	2,492.93
Total	**74,751.88**	**66,614.04**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 38: Financial risk management objectives and policies: (Continued)

(Rs. in Lakhs)

As at March 31, 2025	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade payables	817.34	-	-	817.34
Other current financial liabilities				
Other Liabilities	6.59	-	-	6.59
Unclaimed Dividend	21.62	-	-	21.62
Provision for Salary, Performance Related Pay and Commission	2,590.00	-	-	2,590.00
Lease liabilities. (refer Note 42)	280.27	-	-	280.27
Other non current financial liabilities				-
Lease liabilities (refer Note 42)	-	1,267.94	632.59	1,900.53
Total	**3,715.82**	**1,267.94**	**632.59**	**5,616.35**

(Rs. in Lakhs)

As at March 31, 2024	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade payables	419.25	-	-	419.25
Other current financial liabilities				
Other Liabilities	9.57	-	-	9.57
Unclaimed Dividend	21.58	-	-	21.58
Provision for Salary, Performance Related Pay and Commission	1,939.13	-	-	1,939.13
Lease liabilities. (refer Note 42)	301.36	-	-	301.36
Other non current financial liabilities				
Lease liabilities (refer Note 42)	-	1,485.93	632.59	2,118.52
Total	**2,690.89**	**1,485.93**	**632.59**	**4,809.41**

Note 39: Distribution made and proposed:

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Cash dividends on equity shares declared and paid for the Company:		
Final dividend paid in FY 25 for the year ended on March 31, 2024: Rs. 11.00/- per share. (Final dividend paid in FY 24 for year ended on March 31, 2023: Rs. 15.00/- per share) Interim Dividend declared and paid for the year ended March 31,2025 Rs. 7/- per share (March 31, 2024: Interim Rs.7.00/- per share)	5,380.10	6,543.64
Total Dividend paid	**5,380.10**	**6,543.64**
For FY 25, proposed dividends on equity shares are subject to approval at the AGM (not recognized as a liability):		
Final dividend declared for the year ended on March 31, 2025: Rs. 11 /- Per share, (March 31, 2024: Rs.11.00/-per share)	3,292.53	3,283.73
Total dividend proposed	**3,292.53**	**3,283.73**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 40: Capital management:

The Company has a cash surplus position and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surplus is currently invested in income generating Mutual funds units, Fixed Deposits and Government Securities which in line with its Investment Policy. Safety of Capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on surplus funds.

The Company does not have any borrowings.

Note 41: Micro, small and medium enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
(a) Principal amount remaining unpaid to any supplier as at the end of the year	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the year.	-	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductibles expenditure under the MSMED Act, 2006.	-	-

This information has been determined to the extent such parties have been identified based on information available with the Company.

Note 42: Leases

Following are the changes in the carrying value of right -of-use assets for the year ended March 31,2025 :

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Balance at the beginning of the year	**1,570.38**	**1,333.53**
Additions made during the year	60.64	462.68
Depreciation charged	(248.32)	(225.83)
Balance as at end of the year	**1,382.70**	**1,570.38**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 42: Leases (Continued)

Amounts recognized in profit and loss:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Depreciation expense on Right-of-use assets	248.32	225.83
Interest expense on Lease liabilities	158.33	147.54
Expense relating to short-term leases	12.55	18.10
Total	**419.20**	**391.47**

The following is the break-up of current and non-current Lease liabilities as at March 31,2025 :

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Lease Liabilities - Current	134.79	148.17
Lease Liabilities - Non-current	1,436.58	1,521.00
Total	**1,571.37**	**1,669.17**

The following is the movement in Lease liabilities during the year ended March 31,2025 :

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Balance at the beginning of the year	**1,669.17**	**1,365.01**
Additions made during the year	58.10	433.55
Reversal during the year	-	-
Finance costs accrued during the period	158.33	147.54
Payment of lease liabilities	(314.22)	(276.93)
Balance at the end of the year	**1,571.38**	**1,669.17**

The table below provides details regarding the contractual maturities of Lease liabilities on an undiscounted basis:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Not later than one year	280.27	301.36
Later than one year but not later than five years	1,267.94	1,485.93
Later than five years	632.59	632.59

The total cash outflow for leases is Rs. 314.22 Lakhs for the Year ended March 31, 2025, including cash outflow for short term and low value leases.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 43: Corporate social responsibility

Gross amount required to be spent by the Company during the year is Rs. 275 Lakhs (Previous Year Rs. 228.00 Lakhs)

Amount spent during the year on the following:

(Rs. in Lakhs)

Particulars	As at March 31, 2025
Agastya International Foundation	5.00
Apex Kidney Foundation	42.00
Impact Guru Foundation	0.61
Juvenile Diabetes Foundation	22.50
K.C. Mahindra Education Trust	26.04
Kamarajar Educational Trust	15.00
Land for Tillers Freedom (LAFTI)	15.00
Little More	10.00
Navneet Foundation	10.00
NAVY WELFARE AND WELLNESS ASSOCIATION	25.00
Paraplegic Rehab Centre	19.60
Prashanti medical services and research foundation	20.00
Seva Sahayog Foundation	15.00
Sri Sathya Sai Health & Education Trust	10.50
The Fine Arts Society	10.00
VeerNari Shakti Resettlement Foundation	20.00
Vibha India	8.75
Total	**275.00**

Particulars	As at March 31, 2025	As at March 31, 2024
Amount required to be spent during the year	275.00	228.00
Amount of expenditure incurred during the year	275.00	228.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	Nil	Nil
Reason for shortfall	N.A.	N.A.
Nature of CSR activities	Health care, Providing sustainable livelihood among young people and women through green initiatives & entrepreneurship development, Health and Nutrition, Sustainable livelihood, Education,Employment and Local Area Development.	Health care, Providing sustainable livelihood among young people and women through green initiatives & entrepreneurship development, Health and Nutrition, Sustainable livelihood, Education,Employment and Local Area Development.
Details of related party transactions in CSR	N.A.	N.A.
Whether provision is created for contractual obligation	N.A.	N.A.

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 44: Disclosure as per Section 186(4) of the Companies Act, 2013

A. Details of Inter-Corporate Loans / Guarantees granted during the year as below:

The company had granted unsecured loan amounting to its wholly owned subsidiary CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited for meeting working capital requirements & for increase in authorised capital. During the year no repayment has been made (previous year = Rs. 150 Lakhs). The rate of interest was to be determined with reference to specific benchmark rates. There are no specified repayment dates for these loans.

B. Details of Investment made during the year as below:

(Rs. in Lakhs)

Name of the Company	Holding / Subsidiary / Associate	Year Ended March 31, 2025	Year Ended March 31, 2024
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	Wholly owned subsidiary	600.00	2,050.00
CareEdge Global IFSC Limited	Wholly owned subsidiary	3,000.00	-

Note 45: Ratio Analysis

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reasons for major variance
Current Ratio	Total current assets	Total current liabilities	7.75	10.26	(24.45)%	This decrease is due to inceases in financials liabilities and other current liabilities.
Debt-Equity Ratio	Borrowings and lease liabilities	Total equity	0.02	0.02	(16.68)%	The decrease is due to increase in total equity during the year.
Debt Service Coverage Ratio	Earning for debt service= NPAT+ Non Cash operating expenses+Interest+ Other non cash adjustments	Debt service= Interest and lease payments+ Principal repayments	50.16	46.42	8.05%	This is due to improved in cash flow
Return on Equity Ratio	Profit for the year less preference dividend (if any)	Average total equity	0.18	0.16	14.40%	Due to increased in profits
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	18.11	18.94	(4.38)%	The is due to increase in trade receivables
Trade payables turnover ratio	Net Credit Purchases/ Other expenses	Average trade payables	5.71	7.25	(21.28)%	The decrease in ratio is primarily on account of increase in trade payables
Net capital turnover ratio	Revenue from operations	Average working capital (i.e. Total Current assets - Total Current liabilities)	0.62	0.29	113.65%	This is due to efficient use of working capital
Net profit ratio	Profit for the year	Revenue from operations	0.44	0.42	4.22%	This is due to increased in profit

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Change	Reasons for major variance
Return on Capital employed	EBIT	Capital Employed= Net worth+ Lease Liabilities+ Deferred tax iabilities	0.23	0.21	7.94%	This is due increased in profit
Return on investment	Income generated from invested funds	Average invested funds in tresaury investments	0.24	0.34	(28.14)%	The decrease is due to investment in the current year.

Note 46:

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 47: Segment reporting:

In accordance with the requirements of Ind AS 108 "Operating Segments", the Company has disclosed details in the consolidated financial statements.

Note 48: Impairment

Impairment loss of non current assets are as follows:

a) Impairment of Investment in subsidiaries

Impairment of Investment in subsidiaries - During the year ended March 31, 2025, the Company has not recognized an impairment loss in relation to investments in subsidiaries (FY 24 Rs. 350.00 Lakhs).

During the year ended March 31, 2024, the performance of a subsidiary company along with relevant economic conditions and conditions of the market in which the entity operates, resulted in indicators of impairment. Accordingly, the Company determined the recoverable amount of the entity i.e. Rs. 4,663.00 Lakhs which is based on fair value less cost of disposal and recorded an impairment loss of Rs. 350.00 lakhs for the year ended March 31, 2024. The valuation of investment is considered in the nature of level 3 valuation. The value in use calculation use discount rate of 15% on median EV / Revenue multiple of the comparable companies.

Note 49:

Other comprehensive income

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Items that will not be reclassified to profit or loss		
(i) Remeasurement gain/(loss) on defined benefit liability / (asset)	(110.41)	(61.85)
(ii) Investment measured at Fair value	51.55	-
(iii)Income tax relating to items that will not be reclassified to profit or loss	(44.58)	39.15
Other comprehensive income/ (loss), net of income tax	**(103.44)**	**(22.70)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2025

Note 50: Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) The Company does not have any transactions with companies struck off

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

Viii) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority

(ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current year.

(xi) The Company does not have borrowings from bank & financial institutions on the basis of security of current assets.

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date

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

Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833

Manoj Kumar CV
Company Secretary
M No.- A15140

Mumbai
Date : May 12, 2025

Independent Auditor's Report

To the Members of CARE Ratings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements 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"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	
See Note 25 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Holding Company's revenue from operations primarily comprises of income from providing rating services to customers. Refer note 25 for details of revenue from operations (i.e. Rating income (including surveillance)) for current financial year. The revenue is recognized based on completion of identified performance obligation from customer contracts in accordance with Ind AS 115 "Revenue from Contracts with Customers" (Ind AS 115). There is a risk that revenue recognized is not based on completion of identified performance obligation arising from valid customer contracts.	Our audit procedures included the following: • Obtained an understanding of the revenue related business process, and assessed the appropriateness of revenue recognition policies adopted by the Company. • Tested the design and implementation, and operative effectiveness of internal controls related to the process of revenue recognition. • On selected samples of contracts we performed the following procedures: i. Reviewed the terms and conditions in the contracts. ii. Evaluated the identification of the performance obligations for the respective contracts. iii. Evaluated the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent revenue recognition.

Key audit matter	
	iv. Verified the revenue recognition for cut off transactions to assess whether the timing of revenue recognition is appropriate. • Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for the revenue recognized during the year.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements 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 financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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 are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements.

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 financial statements, 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 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 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 in preparation of consolidated financial statements 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 financial statements 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entity/entities or business activity/activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/ financial information of such entity/entities included in the consolidated financial statements of which we are the independent auditors. For the other entity/entities included in the consolidated financial statements, which has/have been audited by other auditor/other auditors, such other auditor/other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 3432.64 as at 31 March 2025, total revenues (before consolidation adjustments) of Rs. 2148.41 and net cash flows (before consolidation adjustments) amounting to Rs. 890.37 for the year ended on that date, as considered in the consolidated financial statements. 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report/ reports of the other auditor(s) except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company between 01 April 2025 and 14 April 2025, taken on record by the Board of Directors of the Holding Company and subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2025.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 47 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding,

whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 47 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

d. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As stated in Note 41 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

e. Based on our examination which included test checks, in respect of the Holding Company and its two subsidiary companies incorporated in India, the Company and its subsidiary companies has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the Company and its subsidiary companies as per the statutory requirements for record retention except for the periods where audit trail was not enabled or where independent auditors' report for softwares operated by third party service providers were not available in the prior year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such components incorporated in India which were audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ajit Viswanath
Partner
Membership No.: 067114
ICAI UDIN:25067114BMLCLD2128

Place: Mumbai
Date: 12 May 2025

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of CARE Ratings Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	CARE Analytics and Advisory Private Limited	U74210 MH1999PTC118349	Subsidiary	(xvii)
2	CARE ESG Ratings Limited	U66190MH2016PLC285575	Subsidiary	(xvii)
3	CareEdge Global IFSC Limited	U66190GJ2024PLC151103	Subsidiary	(xvii)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ajit Viswanath
Partner
Membership No.: 067114
ICAI UDIN: 25067114BMLCLD2128

Place: Mumbai
Date: 12 May 2025

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of CARE Ratings Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of CARE Ratings Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally

accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Ajit Viswanath
Partner
Membership No.: 067114
ICAI UDIN:25067114BMLCLD2128

Place: Mumbai
Date: 12 May 2025

Consolidated Balance Sheet

as at March 31, 2025

(Rs. in Lakhs)

Particulars	Note Number	As at March 31, 2025	As at March 31, 2024
I. ASSETS			
(1) Non-current assets			
a. Property plant and equipment	2	7,993.57	7,944.33
b. Right-of-use assets	45	2,162.11	1,840.50
c. Goodwill	3 (e)	795.03	795.03
d. Other intangible assets	3 (a)	970.65	302.10
e. Intangible assets under development	3 (b)	292.40	598.62
f. Financial Assets			
(i) Investments	4	13,407.17	4,382.11
(ii) Loans	5	114.34	33.85
(iii) Other financial assets	6	642.89	760.52
g. Deferred tax assets	7	1.25	-
h. Other non-current assets	8	182.34	64.19
Total Non-current Assets		**26,561.75**	**16,721.25**
(2) Current assets			
a. Financial assets			
(i) Trade receivables	10	3,208.53	2,248.51
(ii) Cash and cash equivalents	9	4,881.52	3,828.56
(iii) Bank balances other than cash and cash equivalents	11	4,818.68	2,009.15
(iv) Loans	12	123.92	95.27
(v) Other financial assets	13	55,024.45	57,432.11
b. Current tax asset (Net)	14	417.70	456.66
c. Other current assets	15	737.87	1,384.24
Total current assets		**69,212.67**	**67,454.50**
Total assets		**95,774.42**	**84,175.75**
(II) EQUITY AND LIABILITIES			
(1) Equity			
a. Equity share capital	16	2,993.21	2,985.21
b. Other equity	17	77,633.60	68,727.59
Equity attributable to equity holders of the parent		80,626.81	71,712.80
Non-controlling interests	16 (h)	923.44	745.64
Total equity		**81,550.25**	**72,458.44**
Liabilities			
(2) Non-current liabilities			
a. Financial liabilities			
(i) Lease liabilities	45	2,049.42	1,714.65
b. Provisions	19	1,734.14	1,586.78
c. Deferred tax liabilities	20	660.16	548.19
Total Non-Current Liabilities		**4,443.72**	**3,849.62**
(3) Current liabilities			
a. Financial liabilities			
(i) Lease liabilities	45	327.48	240.75
(ii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of other than micro enterprises and small enterprises		1,514.16	1,332.29
(iii) Other financial liabilities	21	2,715.98	2,025.40
b. Other current liabilities	22	4,509.02	3,516.82
c. Provisions	23	557.74	608.44
d. Current tax liabilities (Net)	24	156.07	143.99
Total current liabilities		**9,780.45**	**7,867.69**
Total liabilities		**14,224.17**	**11,717.31**
Total equity and liabilities		**95,774.42**	**84,175.75**
Material Accounting Policies	1.3		

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Note	Year Ended March 31, 2025	Year Ended March 31, 2024
Income			
I. Revenue from operations	25	40,231.75	33,168.48
II. Other income	26	5,075.38	4,669.02
III. Total income (I + II)		**45,307.13**	**37,837.50**
Expenses			
IV. Employee benefit expenses	27	18,892.48	16,458.31
V. Finance costs	28	210.82	171.20
VI. Depreciation and amortisation expense	29	1,172.17	1,048.29
VII. Other expenses	30	5,805.08	5,496.74
VIII. Total expenses (IV TO VIII)		**26,080.55**	**23,174.55**
IX. Profit before exceptional item and tax		**19,226.58**	**14,662.95**
X. Exceptional items		-	-
XI. Profit before tax expense (IX-X)		**19,226.58**	**14,662.95**
Tax expenses			
Current tax	35 (A)	5,146.24	4,312.56
Adjustment of tax relating to earlier periods	35 (A)	18.13	-
Deferred tax	35 (A)	62.02	94.01
XII. Total tax expense		**5,226.39**	**4,406.57**
XIII. Profit for the year (XI-XII)		**14,000.19**	**10,256.38**
XIV. Profit for the year attributable to:			
(i) Non-controlling interest		276.32	203.89
(ii) Owners of the parent		13,723.87	10,052.49
Other Comprehensive Income/(Expense)			
A. (i) Items that will not be reclassified to profit or loss	49	(35.74)	(67.30)
(ii) Income tax relating to items that will not be reclassified to profit or loss	49	(44.58)	39.15
B. (i) Items that will be reclassified to profit or loss	49	54.03	3.85
(ii) Income tax relating to items that will be reclassified to profit or loss	49	-	-
XV. Other comprehensive income/(Expense) for the year		**(26.29)**	**(24.30)**
XVI. Other comprehensive income for the year attributable to:			
Non-controlling interest		(0.64)	0.85
Owners of the parent		(25.65)	(25.15)
XVII. Total Comprehensive Income for the year		**13,973.90**	**10,232.08**
XVIII. Total Comprehensive Income for the year attributable to:			
(i) Non-controlling interest		275.68	204.74
(ii) Owners of the parent		13,698.22	10,027.34
XIX. Earnings per equity share (Face Value Rs.10/- each)	36		
- Basic		45.89	33.77
- Diluted		45.69	33.67
Material Accounting Policies	1.3		

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

Consolidated Statement of Cash Flow

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Note No.	For the Year ended March 31, 2025	For the Year ended March 31, 2024
A. Cash flow from operating activities			
Profit before tax		19,226.58	14,662.95
Adjustments for			
Interest income	26	(4,504.10)	(4,124.03)
Dividend income from equity securities	26	(17.64)	(34.74)
Unrealized gain on fair valuation of investments through profit and loss		(251.84)	-
Realized gain on sale of investments		(184.50)	(246.85)
Provision for bad debts	30	267.91	145.42
Bad debts written off	30	77.23	108.83
Loss on sale of property, plant and equipment		8.22	-
Share based payment expenses	27	187.67	271.49
Unrealised foreign exchange gain	26	(16.90)	(15.75)
Finance costs on lease liabilities	28	210.82	171.20
Depreciation and amortization expenses	29	1,172.17	1,048.29
Operating cash flow before working capital changes		**16,175.62**	**11,986.81**
Movements in working capital			
(Increase) in financial assets		(1,465.77)	(675.52)
Decrease/(Increase) in Other current Assets		658.99	(178.32)
Increase in Financial Liabilities		913.77	398.62
(Decrease)/Increase in other liabilities and provisions		1,077.41	1,791.54
Total Movements in working capital		**1,184.40**	**1,336.31**
Taxes paid (Net of refund)		(5,064.63)	(4,234.96)
Net cash generated from operating activities (A)		**12,295.39**	**9,088.16**
(B) Cash flow from investing activities			
Interest received		4,802.71	3,963.27
Dividend received	26	17.64	34.74
Net proceeds from/(investment in) fixed deposits		(579.86)	(7,243.19)
Acquisition of property, plant & equipment, Intangible assets under development and capital advances		(1,473.77)	(917.12)
Purchase of Investments		(8,920.08)	(32,122.45)
Redemption of Investments		310.55	32,378.19
Net cash generated /(used) from investing activities (B)		**(5,842.82)**	**(3,906.56)**
(C) Cash flow from financing activities			
Dividend and dividend taxes paid		(5,491.12)	(6,688.51)
Buyback related (expenses)/reversed		-	3.00
Nominal value of shares bought back transferred to CRR		-	3.15
Proceeds from exercise of share options		421.41	784.01
Repayment of lease liability		(119.08)	(225.97)
Payment of interest on lease liability	28	(210.82)	(171.20)
Net cash used in financing activities (C)		**(5,399.61)**	(6,295.52)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**1,052.96**	(1,113.92)

Consolidated Statement of Cash Flow

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Note No.	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Add: Cash and cash equivalents at the beginning of year		3,828.56	4,942.47
Cash and cash equivalents at the end of the year		**4,881.52**	3,828.56
Components of Cash and cash equivalents			
Balances with Banks			
- On Current Account	9	2,045.18	824.62
- Deposit accounts (with original maturity of less than three months)	9	1,642.90	705.57
Cash on hand	9	260.03	3.17
Others			
- Prepaid Cards	9	0.62	0.13
- Liquid Mutual fund	9	932.79	2,295.07
Total		**4,881.52**	3,828.56

Notes:

(i) Cash flow statemement has been prepared under the Indirect method as set out in Ind AS 7" Statement of Cash Flows"

(ii) Ind AS 7 requires the entity to provide disclosures that enable users of financials statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company does not have any liabilities arising from financing activities except lease liabilities, refer note 45 for the movement in lease liabilities during the years ended March 31, 2025 and March 31, 2024.

Material Accounting Policies (Refer note 1.3)

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

A. Equity Share Capital

for the year ended March 31, 2025

(Rs. in Lakhs)

Balance as at April 01, 2024	Changes in Equity Share Capital during the year	Balance as at March 31, 2025
2,985.21	8.00	2,993.21

For the year ended March 31, 2024

(Rs. in Lakhs)

Balance as at April 01, 2023	Changes in Equity Share Capital during the year	Balance as at March 31, 2024
2,970.05	15.16	2,985.21

B. Other Equity

for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Other comprehensive income		Total equity	Non-controlling interest
	Share options outstanding account	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income		
Balance as at April 01, 2024	**509.50**	**22.92**	**8,753.65**	**22,182.12**	**36,203.91**	**(17.95)**	**1,073.44**	**68,727.59**	**745.64**
Profit after tax for the year	-	-	-	-	13,723.87	-	-	13,723.87	276.32
Other comprehensive income/ (loss), net of tax	-	-	-	-	(58.86)	54.03	(20.82)	(25.65)	(0.64)
Total comprehensive income/ (loss) for the year	**509.50**	**22.92**	**8,753.65**	**22,182.12**	**49,868.92**	**36.08**	**1,052.62**	**82,425.81**	**1,021.32**
Contribution by and Distribution to owners									
Dividends	-	-	-	-	(5,380.10)	-	-	(5,380.10)	(111.06)
Nominal value of shares bought back transferred to CRR	-	-	-	-	-	-	-	-	
Buyback related expenses	-	-	-	-	-	-	-	-	
Premium paid on buy back of share	-	-	-	-		-	-	-	
Other adjustments	-	-	-	-	53.35		-	53.35	13.19
Premium on share issued	-	-	346.87	-	-	-	-	346.87	-
Provision for CSR Reserve for this QTR	-	-	-	-	-	-	-	-	
ESOP Application Money Received	-	-	-	-	-	-	-	-	-
ESOP Exercised During the period	(155.83)	-	155.83	-	-	-	-	-	-
Employee stock option granted/charge for the period	187.67	-		-	-	-	-	187.67	-
Employee stock option lapsed during the period	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	**541.34**	**22.92**	**9,256.35**	**22,182.12**	**44,542.17**	**36.08**	**1,052.62**	**77,633.60**	**923.44**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

For the year ended March 31, 2024

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Other comprehensive income		Total equity	Non-controlling interest
	Share options outstanding account	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income		
Balance as at April 01, 2023	**644.99**	**22.92**	**7,574.82**	**22,182.12**	**32,773.41**	**(20.95)**	**1,073.44**	**64,250.74**	**683.33**
Profit after tax for the year	-	-	-	-	10,052.49	-	-	10,052.49	203.89
Other comprehensive income/ (loss), net of tax	-	-	-	-	(28.15)	3.00	-	(25.15)	0.85
Total comprehensive income/ (loss) for the year	**644.99**	**22.92**	**7,574.82**	**22,182.12**	**42,797.75**	**(17.95)**	**1,073.44**	**74,278.08**	**888.07**
Contribution by and Distribution to owners									
Dividends	-	-	-	-	(6,543.64)	-	-	(6,543.64)	(141.83)
Nominal value of shares bought back transferred to CRR	-	-	-	-	3.15	-	-	3.15	-
Buyback related expenses	-	-	3.00	-	-	-	-	3.00	-
Premium paid on buy back of share	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	(53.35)	-	-	(53.35)	(0.60)
Provision for CSR Reserve for this QTR	-	-				-	-	-	-
ESOP Application Money Received	-	-	68.43		-	-	-	68.43	-
ESOP Exercised During the period	(407.50)	-	1,107.40		-	-	-	699.90	-
Employee stock option granted/charge for the period	272.01	-	-	-	-	-	-	272.01	-
Employee stock option lapsed during the period	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	**509.50**	**22.92**	**8,753.65**	**22,182.12**	**36,203.91**	**(17.95)**	**1,073.44**	**68,727.59**	**745.64**

Note 1 - Retained Earning -The Company has transferred Net profit/(Loss) for the year to retained earnings.

Note 2 - OCI: Re-measurement (comprising actuarial gains and losses, return on plan assets, etc.) of defined benefit plans in respect of post-employment are charged to Other Comprehensive Income. Re-measurement recognized in Other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

Material Accounting Policies (Refer note 1.3)

The accompanying notes are an integral part of the consolidated financial statements.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note: 1

Group overview and material accounting policies

1.1 Company Overview:

CARE Ratings Limited ('the Holding Company' or 'the Company' or 'CARE'), commenced its operations in April 1993 has established itself as the leading credit rating agency of India. Company has its equity shares listed on National Stock Exchange and Bombay Stock Exchange in India. The Company provides various credit ratings that the corporates to raise capital for their various requirements and assists the investors to form an informed investments decision based on the credit risk and their own risk return expectations. The Company has its registered office and head office both located in Mumbai. In addition, CARE Ratings has regional offices at Ahmedabad, Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, Noida and Pune.

The details of subsidiaries are as under:	
Name of the Company :	**CARE Analytics and Advisory Private Limited (CAAPL) formerly known as CARE Risk Solutions Private Limited**
Country of Incorporation:	**India**
Ownership in % either directly or through Subsidiaries:	**100%**
The Financial year for the above subsidiary company is uniform and ends on March 31 every year.	
Name of the Company:	**CARE ESG Ratings Limited (CERL) formerly known as CARE Advisory Research and Training Ltd**
Country of Incorporation:	**India**
Ownership in % either directly or through Subsidiaries:	**100%**
The Financial year for the above subsidiary company is uniform and ends on March 31 every year.	
Name of the Company:	**CareEdge Global IFSC Limited w.e.f 29th April, 2024**
Country of Incorporation:	**India**
Ownership in % either directly or through Subsidiaries:	**100%**
The Financial year for the above subsidiary company is uniform and ends on March 31 every year.	
Name of the Company:	**CARE Ratings (Africa) Private Limited ("CRAF")**
Country of Incorporation:	**Mauritius**
Ownership in % either directly or through Subsidiaries:	**78%**
The Financial year for the above subsidiary company is uniform and ends on March 31 every year.	
Name of the Company:	**CARE Ratings South (Africa) Pty Limited (Refer note 1 below)**
Country of Incorporation:	**Africa**
Ownership in % either directly or through Subsidiaries:	**78%**
(Note1:CARE Ratings (Africa) Private Limited ("CRAF") is holding 100% in CARE Ratings South (Africa) Pty Limited	
The Financial year for the above subsidiary company is uniform and ends on March 31 every year.	
Name of the Company:	**CARE Ratings Nepal Ltd ("CRNL")**
Country of Incorporation:	**Nepal**
Ownership in % either directly or through Subsidiaries:	**51%**
The Financial year for the above subsidiary company is 16th July to 15th July, however the accounts for the purpose of consolidation are prepared from April 2024 to March 2025.	
The financial statements are for the Group consisting of the Company and its subsidiaries.	

1.2 Basis of preparation

a. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The consolidated financial statements were approved for issue by the Board of Directors on May 12, 2025. There are no subsequent events that impacts the consolidated financial statement.

The financial statements have been prepared on a historical cost and on an accrual basis, except for the following which have been measured at fair value:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

- Fair value of Plan assets as reduced by defined benefit obligations;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Equity settled share based payments measured at fair value on grant date.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Non-controlling interest (NCI) NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

(d) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(profits or losses resulting from intragroup transactions that are recognised in assets, such as fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) Loss of control When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind AS as would be required if the Group had directly disposed of the related assets or liabilities

c. Functional and presentation currency

The consolidated financial statements are presented in Indian Rs (Rs), which is also the Company's functional currency and reporting currency of the Group. All values are rounded to the nearest lakh, unless otherwise stated.

d. Use of estimates, judgements and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Judgements:

In the process of applying the accounting policies,management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

i. Revenue

The Group recognizes the revenue measured at the fair value of consideration received or receivable.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

The Group uses significant judgments to assess the efforts required for completion of various activities in the rating process. Based on assessment, the Group defines the percentage completion to be applied to measure income to be recognized from initial rating and surveillance during the year.

As a matter of prudent policy and on the basis of past experience of recoverability of income, fees in respect of certain defined categories of clients are recognized when there is reasonable certainty of ultimate collection.

ii. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Estimates and assumptions uncertainties

i. Useful Lives of Property, Plant & Equipment:

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs for valuation techniques are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

iii. Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date at an entity level.

iv. Share based payment

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in liability towards recharge arrangements with the Parent, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards.. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

v. Impairment of goodwill and non-financial assets

Goodwill is tested for impairment on an annual basis or whenever there is an indication that goodwill may be impaired. For goodwill impairment testing, the carrying amount of the CGUs (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

of Profit and Loss and is not reversed in the subsequent period

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or Group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU or an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or asset

In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

vi. Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events

1.3 Material accouting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. On disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

c. Fair value measurement

The Group measures financial instruments, such as investments in mutual funds and equity shares at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

the fair value measurement as a whole (Note 39 Fair value measurement):

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as unquoted financial assets.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

d. Revenue recognition

i) Revenue from contract with customer

The Group earns revenue primarily from rendering rating and other related services, rendering financial and management advisory services and providing license implementation and customization services.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. The terms of payment typically for such arrangements are generally payable within 30-60 days of presentation of invoice.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group does not satisfy a performance obligation over time (similar to percentage completion method), the performance obligation is considered to be satisfied at a point in time (similar to completed contract method).

- Recognising revenue over time: For each performance obligation satisfied over time the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict the Group's performance in transferring control of services promised to the customer (i.e. the satisfaction of an entity's performance obligation). The Group uses input method to measure the progress achieved towards satisfaction of the performance obligation.
- Recognising revenue at a point in time: Revenue is recognised on satisfaction of the respective performance obligation. Factors

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

which are considered in determining whether the performance obligation is satisfied completely include applicable contractual terms, milestones indicative of satisfactory completion of performance obligation, history of client acceptance for similar products etc.

Contract assets

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as trade receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. In other cases this is classified as other current asset.

Contract liabilities

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (p) Financial instruments – initial recognition and subsequent measurement.

e. Other income

Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Sale of investments

Difference between the sale price and carrying value of investment as determined at the end of the previous year is recognized as profit or loss on sale / redemption on investment on trade date of transaction.

f. Taxes

(i) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction,

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(i) Depreciation on PPE is the systematic allocation of the depreciable amount over its useful life and is provided on a straight line basis over such useful lives as prescribed in Schedule II of the Companies Act, 2013.

The Group has established the estimated range of useful lives for different categories of PPE as follows:

Category of assets	Useful life (in years)
Furniture and Fixtures	10
Office Equipments	5
Computers	3
Vehicles	8
Electrical Installations	10
Buildings	30-60

Depreciation on additions is being provided on a pro rata basis from the date of such additions.

Depreciation on sale or disposal is provided on a pro rata basis till the date of such sale or disposal.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Advances paid towards acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under other non current assets

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognized in profit or loss as incurred.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The Group has determined the useful life for software as 3 to 5 years.

Intangible assets under development

Identifiable intangible assets under development are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured. Intangible assets under development is measured at historical cost and not amortised. These assets are tested for impairment on an annual basis.

i. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment. In the balance sheet, the right-of-use assets and lease liabilities are presented separately.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

b) Lease Liabilities

(i) At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect

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for the year ended 31st March, 2025

the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

ii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

j. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Impairment of Contract asset

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following contract asset:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

The Company follows 'simplified approach' for recognition of impairment loss allowance on contract asset which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

l. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

m. Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans (provident fund, superannuation fund etc.)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans (gratuity)

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined

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liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. TheGroup recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits (leave encashment)

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

n. Earnings per share

The basic Earnings per equity share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted Earnings per equity share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o. Share based payments

The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in liability towards recharge arrangements with the Parent, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards.. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

p. Segment reporting – identification of segments:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's management to make decisions for which discrete financial information is available.

q. Financial Instruments

(i) Financial Assets

a) Classification

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

b) Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

c) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking

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for the year ended 31st March, 2025

into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

d) Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

The rights to receive cash flows from The asset have expired, or

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

f) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii) Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial Liabilities

a) Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

b) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

c) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, theGroup may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. TheGroup has not designated any financial liability as at fair value through profit or loss.

d) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

e) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

amounts is recognised in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

s. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As on the date of approval of these financial statements, there are no new standards or amendments to the existing standard, which are issued but not yet effective and which are expected to have material impact on the financial statements of the Group.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 2: Property, Plant and Equipment**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2024	Additions during the year	Deductions during the year	As at March 31, 2025	As at April 01, 2024	For the year	On deletions/ disposals during the year	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Property, plant and equipment*										
Furniture and fixtures	825.90	60.51	(0.20)	886.21	285.45	87.13	(0.02)	372.55	513.65	540.45
Office Equipment	532.56	81.66	(5.99)	608.23	301.74	90.62	(0.43)	391.93	216.30	230.81
Computers	1,323.96	178.58	-	1,502.53	983.00	217.07	-	1,200.07	302.47	340.96
Vehicles	246.76	85.86	(54.47)	278.15	78.75	43.86	(18.68)	103.93	174.22	168.01
Electrical Installations	259.97	74.24	(0.24)	333.97	90.71	29.14	(0.02)	119.83	214.15	169.27
Buildings	7,299.47	207.60	-	7,507.07	941.17	138.38	-	1,079.55	6,427.51	6,358.30
Leasehold improvements	167.40	32.84	-	200.24	30.87	24.11	-	54.98	145.26	136.53
Total Property, plant and equipment	**10,656.00**	**721.29**	**(60.90)**	**11,316.40**	**2,711.69**	**630.30**	**(19.15)**	**3,322.84**	**7,993.57**	**7,944.33**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	On deletions/ disposals during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment*										
Furniture and fixtures	695.02	130.87	-	825.90	211.11	74.33	-	285.45	540.45	483.91
Office Equipment	465.80	67.27	(0.51)	532.56	213.61	88.59	(0.46)	301.74	230.81	252.08
Computers	1,245.34	153.68	(75.06)	1,323.96	776.47	261.28	(54.75)	983.00	340.96	443.66
Vehicles	246.84	-	(0.08)	246.76	39.23	39.52	(0.01)	78.75	168.01	207.62
Electrical Installations	195.11	64.86	-	259.97	66.15	24.56	-	90.71	169.27	128.96
Buildings	7,299.47	-	-	7,299.47	804.69	136.48	-	941.17	6,358.30	6,494.78
Leasehold improvements	22.28	145.12	-	167.40	10.16	20.71	-	30.87	136.53	12.12
Total Property, plant and equipment	**10,169.88**	**561.79**	**(75.66)**	**10,656.01**	**2,121.42**	**645.47**	**(55.22)**	**2,711.69**	**7,944.33**	**8,023.23**

Note:- *In relation to an ongoing litigation, the Holding Company is required to seek permission of the Hon'ble Madras High Court prior to sale of any of its assets. The Company has assessed the likelihood of outflow of resources in relation to this litigation and has concluded that such likelihood is remote.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note - 3:

(a) Other Intangible Assets**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated amortisation				Net block	
	As at April 01, 2024	Additions during the year	Deductions during the year	As at March 31, 2025	As at April 01, 2024	For the year	On deletions/ disposals during the year	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Computer software	574.93	204.54	(180.85)	604.76	390.78	87.58	(86.07)	392.29	212.47	184.14
Software development	121.03	684.56	-	805.59	3.07	44.34	-	47.41	758.18	117.96
Total Intangible assets	**695.96**	**889.10**	**(180.85)**	**1,410.35**	**393.86**	**131.92**	**(86.07)**	**439.70**	**970.65**	**302.10**

(Rs. in Lakhs)

Description of Assets	Gross block				Accumulated amortisation				Net block	
	As at April 01, 2023	Additions during the year	Deductions during the year	As at March 31, 2024	As at April 01, 2023	For the year	On deletions/ disposals during the year	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Computer software	752.87	56.90	(234.84)	574.93	397.34	90.08	(96.63)	390.78	184.14	198.13
Software development	18.64	121.03	(18.64)	121.03	18.64	3.07	(18.64)	3.07	117.96	-
Total Intangible assets	**771.51**	**177.93**	**(253.47)**	**695.96**	**415.98**	**93.15**	**(115.27)**	**393.86**	**302.10**	**198.13**

** Note : There has been no revaluation of property, plant and equipments and intangible assets during the year.

(b) Intangible assets under development

(Rs. in Lakhs)

Description	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	598.62	424.28
Additions	439.67	540.99
Capitalised during the year	(745.88)	(366.64)
Balance at the end	**292.40**	**598.62**

(c) Intangible assets under development ageing Schedule

(Rs. in Lakhs)

As at March 31, 2025	Intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	187.60	64.80	-	40.00	292.40
Projects temporarily suspended	-	-	-	-	-
Total	**187.60**	**64.80**	**-**	**40.00**	**292.40**

(Rs. in Lakhs)

As at March 31, 2024	Intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress	445.74	78.68	34.20	40.00	598.62
Projects temporarily suspended	-	-	-	-	-
Total	**445.74**	**78.68**	**34.20**	**40.00**	**598.62**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(d) Details of overdue projects under development

(Rs. in Lakhs)

Particulars	To be completed in (contract value)				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Product development	40.00				40.00
Total	**40.00**	**-**	**-**	**-**	**40.00**

(e) Goodwill

Goodwill arising from consolidation as of 31 March 2025 and 31 March 2024 aggregated Rs.795.03 Lakhs. This relates to the business of a wholly owned subsidiary CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited.

The recoverable amounts for the business relating to goodwill has been assessed based on the fair value less costs to sell. The valuation of the business has been determined with reference to the market multiples derived from quoted prices of companies comparable to the investees and expected revenue of the investees. The estimate is adjusted for the effect of non-marketability of the relevant equity securities. There were no significant unobservable inputs other the adjustment for the effect of non-marketability. The estimated fair value would reduce in case the adjustment for non-marketability is increased and vice versa. The valuation will be considered to be in the nature of Level 3 valuation.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Note 4: Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Nos	Amount	Nos	Amount
Unquoted:				
Investment measured at Fair value through other comprehensive income				
Face value of USD 22,600 each fully paid:				
ARC Risk Group Limited BVI Company (Previously known as ARC Ratings Holdings Limited)	20	209.85	20	744.20
Face value of RM 1 each fully paid:				
Malaysian Rating Corporation Berhad	2,000,000	2,334.10	2,000,000	1,748.20
Investments in Association of Indian Rating Agencies	-	0.53	-	0.53
Total unquoted investments		**2,544.48**		**2,492.93**
Quoted:				
Investment measured at amortized cost:				
Tax free bonds*		1,880.28		1,889.19
7.50% Everest Bank Limited Debenture		5.76		-
Investment measured at Fair value through Profit and loss account				
Mutual funds		8,976.65		-
Total quoted investments		**10,862.69**		**1,889.19**
Total investments		**13,407.17**		**4,382.11**
Aggregate amount of quoted investments		**10,862.69**		**1,889.19**
Market value of quoted investments		**10,977.91**		**2002.96**
Aggregate amount of unquoted investments		**2,544.48**		**2492.93**
Aggregate amount of impairment in value of Investment		-		-

*This includes accrued interest of Rs.64.35 Lakhs (Previous year: Rs. 63.92 Lakhs)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 5

Loans – Non-current

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured and Considered Good		
Loans to employees*	114.34	33.85
Total	**114.34**	**33.85**

*This includes Rs. 0.21 Lakhs accrued interest on loans to employees (Previous Year = Rs. 6.31 Lakhs)

(Rs. in Lakhs)

Type of borrower	As at March 31, 2025	% of total Loans and Advances	As at March 31, 2024	% of total Loans and Advances
(a) Amounts repayable on demand				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
(b) Without specifying any terms or period of repayment				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Total	-	-	-	-

Note 6

Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with banks (with more than 12 months of original maturity)*	464.82	654.04
Security Deposits	87.16	88.73
Earnest Money Deposit	76.98	5.20
Other Receivable	13.93	12.56
Total	**642.89**	**760.52**

*This includes accrued interest of Rs.6.63 Lakhs (Previous year: Rs. 7.62 Lakhs)

Note 7 : Deferred Tax Asset

(Rs. in Lakhs)

Particulars	As at April 1, 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2025
Deferred tax asset				
Provisions for employee benefits	-	-	-	-
Others	-		-	-
Deferred tax liability				
Depreciation on property, plant and equipment	-	1.25	-	1.25
Fair valuation of investments				-
Total	**-**	**1.25**	**-**	**1.25**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 8

Other non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	127.42	26.64
Prepaid expenses	54.92	37.55
Total	**182.34**	**64.19**

Note 9

Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Banks		
On current account **	2,045.18	824.62
Deposit accounts (with original maturity of less than three months)*	1,642.90	705.57
Cash on hand	260.03	3.17
Others		
Prepaid cards	0.62	0.13
Liquid Mutual fund	932.79	2,295.07
Total	**4,881.52**	**3,828.56**

* - This includes accrued interest of Rs.0.4 Lakhs (Previous year – Rs. 0.15 Lakhs)

** - This includes accrued interest of Rs.0.34 Lakhs (Previous year - Nil))

Note 10

Trade receivables

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured		
(a) Trade receivables - Considered good secured;	-	-
(b) Trade receivables - Considered good unsecured;	3,193.69	2,134.09
(c) Trade receivables which have significant increase in credit risk;	399.71	418.40
(d) Trade receivables – credit impaired	-	-
Total trade receivables	**3,593.40**	**2,552.49**
Less: Allowance for credit losses (Refer Note 43 (B))	(384.87)	(303.98)
Net Trade receivable	**3,208.53**	**2,248.51**

Trade receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2025	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,029.99	221.08	6.20	-	-	3,257.27
(ii) Undisputed Trade receivables – which have significant increase in credit risk	10.81	46.25	200.90	-	78.17	336.13
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2025	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade receivables – credit impaired"	-	-	-	-	-	-
Total trade receivables	**3,040.81**	**267.32**	**207.10**	**-**	**78.17**	**3,593.40**
Allowance for bad and doubtful debts						(384.87)
Net trade receivables						**3,208.53**

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2024	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2,086.74	38.97	8.38	-	-	2,134.09
(ii) Undisputed Trade receivables – which have significant increase in credit risk	165.58	101.33	24.78	12.70	114.01	418.40
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total trade receivables	**2,252.32**	**140.30**	**33.16**	**12.70**	**114.01**	**2,552.49**
Allowance for bad and doubtful debts						(303.98)
Net trade receivables						**2,248.51**

There are no unbilled dues in the nature of trade receivables

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Further, the Group does not have any trade receivables relating to related parties.

Note 11

Bank Balances other than Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Banks		
Fixed deposits*	52.27	280.15
Deposits with banks (with more than 3 but less than 12 months of original maturity)**	4,439.94	1,390.84
Earmarked balances with banks	-	
Unclaimed dividend account	21.62	21.58
	-	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Lienmarked deposit#	304.85	316.58
Total	**4,818.68**	**2,009.15**

*-This includes accrued interest of Rs 0.82 Lakhs (previous year – Rs. 1.26 Lakhs)

#This includes accrued interest of Rs. 0.44 Lakhs (previous year – Rs.30.14 Lakhs)

**Deposits with banks includes accrued interest of Rs.75.29 Lakhs (previous year Rs. 37.72 Lakhs) on fixed deposits

Note 12

Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured and considered good)		
Loan to employees*	123.92	95.27
Total	**123.92**	**95.27**

=* - This includes accrued interest of Rs. 14.06 Lakhs (previous year – Rs. 2.01 Lakhs)

(Rs. in Lakhs)

Type of borrower	As at March 31, 2025	% of total Loans and Advances	As at March 31, 2024	% of total Loans and Advances
(a) Amounts repayable on demand				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Loan to related party	-	-	-	-
(b) Without specifying any terms or period of repayment				
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Loan to related party	-	-	-	-
Total	-	-	-	-

Note 13

Other financial assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits with banks (with more than 12 months of original maturity)*	54,752.70	57,103.15
Security deposits	63.96	61.37
Other Receivables	201.18	109.33
Lienmarked Deposit	6.62	158.26
Total	**55,024.45**	**57,432.11**

* This includes accrued interest Rs. 1268.41 Lakhs (previous year – Rs. 1,578.41 Lakhs)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 14

Current tax assets (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance payment of taxes (Net of provision for tax)	417.70	456.66
Total	417.70	**456.66**

Note 15

Other current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract asset	1,020.82	1,322.07
Less: Loss allowance	(734.32)	(548.44)
Prepaid expenses	216.26	343.03
Deposits with statutory authorities	59.95	125.94
Other advances	169.14	141.34
Advances to suppliers	6.02	0.30
Total	737.87	**1,384.24**

Note 16

Equity share capital

(Rs. in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Numbers	Amount	Numbers	Amount
Authorized				
Equity shares of Rs.10/- each	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Issued, subscribed and fully paid up				
Equity shares of Rs.10/- each				
Opening balance	2,98,52,113	2,985.21	2,97,00,612	2,970.05
Issued during the year	80,035	8.00	1,51,501	15.16
Total	2,99,32,148	2,993.21	**2,98,52,113**	**2,985.21**

16(a): List of shareholders holding more than 5% of Paid-Up equity Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Numbers	% Holding	Numbers	% Holding
Life Insurance Corporation Of India	28,68,230	9.58%	28,68,230	9.61%
CRISIL Limited	26,22,431	8.76%	26,22,431	8.78%
Nippon Life India Trustee Ltd-A/C Nippon India (MUL)	23,90,187	7.99%	25,26,099	8.46%
Pari Washington India Master Fund, Ltd.	17,50,956	5.85%	15,66,456	5.25%
Total	96,31,804	32.18%	**95,83,216**	**32.10%**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

16(b): The reconciliation of the number of shares outstanding is set out below:

(Rs. in Lakhs)

Particulars	As at March 31, 2025 Numbers	As at March 31, 2024 Numbers
Equity shares at the beginning of the year	2,98,52,113	2,97,00,612
Add: Shares issued under employee stock options scheme (ESOS)	80,035	1,51,501
Equity Shares at the end of the year	**2,99,32,148**	**2,98,52,113**

16 (c) : Shares held by promoters :

The Company does not have any promoters holding in any of the period presented.

16(d): The Company does not have a Holding Company

16(e): Shares reserved for issue under options and contracts, including the terms and amounts:

For details of Shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company: Refer Note 37.

16(f): "Rights, preferences and restrictions attached to equity shares"

The Group has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16(g): Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

The Group has not issued any bonus shares, shares for consideration other than cash during the period of five years immediately preceding the reporting date.

16(h) Non-controlling interest

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
CARE Ratings Africa Limited		
Share in equity capital	57.86	57.86
Share in Reserves and Surplus	318.29	204.17
Share in Other Comprehensive Income (if any)	-	-
Total (A)	**376.16**	**262.03**
CARE Ratings Nepal Limited		
Share in equity capital	153.13	153.13
Share in Reserves and Surplus	394.16	330.49
Share in Other Comprehensive Income (if any)	-	-
Total (B)	**547.28**	**483.62**
Total Non-controlling interests (A+B)	**923.44**	**745.64**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 17: Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital redemption reserve	22.92	22.92
Securities premium	9,256.35	8,753.65
Share options outstanding account	541.34	509.50
General reserve	22,182.12	22,182.12
Retained earnings	44,542.17	36,203.91
Foreign currency translation reserve	36.08	(17.95)
Equity instruments through other comprehensive income	1,052.62	1,073.44
Total Other Equity	**77,633.60**	**68,727.59**

Note – Refer statement of changes in equity for description of the nature and purpose of each reserve.

Note 18

Trade Payables

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,514.16	1,332.29
Total	**1,514.16**	**1,332.29**

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables to Related Parties	-	47.69
Trade payables to Others	1,514.16	1,284.60
Total	**1,514.16**	**1,332.29**

Trade payables ageing schedule

(Rs. in Lakhs)

Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2025						
(i) MSME	-	118.40	-	-	-	118.40
(ii) Others	1,128.65	226.35	40.76	-	-	1,395.76
(iii) Disputed Dues – MSME	-	-	-	-	-	-
(iv) Disputed Dues – Others	-	-	-	-	-	-
Total	**1,128.65**	**344.75**	**40.76**	**-**	**-**	**1,514.16**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024						
(i) MSME	-	-	-	-	-	-
(ii) Others	1,022.36	274.49	24.05	11.40		1,332.29
(iii) Disputed Dues – MSME	-	-	-	-	-	-
(iv) Disputed Dues – Others	-	-	-	-	-	-
Total	**1,022.36**	**274.49**	**24.05**	**11.40**	**-**	**1,332.29**

Note 19

Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefit		
Gratuity (refer note 33)	548.41	520.71
Compensated absences	864.79	769.99
Provision for others		
Other Provision	320.94	296.08
Total	**1,734.14**	**1,586.78**

Note 20

Deferred tax liabilities

(Rs. in Lakhs)

Particulars	As at April 1, 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2025
Deferred tax liability				
Depreciation on property, plant and equipment	1266.48	15.76	-	1250.72
Fair valuation of investments	94.11	63.46	72.38	229.95
Deferred tax asset				0.00
Provisions for employee benefits	(365.68)	14.63	(27.80)	(378.85)
Others	(446.72)	5.06	-	(441.66)
Total	**548.19**	**98.91**	**44.58**	**660.16**

(Rs. in Lakhs)

Particulars	As at April 1, 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2024
Deferred tax liability				
Depreciation on property, plant and equipment	1177.35	89.13	-	1266.48
Fair valuation of investments	77.56	40.00	(23.45)	94.11
Deferred tax asset				-
Provisions for employee benefits	(311.06)	(39.05)	(15.57)	(365.68)
Others	(449.94)	3.22	-	(446.72)
Total	**493.91**	**93.30**	**(39.02)**	**548.19**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 21

Other financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Others	51.75	(5.35)
Unclaimed Dividend	21.62	21.58
Provision for Salary, Performance Related Pay and Commission	2,642.61	2,009.17
Total	**2,715.98**	**2,025.40**

Note 22

Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues	1,019.97	820.33
Contract liability*	3,489.05	2,696.50
Total	**4509.02**	**3516.82**

*For contract liabilities (refer Note 25(b) and Note 25(c))

Note 23

Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefit		
Compensated absence	307.38	61.25
Gratuity (refer note 33)	6.95	31.24
Provision for others		
Other provisions	243.41	515.95
Total	**557.74**	**608.44**

Note 24

Current tax liabilities (net)

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for income tax (net of advance tax and TDS)	156.07	143.99
Total	**156.07**	**143.99**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 25

Revenue from operations

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue from contracts with customer		
Sale of services		
Rating income (including surveillance)*	36,008.65	29,837.70
Fees for license and implementation fees	816.65	921.26
Advisory Services	3,406.45	2,409.52
Total revenue from contracts with customers (A)	**40,231.75**	**33,168.48**
Other operating revenue (B)	**-**	**-**
Total revenue from operations (A+B)	**40,231.75**	**33,168.48**

*Rating Income (including Surveillance) includes Provision for discount/credit note of Rs. 119.89 Lakhs (previous year Rs. 95.56 Lakhs) pertaining to parent company.

(a) Revenue recognized from past performance obligations

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rating Income	107.37	123.93
Sale of Licenses and services	65.54	192.31
Advisory Services	193.58	55.17
Total	**366.49**	**371.41**

(b) Unearned revenue

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Revenue to be recognised in:		
FY 25-26	1,456.57	-
FY 24-25	-	1,252.38
Total	**1,456.57**	**1,252.38**

(c) Revenue recognized that was included in contract liability balance at the beginning of the period:

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Rating income	1,078.49	936.25
Total	**1,078.49**	**936.25**

(d) Transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Within one year	4,248.79	977.43
More than one year	1,105.38	-
Total	**5,354.17**	**977.43**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(e) Disaggregation of revenue

Timing of recognition of revenue

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
At a point in time	4,935.94	4,346.51
Over time	33,137.18	27,350.19
Total	**38,073.12**	**31,696.71**

Geographic revenue

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Within India	37,266.27	30,872.55
Outside India	2,965.48	824.16
Total	**40,231.75**	**31,696.71**

(f) The amount of revenue from contracts with customers recognised in the consolidated statement of profit and loss is the contracted price.

(g) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables, which are included in 'trade receivables	3,117.33	2,248.51
Contract assets	1,020.82	773.63
Contract liabilities	3,402.69	2,696.50

Note 26

Other Income

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Interest income	4,492.71	4,117.80
Dividend income	17.64	34.74
Interest on call deposits	-	0.80
Interest on Income Tax Refund	60.17	136.14
Gain on fair valuation of investments through profit and loss -unrealised	255.56	264.27
Gain on fair valuation of investments through profit and loss - realised	184.99	-
Miscellaneous income	42.24	99.36
Foreign Exchange Gain	22.07	15.91
Total	**5,075.38**	**4,669.02**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 27

Employee benefits expense

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Salaries and other allowances	17,296.12	14,984.07
Contribution to provident, gratuity and other funds (refer note 33)	901.77	807.71
Expense share – based payment expenses (refer note 37)	187.67	271.49
Staff welfare expenses	506.92	395.04
Total	**18,892.48**	**16,458.31**

Note 28

Finance costs

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Finance cost on lease liabilities (refer note 45)	210.81	171.20
Interest on Unsecured Loan	0.01	-
Total Finance costs	**210.82**	**171.20**

Note 29

Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Property, plant and equipment (refer note 2)	637.53	639.86
Right-of-use assets (refer note 45)	400.12	334.58
Intangible assets - Amortization (refer note 3 (a))	134.52	73.85
Total depreciation and amortization expense	**1,172.17**	**1,048.29**

Note 30

Other expenses

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Electricity charges	127.17	116.67
Postage and telephone charges	96.26	64.33
Rent	27.70	28.65
Travelling and conveyance expenses	570.97	475.97
Directors' sitting fees	122.37	103.28
Insurance premium	55.32	98.15
Legal expenses	91.86	115.11
Professional fees	1,184.17	908.27
Off-roll manpower cost	109.16	89.15
Rates and taxes	170.12	259.74
Repairs and maintenance		
- Buildings	156.10	87.72
- Others	84.35	53.14
Advertisement and sponsorship expenses	288.41	294.56
Security, housekeeping and office supplies	206.75	201.81
Membership and subscription	158.94	122.33

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Provision for bad and doubtful debts	267.91	145.42
Bad debts written off	77.23	108.83
Auditors remuneration		
- Audit fees (including limited review fees)	64.12	46.93
- Tax audit fees	4.33	4.02
- Other services	4.13	2.85
- Reimbursement to auditors	0.80	5.42
Corporate social responsibility (refer note 46)	275.00	230.83
Technology Cost	893.79	795.59
Recruitment expenses	159.40	108.59
Miscellaneous expenses	442.23	392.41
Foreign exchange losses	-	0.11
Printing & Stationary	5.13	-
Office Expenses	7.77	-
Commission	79.68	13.64
Sub Contracting Charges	73.93	623.24
Total	**5,805.08**	**5,496.74**

Note 31: Provisions and Contingent Liabilities

(A) Contingent Liabilities

One of the subsidary has the Service Tax Liability amounting to Rs 38.58 lacs for the FY 2015-16 is currently pending in Appeal under Customs, Excise and Service Tax Appellate Tribunal.

(B) Provisions

The closing balance of provisions as of 31 March 2025 aggregates Rs 130.00 Lakhs (Previous year Rs. 161 lakhs) This includes provision of Rs. 100.00 Lakhs relating adjudication proceedings initiated by Regulator / Government agencies pertaining to certain Credit ratings assigned by the Company to its clients, which is still in the process of being completed. In previous year the Company has created provision of Rs. 21 lakhs on accounts of regulatory matter which is paid during the year.

Further, the Company has assessed the probability of outflow of resources on account of other pending litigations and has concluded that the likelihood of outflow of resources in relation to such litigations is remote.

For one of the subsidary, the closing balance of provisions as of 31 March 2025 aggregates Rs 30 lacs (March 31, 2024 - Rs. 40 lacs). This provision was recognized in the previous year towards expected cost of cancellation of a long term contract for procurement of services.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	**161.00**	**325.92**
Charge/(Reversal) for the year	(17.95)	61.00
Payment	(13.05)	(225.92)
Closing balance	**130.00**	**161.00**

C) Guarantees given by Bank on behalf of the Group in respect of lien marked Deposits for Rs. 282.75 Lakhs (Previous Year Rs. 425.81 Lakhs)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 32: Capital and other commitments

The amounts pending on account of contracts remaining to be executed on capital account, not provided for (net of advances) is Rs.864.76 Lakhs (March 31, 2024 – 369.95 Lakhs).

The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable loss- es on such long-term contracts has been made in the books of account.

Note 33: Employee benefits

A. Defined benefit plans:

Gratuity:

The gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Group and is in accordance with the rules of the Group for payment of gratuity. The Group accounts for the liability based on actuarial valuation.

Inherent risk on above:

The plan is defined in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Group to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to the employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risk.

(Rs. in Lakhs)

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Change in present value of obligations:		
Opening defined benefit obligation	1,546.78	1,373.47
Current service cost	163.85	144.94
Interest cost	107.61	98.85
Actuarial (gain)/loss on obligations due to change in financial assumptions	6.01	11.25
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	10.64	-
Actuarial (gain)/loss on obligations due to experience	52.41	43.68
Benefits paid	(187.82)	(100.57)
Benefits paid by the employer	(21.62)	-
Closing defined benefit obligations	**1677.86**	**1,571.62**
Change in fair value of plan assets:		
Opening fair value of the plan assets	1017.12	920.60
Interest income	-	66.56
Expected return on plan assets	72.78	(10.31)
Contribution by the employer	203.20	122.50
Benefits paid	(167.01)	(79.76)
Actuarial Gain/(Loss) on plan assets	(45.21)	-
Return on plan assets, excluding interest income	0.08	0.08
Closing fair value of the plan assets	**1080.96**	**1019.67**
Net asset / (liability) recognized in the balance sheet		
Present value of the funded defined benefit obligation at the end of the period	(1498.88)	(1392.64)
Fair value of plan assets	1055.83	994.55
Funded Status (Surplus / Deficit)	-	-
Net asset / (liability)	**(443.05)**	**(398.09)**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Expenses recognized in the statement of profit and loss		
Current service cost	163.85	144.94
Interest on defined benefit obligations	34.54	31.53
Amount recognized in statement of profit and loss	**198.39**	**176.47**
Re-measurements recognized in other comprehensive income (OCI):		
Actuarial (gains)/losses on obligation for the period	70.35	56.22
Expected return on plan assets	44.73	10.30
Amount recognized in other comprehensive income (OCI)	**115.08**	**66.52**
Maturity profile of defined benefit obligation:		
Within the next 12 months	274.29	353.37
Between 1 and 5 years	906.91	900.76
Between 5 and 10 years	627.05	543.89
10 Years and above	617.30	353.23
Sensitivity analysis for significant assumptions: *		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year	1,577.86	-
1% increase in discount rate	3.70	21.90
1% decrease in discount rate	161.86	140.72
1% increase in salary escalation rate	126.73	115.08
1% decrease in salary escalation rate	31.45	42.79
1% increase in employee turnover rate	78.15	78.43
1% decrease in employee turnover rate	79.52	79.02
The major categories of plan assets as a percentage of total plan		
insurer managed funds**	100%	100%
Actuarial assumptions:		
Discount rate (p.a.)	7.18% - 7.30%	7.18% - 7.30%
Expected return on plan assets (p.a.)	7.18% - 7.30%	7.18% - 7.30%
Turnover rate	5% - 36%	5% - 36%
Mortality tables	Indian Assured Lives Mortality(2012-14)	Indian Assured Lives Mortality(2012-14)
Salary escalation rate (p.a.)	9% - 10%	9% - 10%
Retirement age	60 years	60 years
Weighted average duration of defined benefit obligation	2.52 years – 2.84 years	2.52 years – 2.84 years

* The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

** Status of CARE Ratings and CERL is funded through a trust whereas CAAPL and CGIL is unfunded.

Basis used to determine expected rate of return on plan assets:

Expected rate of return on Plan Assets is based on expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate:

Salary escalation rates are determined considering seniority, promotion, inflation and other relevant factors.

Asset liability matching (ALM) strategy:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

The Group's expected contribution during next year is Rs.253.02 Lakhs.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

B. Compensated absences:

The compensated absences cover the Group's liability for earned leave. Long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Short term compensated absences are provided for based on estimates. Amount recognized as an expense in respect of Compensated Absences is Rs.250.67 Lakhs (March 31, 2024 - Rs. 426.55 Lakhs).

C. Defined contribution plans:

Amount recognized as an expense and included in Note 27 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is Rs.519.98 Lakhs (March 31, 2024- Rs. 558.41 Lakhs).

D. Superannuation benefits:

Superannuation Benefits is contributed by the Company to Life Insurance Corporation of India (LIC) @ 10% of basic salary with respect to certain employees.Contribution to Superannuation Fund charged to Statement of Profit and Loss in Note 27 under the head "Contribution to Provident and other Funds" is Rs. 45.14 Lakhs (March 31, 2024 – Rs. 43.22 Lakhs).

E. Long term incentive plans:

The Group had introduced Long Term Incentive Plan (LTIP) in FY 22-23 for certain class of employees. The total cost of LTIP is recognized over the period of scheme. During the year 2025, the Company has recognized an expense in the statement of Profit and Loss amounting Rs.142.13 Lakhs (March 31, 2024 - Rs. 126.58 Lakhs).

Note 34: Related party disclosures

A. Related parties with whom there were transactions during the year:

Name of Related Parties	Nature of Relationship
Key management personnel:	
Mr. Mehul Pandya	Managing Director & Group CEO
Mr. Najib Shah	Independent Director
Mr. Venkatadri Chandrasekaran	Independent Director
Mr. Adesh Kumar Gupta	Independent Director
Ms. Sonal Gunvant Desai	Independent Director
Dr. M Mathisekaran	Independent Director
Mr. Gurumoorthy Mahalingam	Independent Director
Mr. S.M.Jain	Non-Executive Non-Independent Director
Mr. Manoj Chugh	Independent Director w.e.f. 9th May, 2024
Mr. Ananth Narayan Gopalakrishanan	Independent Director (Upto september 2022)

B. Following transactions were carried out with the related parties in the ordinary course of business:

Name of Related Parties	Nature of Relationship	Nature of Relationship	As at March 31, 2025	As at March 31, 2024
Mr. Mehul Pandya	Managing Director & Group CEO	Remuneration	542.70	300.00
Mr. Najib Shah	Independent Director	Director sitting fees	9.50	12.00
		Commssion expense	36.36	24.20
Mr. Adesh Kumar Gupta	Independent Director	Director sitting fees	2.00	13.00
		Commssion expense	4.55	12.10
Dr. M Mathisekaran	Independent Director	Director sitting fees	8.00	9.50
		Commssion expense	18.18	12.10
Mrs. Sonal Gunvant Desai	Independent Director	Director sitting fees	10.50	10.50
		Commssion expense	18.18	12.10
Mr. Venkatadri Chandrasekaran	Independent Director	Director sitting fees	11.50	13.50
		Commssion expense	18.18	12.10

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for the year ended 31st March, 2025

Name of Related Parties	Nature of Relationship	Nature of Relationship	As at March 31, 2025	As at March 31, 2024
Mr. Gurumoorthy Mahalingam	Independent Director	Director sitting fees	10.00	12.50
		Commssion expense	18.18	12.10
Mr. S.M.Jain	Non-Executive Non-Independent Director	Director sitting fees	8.50	9.50
		Commssion expense *	18.18	12.10
Mr. Ananth Narayan Gopalakrishanan	Independent Director	Commssion expense	-	12.10
Mr. Manoj Chugh	Independent Director w.e.f. 9th May, 2024	Director sitting fees	6.00	-
		Commssion expense	18.18	-

* The LIC has nominated the director, hence commission expenses is directly paid/Payable to LIC.

C. Compensation of Key Management Personnel of the Group:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A.		
- Short term employee benefits	534.51	293.13
- Other long terms benefits	8.19	6.87
- Share based payments *	25.91	66.26
Total	**568.60**	**366.26**
B. Director's sitting fees	66.00	80.50
C. Director's commission	150.00	96.81
Total Compensation (A+B+C)	**784.60**	**543.56**

*Share based payments refer to amounts charged to the statement of Profit and Loss account, being charge on ESOP granted to Key Management Personnel as per ESOS 2020 and ESOS 2017 schemes based on Fair Value method. (Refer Note No.37) for more details related to ESOP granted to MD and other KMPs).

Note 35: Income Taxes:

The major components of income tax expense for the years ended March 31, 2025 and March 31,2024 are:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
A. Income tax expense recognized in Statement of Profit and Loss:		
Income Tax for Current Year	5,146.24	4,312.56
Tax Adjustment for earlier years	18.13	-
	5,164.37	**4,312.56**
Deferred tax		
Attributable to -		
Origination and reversal of temporary differences	62.02	94.01
	62.02	**94.01**
Total tax expense recognized in the Consolidated statement of profit and loss	**5,226.39**	**4,406.57**

B. Deferred tax recognized in Other comprehensive income:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Remeasurements of defined benefit obligation	27.79	(39.15)
Fair value of investments	(72.37)	-
Income tax (charged) / credited to other comprehensive income	**(44.58)**	**(39.15)**

C. Aggregate current and deferred tax charge relating to items that are (charged) or credited directly to equity

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

D. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate.

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Accounting profit before tax	19,226.58	14,662.95
Tax of consolidated entities	5,168.08	3,594.80
Effect of:		
Non-deductible expenses	60.95	85.38
Tax Adjustment for earlier years	18.13	-
Exempt Income	(82.79)	(93.93)
DTA not recognised in subsidiaries	-	759.88
Effect of inter group restructuring	-	71.98
Others	62.02	(11.54)
Total tax expense	**5,226.39**	**4,406.57**

Note 36: Earnings per equity share (EPS):

(Rs. in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A) Basic EPS		
(i) Net Profit attributable to Equity Shareholders	13,723.87	10,052.49
(ii) Weighted average number of Equity shares outstanding	2,99,03,876	2,97,69,638
Basic Earnings Per equity Share (i)/(ii)	**45.89**	**33.77**
B) Diluted EPS		
(i) Weighted average number of Equity shares outstanding	2,99,03,876	2,97,69,638
(ii) Add: Potential Equity Shares on exercise of option	1,35,029	88,183
(iii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS	3,00,38,904	2,98,57,821
Diluted EPS {(A)(i)/(B)(iii)}	**45.69**	**33.67**

Note 37: Share based payments:

The Group has granted 811500 options to its eligible employees in as per the ESO schemes, details are as under:

A. Employees Stock Option Scheme:

Particulars	ESOS 2020									
Nos. of Options	322000 to others	123500 to others	25000 to others	1,00,000 to others	72000 to others	10000 to others	105000 to others	6000 to others	22000 to others	26000 to others
Method of Accounting	Fair Value method									
Vesting Plan	1/3rd on completion of one year from the grant date 1/3rd on completion of two years from the grant date 1/3rd on completion of three years from the grant date									
Exercise Period	2 years after the vesting period									
Grant Date	December 1, 2020	October 29, 2021	May 28, 2022	July 29, 2022	November 08, 2022	January 04, 2023	September 27, 2023	September 30, 2023	August 7, 2024	October 22, 2024
Exercise Price (Per Share)	Rs. 416/ share	Rs.682/ share	Rs.464.50/ share	Rs. 427/ share	Rs. 506/ share	Rs. 585/ share	Rs. 836/ share	Rs. 836/ share	Rs. 939/ share	Rs. 1122/ share
Fair value on the date of grant of option (Per share)	Rs.249.24/ share Rs.282.97/ share Rs.310.18/ share	Rs.187.89/ share Rs.232.29/ share Rs.269.57/ share	Rs.103.04/ share Rs.145.44/ share Rs.150.02/ share	Rs.109.41/ share Rs.148.04/ share Rs.151.59/ share	Rs.119.29/ share Rs.164.91/ share Rs.182.99/ share	Rs.149.56/ share Rs.205.08/ share Rs.234.40/ share	Rs.191.20/ share Rs.251.62/ share Rs.305.91/ share	Rs.191.20/ share Rs.251.62/ share Rs.305.91/ share	Rs.185.72/ share Rs.242.20/ share Rs.298.16/ share	Rs.185.72/ share Rs.242.20/ share Rs.298.16/ share
Method of Settlement	Equity									

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

B Movement of Options granted:

(Rs. in Lakhs)

Particulars	ESOS (2020)	
	As at March 31, 2025	As at March 31, 2024
Options outstanding at beginning of the year	**3,69,434**	**4,53,403**
Granted during the year	48,000	1,11,000
Exercised during the year	(64,234)	(1,67,302)
Lapsed during the year	(13,500)	(27,667)
Options outstanding at the end of the year	**3,39,700**	**3,69,434**
Options unvested at the end of year	**2,91,700**	**2,57,991**
Options exercisable at the end of the year	**48,000**	**1,11,443**
Weighted Average exercise price	Rs. 416 - Rs.939	Rs. 416 - Rs.836
Weighted average remaining contractual life (years)	0.62 to 3.36	1.17 to 3.50

The ESOS compensation cost is amortized on a straight-line basis over the total vesting period of the options. Accordingly for ESOS, an amount of Rs. 187.67 Lakhs (Previous Year Rs. 271.49 Lakhs) has been charged to the current year Statement of Profit and Loss.

C. Fair Valuation:

The fair value of the options used to compute proforma net profit and Earnings per equity share have been done by an independent valuer on thedate of grant using Black – Scholes-Merton Formula. The key assumptions and the Fair Value are as under:

Particulars	ESOS 2020
	Employees
Risk free interest rate (%)	4.01%-7.59%
Option life (Years)	3 years to 5 years
Expected volatility	28.81% - 60.25%
Expected dividend yield (%)	0.96% - 3.83%
Weighted average fair value per option	Rs. 107.77 to Rs.616.10

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

D. Details of the reserves arising from the share based payments wereas follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Carrying Amount	541.34	509.51

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 38: Financial instruments: disclosure:

A. Classification of financial assets and liabilities:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at amortized cost:		
Investment (non-current)	1,880.28	1,889.19
Investment (current)	-	-
Loans (non-current)	114.34	33.85
Loans (current)	123.92	95.27
Trade receivables	3,208.53	2,248.51
Cash and cash equivalents	4,881.52	3,828.56
Other bank balances	4,818.68	2,009.15
Other non-current financial assets	642.89	760.52
Other current financial assets	55,024.45	57,432.11
Financial assets at fair value through profit and loss:		
Investment (current)	8,976.65	-
Financial assets at fair value through OCI:		
Investment (non-current)	2,544.48	2,492.93
Total	**82,215.75**	**70,790.09**
Financial liabilities at amortized cost:		
Lease liabilities (non current)	2049.42	1714.65
Lease liabilities (current)	327.48	240.75
Trade payables	1514.16	1332.29
Other current financial liabilities	2,715.98	2,025.40
Total	**6,607.04**	**5,313.09**

B. Investments in equity instruments designated at Fair Value through other comprehensive income

As on March 31, 2025 and March 31, 2024, the Company has investments in ARC Risk Group Limited BVI Company of 20 Ordinary Shares of USD 22,600 each and 20,00,000 ordinary shares of RM 1 each in Malaysian Rating Corporation Berhad. The Company has opted to designate these investments at Fair Value through Other comprehensive income since these investments are not held for trading.

The fair value of each of these investments are as below:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at fair value through OCI:		
- Malaysian Rating Corporation Berhad	2,334.10	1,748.20
- ARC Risk Group Limited BVI Company	209.85	744.20
Total	**2,543.95**	**2,492.40**

The Company has received Rs.17.64 Lakhs (Previous Year Rs. 34.74 Lakhs) as Dividend from Malaysian Rating Corporation Berhad and has recognized in the Statement of Profit and Loss under Note –26 - Other Income.

Note 39: Fair value measurement:

The fair values of the Financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group has established the following fair value hierarchy that categorizes the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1:

This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

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for the year ended 31st March, 2025

Level 2:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The investment in mutual funds are valued using the closing Net Asset Value based on the mutual fund statements received by the Group. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The fair valuation of investment in Equity Shares of Malaysian Rating Corporation Berhad and ARC Risk Group Limited BVI Company is classified under Level 3. The details are given in the table below:

(Rs. in Lakhs)

Particulars	Level 1	Level 2	Level 3
As at March 31, 2025			
Investments measured at			
Fair Value through OCI	-	-	2,543.95
Fair Value through Profit and Loss	8,976.65	-	-
Amortised cost	1,961.26	-	-
As at March 31, 2024			
Investments measured at			
Fair Value through OCI	-	-	2,492.40
Fair Value through Profit and Loss	-	-	-
Amortised cost	1,889.19	-	-

For financial instruments other than covered above, their carrying values approximate their fair values.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2025 and 2024.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The valuation of investments in equity shares of 2 companies classified as Fair Value through Other Comprehensive Income have been determined with reference to the market multiples derived from quoted prices of companies comparable to the investees and expected revenue of the investees. The estimate is adjusted for the effect of non marketability of the relevant equity securities. There were no significant unobservable inputs other the adjustment for the effect of non marketability. The estimated fair value would reduce in case the adjustment for non marketability is increased and vice versa.

Note 40: Financial risk management objectives and policies:

The Group is a Debt Free Group. The principal financial liabilities of the Group comprise of Other liabilities and Provisions which arise on account of normal course of business. The Group's principal financial assets include Investments, Trade receivables, Cash and Cash Equivalents, Bank Balances other than Cash and cash equivalents, Loans and Other Financial assets.

The Group is exposed to Market Risk, Credit Risk and Liquidity Risk. The Group's senior management oversees the management of these risks. The senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Management of the Group updates its Board of Directors on periodic basis about various risks to the business and status of Various activities planned to mitigate the risk.

The Group has exposure to the following risks arising from financial instruments:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

A. Market Risk

Market risk is the risk that the fair value or future cash flows of such financial instrument will be impacted because of various financial and non-financial market factors. The financial instruments affected by market risk include the investment in Mutual Funds and investment in Equity Shares of companies incorporated and operating outside India. The investment in mutual funds are fair valued using the closing Net Asset Value based on the mutual fund statements received by the Group at the end of each Reporting period.

There is no Interest rate risk since the Group does not hold any financial instrument whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The following table shows foreign currency exposures in USD, MRF, LKR and MUR on financial instruments at the end of the reporting period. The exposures to foreign currency for all other currencies are not material. The Group does not hedge its foreign currency exposure.

Description	Currency	As at March 31, 2025		As at March 31, 2024	
		Amount in FC	Amount in Rs	Amount in FC	Amount in Rs
Trade receivables	USD	6.00	512.06	3.62	301.87
Trade receivables	LKR	-	-	104.21	28.75
Unbilled revenue	USD	7.38	631.50	6.94	578.39
Other receivable	MUR	-	-	17.88	40.34
Other receivable	NPR	114.56	217.88	-	-
Other receivable	USD	0.95	124.78	-	-
Financial Assets	USD	-	-	3.41	284.49
Other payable	USD	0.01	0.56		
Bank Balances					
Bank Balance in current account	USD	-	-	0.17	14.13

Foreign Currency Sensitivity on unhedged exposure:

1% increase in foreign exchange rate will have the following impact on profit before tax:

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
USD	12.69	11.79
NPR	2.18	-
MUR	-	0.40
LKR	-	0.29
BHD	-	-

Note: If the rate is decreased by 100 bps profit will increase by an equal amount

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating (primarily Trade receivables), investing and financing activities including Mutual Fund Investments, Investment in Debt Securities, Bank Balance, Deposits with Bank, Security Deposits, Loans to Employees and other financial instruments. Total Trade receivables as on March 31, 2025 is Rs. 3208.53 Lakhs (March 31, 2024 is Rs. 2,248.51 Lakhs). The Group does not have higher concentration of credit risks to a single customer.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

As per simplified approach, the Group makes provision of expected credit losses on Trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Refer note 10: Trade receivables for ageing of trade receivables which reflects credit risk exposure of the Company.

As per the provision matrix receivables are classified into different bucket based on the overdue period, buckets range from 12 months - 18 months, 18 months - 24 months and more than 24 months. The norms of provisioning on the same range are from 25% - 100%. The management, on a case to case basis may decide to provide or write of at a higher rate with reasons whenever felt necessary.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Provision	**303.98**	**294.30**
Add: Provided/(Utilised) during the Year (Refer Note 10)	80.89	9.68
Closing Provision	**384.87**	**303.98**

Investments, Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the PSU Banks. Investments of surplus funds are made only based on Investment Policy of the Group. Investments primarily include investment in units of mutual funds, Bonds issued by Government/ Semi Government Agencies/ PSU etc. These Mutual Funds and Counterparties have low credit risk.

(C) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The cash flows and liquidity of Group is monitored under the control of the management. The objective is to ensure that Group's surplus fund are not kept idle and invested in the financial instruments only after adequate review of such instrument and approval of the management.

The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecasted and actual periodic cash requirement and matching the maturity profiles of financial assets and liabilities.

The Group generally has investments and liquids funds more than its forecasted and current liabilities and has not faced shortage of funds at any point of time. The Liquidity risk on the Group is very less.

The table below summarized the maturity profile of the Group's financial liabilities and Investments based on contractual undiscounted payments.

The table below summarizes the maturity profile of the Company's financial liabilities & financial assets based on contractual undiscounted payments.

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets at amortized cost:		
Investment (non-current)	1,880.28	1,889.19
Loans (non-current)	114.34	33.85
Loans (current)	123.92	95.27
Trade receivables	3,208.53	2,248.51
Cash and cash equivalents	4,881.52	3,828.56
Other bank balances	4,818.68	2,009.15
Other non-current financial assets	642.89	760.52
Other current financial assets	55,024.45	57,432.11
Financial assets at fair value through OCI:		
Investment (non-current)	2,544.48	2,492.93
Total	**82,215.75**	**70,790.09**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(Rs. in Lakhs)

As at March 31, 2025	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade payables	1514.16	-	-	1,514.16
Other current financial liabilities				-
Other Liabilities	51.75	-	-	51.75
Unclaimed Dividend	21.62	-	-	21.62
Provision for Salary, Performance Related Pay and Commission	2642.61	-	-	2,642.61
Lease liabilities. (Refer Note 45)	327.48	-	-	327.48
Other non current financial liabilities				-
Lease liabilities. (Refer Note 45)	-	1416.84	632.59	2,049.42
Total	**4,557.62**	**1,416.84**	**632.59**	**6,607.04**

(Rs. in Lakhs)

As at March 31, 2024	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade payables	1332.29	-	-	1,332.29
Other current financial liabilities				
Other Liabilities	(5.35)	-	-	(5.35)
Unclaimed Dividend	21.58	-	-	21.58
Provision for Salary, Performance Related Pay and Commission	2,009.17	-	-	2,009.17
Lease liabilities. (Refer Note 45)	240.75	-	-	240.75
Other non current financial liabilities				-
Lease liabilities. (Refer Note 45)	-	1082.06	632.59	1,714.65
Total	**3,598.44**	**1,082.06**	**632.59**	**5,313.09**

Note 41: Distribution made and proposed:

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Cash dividends on equity shares declared and paid for the Company:		
Final dividend paid in FY 25 for the year ended on March 31, 2024: Rs. 11.00/- per share. (Final dividend paid in FY 24 for year ended on March 31, 2023: Rs. 15.00/- per share) Interim Dividend declared and paid for the year ended March 31,2025 Rs. 7/- per share (March 31, 2024: Interim Rs.7.00/- per share)	5,380.10	6,543.64
Total Dividend paid	**5,380.10**	**6,543.64**
For FY 25, proposed dividends on equity shares are subject to approval at the AGM (not recognized as a liability):		
Final dividend declared for the year ended on March 31, 2025: Rs. 11 /- Per share, (March 31, 2024: Rs.11.00/-per share)	3,292.53	3,283.73
Total dividend proposed	**3,292.53**	**3,283.73**

Note 42: Capital management:

The Group is cash surplus and has no capital other than Equity. The Group is not exposed to any regulatory imposed capital requirements.

The cash surplus is currently invested in income generating Mutual funds units, Fixed Deposits and Government Securities which in line with its Investment Policy. Safety of Capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on surplus funds.

The Group does not have any external borrowings.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 43: Micro, small and medium enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
(a) Principal amount remaining unpaid to any supplier as at the end of the year	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the year.	-	-
(b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductibles expenditure under the MSMED Act, 2006.	-	-

This information has been determined to the extent such parties have been identified based on information available with the Company.

Note 44: Segment Reporting *:

The Group has following business segments, which are its reportable segments. Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision maker.

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2025			
	Ratings and related services	Others	Unallocable	Total
Segment Revenue				
Revenue from Services	36,012.15	4,256.71	-	40,268.86
Total Revenue (A)	**36,012.15**	**4,256.71**	**-**	**40,268.86**
Less: Inter Segment Revenue if any (B)	3.50	33.61	-	37.11
Total Segment Revenue (C = A-B)	**36,008.65**	**4,223.10**	**-**	**40,231.75**
Add: Interest Income	4,359.85	132.86	-	4,492.71
Add: Other Income other than interest income	-	-	582.67	582.67
Less: Employee benefit expenses	15,569.07	3,323.41	-	18,892.48
Less: Other expenses	4,340.22	1,464.88	-	5,805.08
Segment Results (Profit Before Interest, Depreciation & Tax)	**20,459.22**	**(432.31)**	**582.67**	**20,609.57**
Less: Depreciation & Amortization	876.36	295.81	-	1,172.17
Total Segment Result (D)	**19,582.85**	**(728.12)**	**582.67**	**19,437.40**
Less: Finance Costs	174.29	36.53		210.82
Less : Other unallocable corporate expenses				-
Profit Before Exceptional Item & Tax	**19,408.56**	**(764.65)**	**582.67**	**19,226.58**
Exceptional Items - Income/Expenses				-
Profit Before Tax	**19,408.56**	**(764.65)**	**582.67**	**19,226.58**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2025			
	Ratings and related services	Others	Unallocable	Total
Tax Expenses				-
- Current Tax	5,146.24	-	-	5,146.24
- Deferred Tax Charge/(Credit)	62.02	-	-	62.02
Add /(Less) : Income tax adjustment for earlier years	(57.35)	75.48		18.13
Profit for the year	**14,257.65**	**(840.14)**	**582.67**	**14,000.19**
Segment Assets	77,048.84	4,523.38	-	81,572.22
Unallocable Assets	-	-	14,202.20	14,202.20
Total Assets	**77,048.84**	**4,523.38**	**14,202.20**	**95,774.42**
Segment Liabilities	10,579.05	3,645.13	-	14,224.17
Unallocable Liabilities	-	-	-	-
Total Liabilities	**10,579.05**	**3,645.13**	**-**	**14,224.17**
Capital Employed	**66,469.80**	**878.25**	**14,202.20**	**81,550.25**

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2024			
	Ratings and related services	Others	Unallocable	Total
Segment Revenue				
Revenue from Services	29,837.70	3,390.14		33,227.84
Total Revenue (A)	**29,837.70**	**3,390.14**	**-**	**33,227.84**
Less: Inter Segment Revenue if any (B)	-	(59.36)	-	(59.36)
Total Segment Revenue (C = A-B)	**29,837.70**	**3,330.78**	**-**	**33,168.48**
Segment Results (Profit Before Interest, Depreciation & Tax)	**13,409.93**	**(2,196.50)**	**-**	**11,213.43**
Less: Depreciation & Amortization	814.75	233.54	-	1,048.29
Total Segment Result (D)	**12,595.18**	**(2,430.05)**	**-**	**10,165.14**
Less: Finance Costs	(148.64)	(22.57)		(171.21)
Less : Other unallocable corporate expenses				-
Add: Other Income	-	-	4,669.02	4,669.02
Profit Before Exceptional Item & Tax	**12,446.54**	**(2,452.62)**	**4,669.02**	**14,662.94**
Exceptional Items - Income/Expenses				-
Profit Before Tax	**12,446.54**	**(2,452.62)**	**4,669.02**	**14,662.94**
Tax Expenses				-
- Current Tax	4,312.56	-	-	4,312.56
- Deferred Tax Charge/(Credit)	94.01	-	-	94.01
Add /(Less) : Income tax adjustment for earlier years				-
Profit for the year	**8,039.97**	**(2,452.62)**	**4,669.02**	**10,256.38**
Segment Assets	74,153.81	4,844.80	-	78,998.61
Unallocable Assets	-	-	5,177.14	5,177.14
Total Assets	**74,153.81**	**4,844.80**	**5,177.14**	**84,175.75**
Segment Liabilities	6,833.54	4,883.77	-	11,717.31
Unallocable Liabilities	-	-	-	-
Total Liabilities	**6,833.54**	**4,883.77**	**-**	**11,717.31**
Capital Employed	**67,320.26**	**(38.97)**	**5,177.14**	**72,458.44**

*** Notes:**

1. For revenue from multiple geographical locations refer note 25.
2. There are no major customers of the Group from which the Group has recognized revenue of 10 percent or more of the entity's revenues.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 45: Leases

Following are the changes in the carrying value of right -of-use assets for the year ended March 31, 2025:

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Balance at the beginning of the year	**1840.50**	**1712.07**
Additions made during the year	671.25	462.68
Reversal during the year	-	-
Depreciation charged	(349.64)	(334.25)
Balance as at end of the year	**2,162.11**	**1,840.50**

Amounts recognized in profit and loss:

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Depreciation expense on Right-of-use assets	400.12	334.58
Interest expense on Lease liabilities	210.81	171.20
Expense relating to short-term leases	27.70	28.65
Total	**638.63**	**534.44**

The following is the break-up of current and non-current Lease liabilities as at March 31, 2025

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Current lease liabilities	327.48	240.75
Non-current lease liabilities	2,049.42	1714.65
Total	**2,376.90**	**1,955.40**

The following is the movement in Lease liabilities during the year ended March 31, 2025:

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Balance at the beginning of the year	**1,955.40**	**1,747.82**
Additions made during the year	703.99	433.55
Reversal during the year	-	-
Finance costs accrued during the period	210.81	171.20
Payment of lease liabilities	(493.22)	(397.12)
Balance at the end of the year	**2,376.92**	**1,955.40**

The table below provides details regarding the contractual maturities of Lease liabilities as at March 31, 2025:

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Less than one year	472.96	388.52
One to five years	1,902.60	1,679.59
More than five years	632.59	632.59
Total	**3,008.15**	**2,700.70**

The total cash outflow for leases is Rs. 493.22 Lakhs for the year ended March 31, 2025, including cash outflow for short term and low value leases.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 46: Corporate social responsibility

Gross amount required to be spent by the Company during the year is Rs. 275 Lakhs (Previous Year Rs. 228 Lakhs).

Amount spent during the year on the following:

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025
Agastya International Foundation	5.00
Apex Kidney Foundation	42.00
Impact Guru Foundation	0.61
Juvenile Diabetes Foundation	22.50
K.C. Mahindra Education Trust	26.04
Kamarajar Educational Trust	15.00
Land for Tillers Freedom (LAFTI)	15.00
Little More	10.00
Navneet Foundation	10.00
NAVY WELFARE AND WELLNESS ASSOCIATION	25.00
Paraplegic Rehab Centre	19.60
Prashanti medical services and research foundation	20.00
Seva Sahayog Foundation	15.00
Sri Sathya Sai Health & Education Trust	10.50
The Fine Arts Society	10.00
VeerNari Shakti Resettlement Foundation	20.00
Vibha India	8.75
Total	**275.00**

(Rs. in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Amount required to be spent during the year	275.00	228.00
Amount of expenditure incurred during the year	275.00	228.00
Shortfall at the end of the year	-	-
Total of previous years shortfall	Nil	Nil
Reason for shortfall	N.A.	N.A.
Nature of CSR activities	Health care, Providing sustainable livelihood among young people and women through green initiatives & entrepreneurship development, Health and Nutrition, Sustainable livelihood, Education.	Health care, Providing sustainable livelihood among young people and women through green initiatives & entrepreneurship development, Health and Nutrition, Sustainable livelihood, Education.
Details of related party transactions in CSR	N.A.	N.A.
Whether provision is created for contractual obligation	N.A.	N.A.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

Note 47

(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 48

The one of subsidiary company has incurred research related expenditure for products developed internally amounting Rs. 80.50 Lakhs as at March 31, 2025 (March 31, 2024 – Rs. 170.41 Lakhs)

Note 49

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2025	Year Ended 31st March, 2024
Other Comprehensive Income/(Expense)		
A. Items that will not be reclassified to profit or loss		
(i) Remeasurements of defined benefit liability (asset)	(87.29)	(67.30)
(ii) Investment measured at Fair value	51.55	-
(iii) Income tax relating to items that will not be reclassified to profit or loss	(44.58)	39.15
B. Items that will be reclassified to profit or loss		
(i) Foreign currency translation adjustments	54.03	3.85
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
Total other comprehensive income/(Expense) for the year	**(26.29)**	**(24.30)**

Note 50: Disclosure in terms of Schedule III of the Companies Act, 2013

(Rs. in Lakhs)

Particulars	Net Assets (i.e. Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets		As a % of Consolidated Profit / Loss		As a % of Other Compre- hensive Income		As a % of Total Compre- hensive Income	
Holding:								
CARE Ratings Limited	105.22%	85,784.01	105.71%	14,799.36	393.45%	(103.44)	105.17%	14,695.92
Subsidiaries:								
Indian:								
CARE Analytics and Advisory Private Limited (CAAPL) formerly known as CARE Risk Solutions Private Limited(CRSPL)	0.93%	761.62	(4.54)%	(635.62)	(95.62)%	25.14	(4.37)%	(610.48)
CARE ESG Ratings Limited (CERL), formerly known as CARE Advisory Research and Training Ltd (CART)	1.11%	906.17	(2.93)%	(410.17)	7.68%	(2.02)	(2.95)%	(412.19)
CARE Edge Global IFSC Limited (w.e.f April 29,2024)	3.20%	2,606.63	(3.22)%	(450.32)	(216.62)%	56.95	(2.82)%	(393.37)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2025

(Rs. in Lakhs)

Particulars	Net Assets (i.e. Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets		As a % of Consolidated Profit / Loss		As a % of Other Compre- hensive Income		As a % of Total Compre- hensive Income	
Foreign:								
CARE Ratings (Africa) Private Limited (CRAF)	2.10%	1,708.48	3.00%	419.48	8.67%	(2.28)	2.99%	417.21
CARE Ratings Nepal Limited (CRNL)	1.37%	1,116.37	1.17%	164.44	0.00%	-	1.18%	164.44
Non-Controlling Interests included in respective subsidiaries	1.13%	922.92	1.97%	276.32	2.44%	(0.64)	1.97%	275.68
Eliminations	(15.06)%	(12,275.59)	(1.17)%	(163.31)	0.00%	-	(1.17)%	(163.31)
Total	**100.00%**	**81,530.60**	**100.00%**	**14,000.18**	**100.00%**	**(26.29)**	**100.00%**	**13,973.89**

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm registration No.: 101248W/W-100022

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
Date : May 12, 2025

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Venkatadri Chandrasekaran
Independent Director
DIN No. - 03126243

Jinesh Shah
Chief Financial Officer
M No.- 117833
Mumbai
Date : May 12, 2025

Manoj Kumar CV
Company Secretary
M No.- A15140

CARE Ratings Limited

CIN: L67190MH1993PLC071691

Reg. Off.: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East), Mumbai- 400 022
Tel. No.: 022- 67543456; **Email.:** investor.relations@careedge.in; **Website:** www.careedge.in

NOTICE is hereby given that the Thirty-Second (32nd) Annual General Meeting ("AGM") of the Members of CARE Ratings Limited (the "Company") will be held on Thursday, July 10, 2025 at 3:30 p.m., Indian Standard Time ("IST"), through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement (including the Audited Consolidated Financial Statement) for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon.

2. To confirm the payment of interim dividend of Rs. 7/- (Rupees Seven only) per equity share of face value of Rs. 10/- (Rupees Ten only) and to declare a final dividend of Rs. 11/- (Rupees Eleven only) per equity share of face value of Rs. 10/- (Rupees Ten only) for the financial year 2024-25.

3. To appoint a director in place of Mr. Mehul Pandya (DIN:07610232), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Rajiv Bansal (DIN:00245460) as a Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force) (hereinafter referred to as "the SEBI Listing Regulations") and on the basis of recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for appointment of Mr. Rajiv Bansal (DIN:00245460), as Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom a notice in writing under Section 160 of the Act has been received from a Member proposing his candidature for office of the Director of the Company be and is hereby appointed as a Non-Executive Independent Director on the Board of the Company for a term of three (3) consecutive years with effect from May 30, 2025, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby severally authorized to do the necessary filings with the Registrar of Companies and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

5. Appointment of Ms. Indrani Banerjee (DIN:09043941) as a Non-Executive Independent Director of the Company

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force) (hereinafter referred to as "the SEBI Listing Regulations") and on the basis of recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for appointment of Ms. Indrani Banerjee (DIN:09043941), as Non-Executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom a notice in writing under Section 160 of the Act has been received from a Member proposing her candidature for office of the Director of the Company be and is hereby appointed as a Non-

Executive Independent Director on the Board of the Company for a term of three (3) consecutive years with effect from May 30, 2025, who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary, be and are hereby severally authorized to do the necessary filings with the Registrar of Companies and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

6. To approve remuneration payable to Mr. Mehul Pandya (DIN:07610232) as the Managing Director and Group Chief Executive Officer of the Company

To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to provisions of Articles of Association of the Company, and in accordance with recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for payment of remuneration comprising salary, perquisites and other benefits to Mr. Mehul Pandya (DIN:07610232), Managing Director and Group Chief Executive Officer of the Company, for the remaining period of his term effective April 1, 2025 till July 28, 2027, as mentioned in explanatory statement.

RESOLVED FURTHER THAT the terms and conditions of remuneration comprising salary, perquisites and other benefits and emoluments as set out in the Explanatory Statement annexed hereto which shall be deemed to form an integral part hereof be continued to be paid to Mr. Mehul Pandya.

RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Mehul Pandya as Managing Director & Group Chief Executive Officer, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Mehul Pandya, the remuneration comprising salary, perquisites and other benefits and emoluments as a minimum remuneration, after complying with the limits and obtaining necessary approvals as specified in Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) be and are hereby authorised to vary and/ or revise the remuneration of Mr. Mehul Pandya as the Managing Director and Group Chief Executive Officer of the Company subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Act, in such manner as may be agreed between the Board and Mr. Mehul Pandya."

7. To appoint Secretarial Auditor of the Company

To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Parikh & Associates, a firm of Practising Company Secretaries (Firm Registration no. P1988MH009800), be and is hereby appointed as the Secretarial Auditors of the Company, for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030, at such remuneration as may be determined by the Board of Directors of the Company (including its Committee thereof) in consultation with the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) or Key Managerial Personnels of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

By the Order of Board of Directors

Sd/-
Manoj Kumar CV
Company Secretary & Compliance Officer
ACS:15140

Date: May 30, 2025
Place: Mumbai

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has permitted holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. In compliance with the MCA Circulars, the Thirty-Second (32nd) Annual General Meeting ("AGM") of the Company is being convened through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM. This is in accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013" ("the Act"), General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 in relation to "Clarification on holding of AGM through VC/OAVM, collectively referred to as "MCA Circulars" and Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/ CFD/PoD-2/P/CIR/2024/133 dated October 3, 2024.

2. The Company has appointed National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote E-Voting system as well as venue voting on the date of the AGM will be provided by NSDL. The procedure for participating in the meeting through VC/OAVM is explained in Note No. 22 and 24 below and is also available on the website of the Company at www.careedge.in.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, Physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for this AGM and hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through E-Voting.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through E-Voting process. The said Resolution/Authorization shall be sent by email through its registered email address to investor.relations@careedge.in and with a copy marked to evoting@nsdl.com.

5. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of appointment/re-appointment of the Directors at this AGM are also annexed to this Notice.

6. The Notice of the AGM along with the Annual Report for financial year 2024-25 has been uploaded on the website of the Company at www.careedge.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote E-Voting facility) i.e. www.evoting.nsdl.com.

7. **Dispatch of Annual Report through Electronic Mode:** In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2024-25 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/RTA/Depository Participant(s). The Annual Report can also be downloaded from Company's website on www.careedge.in.

   In accordance with Regulation 36(1)(b) of the Listing Regulations, the Company will send letters to the Members, who have not registered their email IDs, informing them that the Annual Report is available on the Company's website at https://www.careratings.com/annual-reports.

8. **Process for registration of email id for obtaining Annual Report:**

   (i) Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar and Transfer Agents of the Company i.e. KFin Technologies Limited ("**KFintech**") at einward.ris@kfintech.com along with the copy of the signed request letter mentioning the name and address of the Member, scanned copy of the share certificate (front and back), self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member.

(ii) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.

(iii) In case of any queries / difficulties in registering the e-mail address, Members may write to einward.ris@kfintech.com.

9. The facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and the facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

10. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

11. **PROCEDURE FOR INSPECTION OF DOCUMENTS:**

i. All the documents referred to in the accompanying Notice of AGM shall be available for inspection through electronic mode, upon the request being sent on investor.relations@careedge.in.

ii. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, July 3, 2025 through email on investor.relations@careedge.in. The same will be replied by the Company suitably.

12. The Record Date fixed for the purpose of determining entitlement of the Members for the Final Dividend for the financial year ended March 31, 2025, is **Friday, June 27, 2025**, and such dividend, if approved at the AGM, will be paid on or before August 7, 2025, to those Members entitled thereto subject to deduction of tax at source.

13. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrars and Share Transfer Agents, KFin Technologies Limited, cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars or bank mandates. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.

14. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to KFin Technologies Limited (KFintech), Registrar and Share Transfer Agent of the Company or Investor Service Department of the Company immediately by sending a request on e-mail at investor.relations@careedge.in or contact KFintech at einward.ris@kfintech.com.

15. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated members holding shares in physical form to register PAN, KYC details and Nomination. Members holding shares in physical form are requested to register their PAN, e-mail id, bank details and other KYC details by filling Form ISR-1, update signature by filling Form ISR-2 and update Nomination details by filling Form SH-13 or declaration of opt out of Nomination by filling Form ISR-3 or cancel nomination by filling form SH-14 and send the respective forms to KFintech, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032 or email the scanned copy to einward.ris@kfintech.com. The forms for updating the same are available at www.careedge.in Members are requested to quote their Folio Numbers/Client ID/DP ID and contact details in all correspondence and consolidate their holdings into one Folio in case they hold share under multiple Folios in the identical order of names.

16. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website www.careedge.in. It may

be noted that any service request can be processed only after the folio is KYC Compliant.

17. SEBI vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with the physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or KFintech for assistance in this regard.

18. **Unclaimed Dividends:**

    a. Members of the Company are requested to note that as per the provisions of Section 124(5) and Section 124(6) of the Act, dividends not encashed/ claimed by the Member of the Company, within a period of seven years from the date of transfer of dividend to unclaimed dividend account, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) and all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Demat Account of IEPF Authority notified by MCA ('IEPF Demat Account').

    b. Members/Claimants whose shares, unclaimed dividend have been transferred to the IEPF, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees, if any, as decided by the IEPF Authority from time to time.

    c. Details of Unclaimed Dividend and Shares attached thereto on Website:

       The details of the unpaid/unclaimed dividend are available on the website of the Company i.e. www.careedge.in. It is in the Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

    d. Members who wish to claim unclaimed dividends are requested to contact the Registrar and Share Transfer Agents, KFintech at einward.ris@kfintech.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

19. Pursuant to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Secretarial Standard - 2 on General Meetings issued by the Institute of Companies Secretaries of India, and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to E-Voting Facility provided by Listed Entities, the Company is pleased to provide to the Members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through E-Voting facility, through the E-Voting system provided by NSDL.

20. The remote E-Voting period begins on **Monday, July 7, 2025 (9:00 a.m. IST) and ends on Wednesday, July 9, 2025 (5:00 p.m. IST).** The remote E-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on **Thursday, July 3, 2025,** i.e. the cut-off date, may cast their vote electronically. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

21. **How do I vote electronically using NSDL E-Voting system?**

    The way to vote electronically on NSDL E-Voting system consists of "Two Steps" which are mentioned below:

    Step 1: Access to NSDL E-Voting system

    A) Login method for E-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

    In terms of SEBI circular dated December 9, 2020 on E-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access E-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	i. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ii. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. i. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp ii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. iii. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for E-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL E-Voting website?

i. Visit the E-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of E-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

iii. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on E-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 134014 then user ID is 134014001***

v. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for E-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL E-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

vi. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/ Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the E-Voting system of NSDL.

vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.

ix. After you click on the "Login" button, Home page of E-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL E-Voting system.

How to cast your vote electronically and join General Meeting on NSDL E-Voting system?

i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii. Select "EVEN" of company for which you wish to cast your vote during the remote E-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

iii. Now you are ready for E-Voting as the Voting page opens.

iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

v. Upon confirmation, the message "Vote cast successfully" will be displayed.

vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@parikhassociates.com with a copy marked to evoting@nsdl.com.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the E-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and E-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.com

22. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for E-Voting for the resolutions set out in this notice:**

i. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at investor.relations@careedge.in.

ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company at investor.relations@careedge.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for E-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

iii. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for E-Voting by providing above mentioned documents.

iv. In terms of SEBI circular dated December 9, 2020 on E-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access E- Voting facility.

23. **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

i. The procedure for E-Voting on the day of the AGM is same as the instructions mentioned above for remote E-Voting.

ii. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the AGM.

iii. Members who have voted through Remote E-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv. The details of the person who may be contacted for any grievances connected with the facility for E-Voting on the day of the AGM shall be the same person mentioned for Remote E-Voting.

24. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

i. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL E-Voting system. Members may access by following the steps mentioned above for **Access to NSDL E-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for E-Voting or have forgotten the User ID and Password may retrieve the same by following the remote E-Voting instructions mentioned in the notice to avoid last minute rush.

ii. Members are encouraged to join the Meeting through Laptops for better experience.

iii. Further, Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

iv. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

25. **PROCEDURE TO RAISE QUESTIONS DURING AGM:**

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor.relations@careredge.in from **Friday, July 4, 2025 (9:00 a.m. IST) to Monday, July 7, 2025 (5:00 p.m. IST)**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

GENERAL INFORMATION FOR SHAREHOLDERS:

26. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if he/she is already registered with NSDL for remote E-Voting then he/she can use his/her existing User ID and password for casting the vote.

27. As per Regulation 40 of SEBI Listing Regulations, as amended, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form from April 01, 2019, In view of the same and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form and for ease in portfolio management.

28. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / KFintech.

29. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

30. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327) failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) failing him Ms. Sarvari Shah (Membership No. FCS 9697),

representatives of Parikh & Associates, to act as the Scrutinizer to scrutinize the entire E-Voting process in a fair and transparent manner.

31. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote E-Voting and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or Managing Director & Group CEO or a person authorised by him, who shall countersign the same.

32. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at www.careedge.in and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

33. **NOTE TO SHAREHOLDERS:**

We hereby inform that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:

a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.

b. Folios wherein any one of the said document(s)/detail(s) are not available on or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.

c. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange, Endorsement, Sub-division/Splitting, Consolidation of securities certificates/folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/Company shall verify and process the service requests and issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 4

Pursuant to recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company appointed Mr. Rajiv Bansal (DIN:00245460) as an Additional Director (designated as Non-Executive Independent Director) of the Company effective May 30, 2025. Considering Mr. Bansal's extensive knowledge, expertise, experience and skillsets, and based on the recommendation of the NRC, the Board of Directors appointed Mr. Bansal as Non-Executive Independent Director of the Company for the period of three (3) years with effect from May 30, 2025.

The Company has received a declaration from Mr. Bansal that he meets the criteria of independence prescribed under Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has also received his consent to act as an Independent Director and declaration that he is not disqualified or debarred from being appointed as a Director in terms of Section 164 of the Act and Listing Regulations.

The Company has received notice in writing from a Member as per Section 160 of the Act proposing the candidature of Mr. Bansal for the office of Independent Director of the Company.

The brief profile and areas of expertise of Mr. Bansal is annexed to the Notice as Annexure.

Additional information pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as applicable are annexed to the Notice as Annexure. Copy of the draft Letter of Appointment of the Independent Director setting out the terms and conditions of his appointment is available for inspection electronically, basis the request being sent to the Company for inspection of documents.

In the opinion of the Board, Mr. Bansal fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Bansal is independent of the management.

Accordingly, it is proposed to appoint Mr. Bansal as a Non-Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of three (3) consecutive years w.e.f. May 30, 2025.

Except Mr. Bansal, being the appointee and/or his relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

In view of the above, on the recommendation of the NRC, the Board of Directors recommends Special Resolution as set out at Item No. 4 of the Notice, for approval of the Members of the Company.

Item No. 5

Pursuant to recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company appointed of Ms. Indrani Banerjee (DIN:09043941) as an Additional Director (designated as Non-Executive Independent Director) of the Company effective May 30, 2025. Considering Ms. Banerjee's extensive knowledge, expertise, experience and skillsets and based on the recommendation of the NRC, the Board of Directors appointed Ms. Banerjee as Non-Executive Independent Director of the Company for the period of three (3) years with effect from May 30, 2025.

The Company has received a declaration from Ms. Banerjee that she meets the criteria of independence prescribed under Section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has also received her consent to act as an Independent Director and declaration that she is not disqualified or debarred from being appointed as a Director in terms of Section 164 of the Act and Listing Regulations.

The Company has received notice in writing from a Member as per Section 160 of the Act proposing the candidature of Ms. Banerjee for the office of Independent Director of the Company.

The brief profile and areas of expertise of Ms. Banerjee is annexed to the Notice as Annexure.

Additional information pursuant to Regulation 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India as applicable are annexed to the Notice as Annexure. Copy of the draft Letter of Appointment of the Independent Director setting out the terms and conditions of her appointment is available for inspection electronically, basis the request being sent to the Company for inspection of documents.

In the opinion of the Board, Ms. Banerjee fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Ms. Banerjee is independent of the management.

Accordingly, it is proposed to appoint Ms. Banerjee as a Non-Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of three (3) consecutive years w.e.f. May 30, 2025.

Except Ms. Banerjee, being the appointee and/or her relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

In view of the above, on the recommendation of the NRC, the Board of Directors recommends Special Resolution as set out at Item No. 5 of the Notice, for approval of the Members of the Company.

Item No. 6

The Board of Directors appointed Mr. Mehul Pandya as Managing Director and CEO of the Company with effect from July 29, 2022, for a period of five (5) years. Further, his appointment was approved by Members of the Company at 29th Annual General Meeting of the Company held on September 26, 2022.

At the time of his appointment, Members of the Company approved remuneration to be paid to Mr. Pandya as the Managing Director and CEO of the Company for a period of 3 years.

The details of the remuneration as approved by the Board for FY26, based on recommendation of Nomination and Remuneration Committee are set out below:

1. **Fixed Pay (Salary):** Rs. 3 Crore per annum (including Employer Contribution to PF and Superannuation) but not including any amount towards Gratuity.
2. **Variable Pay:** Rs. 75 lakhs (being 25% of the Fixed Salary).
3. **Yearly Commission:** 1.5% of Consolidated Profit After Tax (PAT) of the Company, subject to the total payout not exceeding Rs. 2.25 Crore.
4. **Short Term Incentive:** Rs. 60 lakhs per annum for FY 2025-26 and FY 2026-27 respectively.
5. **Total Compensation (TCOMP)** Rs. 6.60 Crore (considering the Commission is Rs. 2.25 Crore).
6. **Company Car Benefit:** The MD & Group CEO is entitled to a Company Owned Vehicle. All cost elements of this vehicle are to be borne by the Company in full. Such vehicles are depreciated over a 48-month period from its date of purchase. This is an existing benefit, and it is to continue.
7. **Club Membership:** Corporate Club Membership will continue.
8. **Other Benefits:** Statutory benefits like Gratuity as well as other benefits such as Medical Insurance for self and family, Group Life Insurance, Group Personal Accident Insurance, Reimbursement of Telephone expenses, Business Class Air Travel for Official Trips and associated Hotel Stays, and Applicable Paid Leave (as per HR policy, as applicable to all full time permanent employees of the Company, from time to time). Such other benefits as are made available by the Company to other members of the staff from time to time.

In view of the above, on the recommendation of the NRC, the Board of Directors recommends Ordinary Resolution as set out at Item No. 6 of the Notice, for approval of the Members of the Company.

Except Mr. Pandya and/or his relatives, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

Additional information in respect of Mr. Mehul Pandya, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) of ICSI are annexed to the AGM Notice as Annexure.

Item No. 7

Pursuant to provisions of Section 204 of the Companies Act, 2013, and relevant rules thereunder, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), every listed company is required to appoint a Secretarial Auditor. Accordingly, the Board of Directors of the Company had appointed Parikh & Associates, a firm of Practicing Company Secretaries, as the Secretarial Auditors of the Company for FY2025. The Secretarial Audit Report issued by them annexed to the Board Report.

Further, SEBI vide its notification dated December 12, 2024, amended Listing Regulations. The amended regulations require companies to obtain shareholders' approval for appointment of Secretarial Auditors, in addition to approval by the Board of Directors. Further, such a Secretarial Auditor must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified by SEBI.

In light of the above, the Board of Directors of the Company, pursuant to the recommendations of the Audit Committee, has recommended the appointment of Parikh & Associates, a firm of Practicing Company Secretaries, as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from April 1, 2025, till March 31, 2030.

Parikh & Associates is a well-known firm of Practising Company Secretaries founded in 1987 and based in Mumbai. Renowned for its commitment to quality and precision, the firm has been Peer Reviewed and Quality Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional

practices. Parikh & Associates is focused on providing comprehensive professional services in corporate law, SEBI regulations, FEMA compliance, and allied fields, delivering strategic solutions to ensure regulatory adherence and operational efficiency. The firm provides its services to various prominent companies, and their expertise has earned the trust of industry leaders across sectors like banking, manufacturing, pharmaceuticals, and public utilities.

Furthermore, in terms of the amended Listing Regulations, Parikh & Associates has provided a confirmation that they have subjected themselves to the peer review process of the ICSI and hold a valid peer review certificate. They have also confirmed that they are not disqualified from being appointed as Secretarial Auditors.

The proposed remuneration to be paid to Parikh & Associates for the FY 2026, is Rs. 2 lakh only plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications and other permitted services from the Secretarial Auditors under various statutory regulations from time to time, for which the secretarial auditor will be remunerated separately on mutually agreed terms. The Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Secretarial Auditors, for the balance part of the tenure based on review and any additional efforts on account of changes in regulations, restructuring or other considerations.

The Board of Directors in consultation with the Audit Committee, may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such an extent as may be mutually agreed with the Secretarial Auditors.

None of the Directors and Key Managerial Personnels of the Company and their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of the notice for approval.

By the Order of Board of Directors

Sd/-
Manoj Kumar CV
Company Secretary & Compliance Officer
ACS:15140

Date: May 30, 2025
Place: Mumbai

Annexure

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India, the following information is furnished about the Directors proposed to be appointed/ re-appointed

Name of Director & DIN	Mr. Mehul Pandya (DIN:07610232)	Mr. Rajiv Bansal (DIN:00245460)	Ms. Indrani Banerjee (DIN:09043941)
Age	52 years	61 years	64 years
Qualification	BE, MBA, CFA Charter holder from CFA Institute, USA	Civil Engineer – IIT Delhi, IAS Officer	M.Phil and Masters in International Development Policy from the Sanford Institute of Public Policy, Duke University
Date of first appointment on the Board	July 29, 2022	May 30, 2025	May 30, 2025
Brief Resume and Expertise in specific functional area	Associated with the Company since 2000, Mehul Pandya took over as Managing Director & CEO of the company on July 29, 2022, after serving as an Executive Director since 2017. Over the years, Mr. Pandya has successfully incubated and nurtured the company's business in India and abroad. He is a member of the Board of Directors for all subsidiaries (including step down subsidiary) of the Company while also serving on the Board of the Association of Credit Rating Agencies in Asia (ACRAA) as its Vice Chairman. He also serves on the Board of Association of Indian Rating Agencies (AIRA) and US India Importers' Council (USIIC). A technocrat with a management background, he is also a CFA charter holder from CFA Institute, USA. Over the years, he has attended various leadership programmes at IIMA and the High Potentials Leadership Programme at Harvard Business School as well. Prior to joining CARE Ratings, he worked with a state-level financial institution in Gujarat for about four years and was instrumental in setting up an in-house credit rating cell for the screening of lending proposals. He has worked as a Consultant for the Asian Development Bank and conducted various training programmes on credit risk analysis in India and abroad.	Mr. Rajiv Bansal is a retired IAS officer of 1988 Batch. He is a Civil Engineer from IIT Delhi and also holds a Diploma in Finance from ICFAI, Hyderabad and Executive Masters in International Business from IIFT, New Delhi. Till recently, Mr. Bansal was the Chief Executive Officer of the National Institute for Smart Government, a not-for-profit company, set up to usher in digital transformation in the Government. Mr. Bansal held the position of Secretary to Government of India in the Ministry of Civil Aviation till August 2023. He has long years of experience in Civil Aviation starting as Director in the Ministry of Civil Aviation during 2006 to 2008 and CMD of Air India, two occasions – first in 2017 and again during 2020 to 2022. During his tenure, he successfully completed the landmark disinvestment of Air India to a prominent Indian Business House. In a career spanning over 36 years, Mr. Bansal has held important positions such as Additional Secretary in the Ministry of Petroleum and Natural Gas, Joint Secretary in the Ministry of Electronics and Information Technology (MeitY), Secretary at the Central Electricity Regulatory Commission and Joint Secretary in the Ministry of Heavy Industries and Public Enterprises.	Ms. Indrani Banerjee has been a career central banker, with wide and varied experience of over 36 years, in policy and operational areas & training establishments of the Reserve Bank including as Additional Director in the Centre for Advanced Financial Research and Learning (CAFRAL). Prior to joining CAFRAL, she was Executive Director, Reserve Bank of India where her responsibilities spanned the areas of financial market regulation, foreign exchange management, external investments & operations, and legal. As a part of senior management, her predominant experience encompassed banking regulation, supervision of regulated entities, and foreign exchange reserves management. She represented the Bank in domestic and international fora on matters including Corporate Governance and Leadership Imperatives & participated in events such as the International Roundtable on the Basel Consultative Paper on Corporate Governance and the World Bank/IMF International Conference on Policy Challenges for the Financial Sector. She was a member of the IBA Committee for framing guidelines on Anti-Money Laundering for banks and co-authored the Technical Report on Market Integrity commissioned by the Standing Committee on International Financial Standards and Codes. She has also worked in the Monetary Policy Department of the RBI.

Name of Director & DIN	Mr. Mehul Pandya (DIN:07610232)	Mr. Rajiv Bansal (DIN:00245460)	Ms. Indrani Banerjee (DIN:09043941)
		Mr. Bansal is empanelled as a Mediator/Conciliator by several PSUs and has undertaken several such Mediation of Commercial Disputes as Chair of the Outside Experts Council. He has been appointed by the Ministry of Petroleum and Natural Gas as the Chair of the Committee of External Eminent Experts for Mediation/Conciliation. Mr. Bansal has extensive and in-depth experience in the fields of M&A, Disinvestment, Digital Transformation and Technology. His core sectors of interest are Aviation, Petroleum and Natural Gas, Energy and Technology. Mr. Bansal has served as a Government Nominee Director on the Boards of several Public Sector Enterprises (PSEs), including ONGC, BPCL, GAIL, BHEL, CCI, EPI and HMT. He was also CEO of National Internet Exchange of India (NIXI) in 2016-17 and CEO of Investor Education and Protection Fund Authority (IEPFA) in 2018-19.	While on deputation as Member of Faculty to the National Institute of Bank Management in the area of Money, International Banking & Finance, she was actively involved in capacity building and also coordinated a course on International Banking & Foreign Exchange in the first Post Graduate (MBA) Program on Banking and Finance. She had a short stint in the South Asia Department of the International Finance Corporation in Washington DC. She has been a nominee director on the Board of EXIM Bank and represented RBI as ex-officio Member of the International Financial Services Centres Authority (IFSCA). She is an alumna of Lady Shri Ram College, Delhi University and has an M.Phil degree in International Relations from JNU and a Masters in International Development Policy from the Sanford Institute of Public Policy, Duke University. She is a Certified Associate of the Indian Institute of Bankers.
Terms and conditions of appointment or re-appointment/ variation of Remuneration	As per Item No. 6	Appointment as a Non-Executive Independent Director for a period of 3 years with effect from May 30, 2025.	Appointment as a Non-Executive Independent Director for a period of 3 years with effect from May 30, 2025.
Details of remuneration sought to be paid	As per Item No. 6	Sitting fees for attending meetings of the Board or Committees thereof (if any), reimbursement of expenses for participating in the Board and other meetings and commission as may be recommended by Board, if any within the limit stipulated under the Companies Act.	Sitting fees for attending meetings of the Board or Committees thereof (if any), reimbursement of expenses for participating in the Board and other meetings and commission as may be recommended by Board, if any within the limit stipulated under the Companies Act.
Remuneration last drawn	Details provided in Annexure VII to Directors Report i.e. Corporate Governance Report	Not Applicable	Not Applicable
Shareholding in the Company (including shareholding as a beneficial owner)	44,189 equity shares (as on 31st March 2025)	Nil (as on 30th May 2025)	Nil (as on 30th May 2025)

Name of Director & DIN	Mr. Mehul Pandya (DIN:07610232)	Mr. Rajiv Bansal (DIN:00245460)	Ms. Indrani Banerjee (DIN:09043941)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any Director/ Key Managerial Personnel of the Company	He is not related to any Director/ Key Managerial Personnel of the Company	She is not related to any Director/Key Managerial Personnel of the Company
The number of meetings of the Board attended during the last financial year	5/5	Not Applicable	Not Applicable
Directorships held in other Companies	• CARE ESG Ratings Limited • CARE Analytics and Advisory Private Limited • CareEdge Global IFSC Limited • CARE Ratings Nepal Limited • CARE Ratings (Africa) Private Limited • CARE Ratings South Africa (Pty.) Ltd. • Association of Indian Rating Agencies • Association of Credit Rating Agencies in Asia • US India Importer`s Council	• BSE Limited • Mahindra Agri Solutions Limited	Nil
Chairmanship/ Membership in Committees of the Board of Directors of other Company in which he/she is a Director	• **CareEdge Global IFSC Limited** Nomination and Remuneration Committee – Member • **CARE ESG Ratings Limited** Nomination and Remuneration Committee – Member	• **BSE Limited** Stakeholder Relationship / Share Allotment Committee - Member Corporate Social Responsibility Committee & Environment, Social, Governance Committee - Member Member Committee - Member Delisting Committee - Member Internal Committee for Research Analysts and Investment Advisers - Member • **Mahindra Agri Solutions Limited** Audit Committee - Member Nomination & Renumeration Committee - Chairman Risk Management Committee - Chairman	Nil
Name of the listed entities from which Director has resigned in the past three years	Nil	Nil	Nil

Name of Director & DIN	Mr. Mehul Pandya (DIN:07610232)	Mr. Rajiv Bansal (DIN:00245460)	Ms. Indrani Banerjee (DIN:09043941)
In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	He has following skills amongst the skills required: • Finance and Investments • Leadership and Board Experience • Risk Management • Global Business Perspective • Technology • Business Strategy • Governance • People and Talent Understanding	She has following skills amongst the skills required: • Finance and Investments • Leadership and Board Experience • Risk Management • Global Business Perspective • Business Strategy • Industry and Market Expertise • Governance • People and Talent Understanding

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CARE Ratings Limited

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