

Date: September 24, 2020
SE/2020-21/052

To,

The National Stock Exchange India Ltd.

Listing Department

Exchange Plaza

Bandra Kurla Complex

Bandra (East)

Mumbai 400 051

Scrip Code: **CARERATING**

Dear Sir/ Madam,

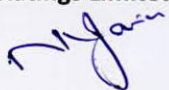
Sub: Clarification for Financial results

With reference to clarification dated September 24, 2020, sought by your good office, we are resubmitting the Machine Readable Form / Legible copy of Financial Results of Q1 of FY 2020-21.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For CARE Ratings Limited



Navin Kumar Jain
Company Secretary & Compliance Officer



CARE Ratings Ltd.

CARE Ratings Limited

CIN-L67190MH1993PLC071691

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



Statement of Standalone and Consolidated Unaudited Financial Results for the quarter ended June 30, 2020

(₹ in Lakhs)

(₹ in Lakhs)

SN	Particulars	Standalone				Consolidated			
		Quarter Ended		Year ended		Quarter Ended		Year ended	
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		Unaudited	Audited (Refer Note 4)	Unaudited	Audited	Unaudited	Audited (Refer Note 4)	Unaudited	Audited
I	Revenue from Operations	3,304.31	5,766.71	4,522.33	21,910.23	3,737.90	6,597.41	4,992.27	24,364.03
II	Other Income	944.26	721.92	774.13	3,133.60	951.41	743.40	781.14	3,146.76
III	TOTAL INCOME (I + II)	4,248.57	6,488.63	5,296.46	25,043.83	4,689.31	7,340.81	5,773.41	27,510.79
IV	EXPENSES								
	Employee Benefits Expense	2,283.24	2,385.25	2,617.27	9,669.54	2,632.53	2,768.50	2,875.01	10,927.37
	Depreciation and Amortisation Expense	179.04	176.90	168.48	690.75	201.23	201.15	184.49	776.79
	Finance cost	15.84	16.91	20.00	73.87	20.40	21.73	23.76	92.75
	Other Expenses	530.77	2,091.50	762.28	4,584.98	600.72	2,312.96	906.06	5,304.62
	TOTAL EXPENSES (IV)	3,008.89	4,670.56	3,568.03	15,019.14	3,454.88	5,304.34	3,989.32	17,101.53
V	Profit before Exceptional Items and Tax (III)-(IV)	1,239.68	1,818.07	1,728.43	10,024.69	1,234.43	2,036.47	1,784.09	10,409.26
VI	Exceptional Items	-	-	-	-	-	-	-	-
VII	Profit before Tax Expenses (V - VI)	1,239.68	1,818.07	1,728.43	10,024.69	1,234.43	2,036.47	1,784.09	10,409.26
VIII	Tax Expenses:								
	Current Tax	200.62	461.30	442.91	2,100.00	224.85	526.22	463.72	2,213.86
	Deferred Tax	46.18	(18.44)	(23.24)	(105.83)	40.00	(38.34)	(28.64)	(132.90)
	Adjustment of tax of earlier years	-	(19.66)	-	(19.66)	-	(19.66)	-	(19.66)
	Total Tax Expense	246.80	423.20	419.67	1,974.51	264.85	468.22	435.08	2,061.30
IX	Net Profit for the period (VII - VIII)	992.87	1,394.87	1,308.76	8,050.18	969.58	1,568.25	1,349.01	8,347.96
	Profit for the period attributable to:								
	Non-Controlling interest	-	-	-	-	34.77	39.82	31.40	110.95
	Owners of the Parent	-	-	-	-	934.81	1,528.43	1,317.61	8,237.01
X	Other Comprehensive Income								
	A (i) Items that will not be reclassified to profit & Loss	(27.15)	139.50	(45.41)	(93.87)	(29.52)	130.01	(45.41)	(103.36)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6.83	(35.11)	13.23	23.62	7.49	(32.47)	13.22	26.26
	B (i) Items that will be reclassified to profit & Loss	-	-	-	-	(7.88)	(10.48)	(6.73)	(11.93)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	1.98	2.64	1.96	3.00
	Other Comprehensive Income for the period	(20.32)	104.39	(32.18)	(70.25)	(27.93)	89.70	(36.96)	(86.03)
	Other Comprehensive Income for the period attributable to:								
	Non-Controlling interest	-	-	-	-	(1.30)	(1.73)	(1.05)	(1.96)
	Owners of the Parent	-	-	-	-	(26.63)	91.43	(35.91)	(84.07)
XI	Total Comprehensive Income for the period (IX + X)	972.56	1,499.26	1,276.58	7,979.93	941.65	1,657.95	1,312.05	8,261.93
	Total Comprehensive Income for the period attributable to:								
	Non-Controlling interest	-	-	-	-	33.47	38.09	30.35	108.98
	Owners of the Parent	-	-	-	-	908.18	1,619.86	1,281.70	8,152.95
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,946.12	2,946.12	2,946.12	2,946.12	2,946.12	2,946.12	2,946.12	2,946.12
	Other Equity				50,211.98				50,380.27
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised)								
	Basic (₹)	3.37	4.73	4.44	27.32	3.17	5.19	4.47	27.96
	Diluted (₹)	3.37	4.73	4.44	27.32	3.17	5.19	4.47	27.96



Notes:

- 1 The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at its meeting held on August 10, 2020 and have been reviewed by the statutory auditors of the Company.
- 2 The consolidated financial results include results of CARE Ratings Limited and its subsidiaries namely CARE Risk Solutions Private Limited, CARE Advisory Research and Training Limited, CARE Ratings (Africa) Private Limited and CARE Ratings Nepal Limited.
- 3 The accompanying financial results have been prepared as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 4 The figure for three months ended March 31, 2020 are arrived at as a difference between year to date figures of that financial year and the published figure for previous reporting period of the same financial year.
- 5 Based on legal advice, on the outcome of adjudication proceedings initiated by SEBI, during the quarter under review, pertaining to certain Credit ratings assigned by the Company to its client, the Company has decided to contest the order at SAT.
- 6 The financial results have been prepared in accordance with the applicable accounting standards, as modified under the Companies (Indian Accounting Standards) Rules, 2015 and as specified in section 133.
- 7 The Company has granted 5,37,908 options on September 01, 2017, to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2017. As per Ind AS 102 - Share Based Payment, total cost of ESOS 2017 will be charged over vesting period, accordingly the Employee Benefit Expenses includes ESOP charge under respective periods as under:

(₹ in Lakhs)

Particulars	Quarter Ended			Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	Unaudited	Audited	Unaudited	Audited
ESOP Charge	-	-	337.68	534.51



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

(₹ in Lakhs)

SN	Particulars	Quarter Ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		Unaudited	Audited (Refer Note 4)	Unaudited	Audited
a	Segment Revenue				
	Ratings and related services	3,487.63	5,986.99	4,685.69	22,602.50
	Others	277.72	620.60	320.19	1,881.70
	Total Segmental Revenue	3,765.35	6,607.59	5,005.88	24,484.20
	Less: Inter Segment Revenue	(27.45)	(10.18)	(13.61)	(120.17)
	Total Revenue from Operations (Net)	3,737.90	6,597.41	4,992.27	24,364.03
b	Segment Results (Profit before Finance Costs and Tax)				
	Ratings and related services	443.00	1,275.92	1,083.29	7,394.93
	Others	(139.58)	38.88	(56.58)	(39.68)
	Total Segment Result	303.42	1,314.80	1,026.71	7,355.25
	Less: Finance Costs	20.40	21.73	23.76	92.75
	Add: Other Un-allocable Income - net	951.41	743.40	781.14	3,146.76
	Profit before Tax	1,234.43	2,036.47	1,784.09	10,409.26

(₹ in Lakhs)

SN	Particulars	As on	As on	As on	As on
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
c	Segment Assets				
	Ratings and related services	28,587.34	25,066.75	16,133.22	25,066.75
	Others	2,593.81	2,144.85	2,322.04	2,144.85
	Unallocated Assets	31,164.70	34,690.81	45,704.01	34,690.81
	Total	62,345.85	61,902.41	64,159.27	61,902.41
d	Segment Liabilities				
	Ratings and related services	7,009.48	7,537.25	6,497.52	7,537.25
	Others	765.66	714.14	778.61	714.14
	Unallocated				
	Total	7,775.14	8,251.39	7,276.13	8,251.39
e	Capital Employed				
	Ratings and related services	21,577.86	17,529.50	9,635.70	17,529.50
	Others	1,828.15	1,430.71	1,543.43	1,430.71
	Unallocated	31,164.70	34,690.81	45,704.01	34,690.81
	Total	54,570.71	53,651.02	56,883.14	53,651.02

- 9 The Company has assessed the impact of COVID-19 pandemic on its financial results based on the internal and external information upto the date of approval of these financial results and the Company expects to recover the carrying amounts of its investments, intangible assets, trade receivables & other assets. The Company will continue to closely monitor the future economic conditions and assess its impact on its financial results.

Considering the Company's nature of business, management does not anticipate any serious challenges/ significant impact on continuity of its business.

- 10 Previous year's/period's figures have been regrouped / rearranged wherever necessary to conform to the figures of the current period.

For and behalf of the Board of Directors
CARE Ratings Limited

Ajay Mahajan
Managing Director & CEO
DIN: 05108777
Mumbai, August 10, 2020



(Signature)

Limited Review Report on Unaudited Standalone Financial Results

To,

Board of Directors of
CARE Ratings Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of CARE Ratings Limited ('the Company') for the quarter ended June 30, 2020 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the figures for the quarter ended March 31, 2020 as reported in this Statement are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures up to the end of third quarter of the previous financial year. The figures up to the end of third quarter of the previous financial year had only been reviewed and not subject to audit.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above and procedures performed as stated in paragraph 3, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

5. Attention is drawn to Note no. 9 of the Statement which describes the impacts of COVID-19 Pandemic on the unaudited standalone financial results as also on business operations of the Company, the assessment thereof by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our opinion is not modified in respect of this matter.



Khimji Kunverji & Co LLP

Chartered Accountants

Other Matter

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

For Khimji Kunverji & Co LLP

Chartered Accountants

FRN: 105146W/W-100621



Hasmukh B Dedhia

Partner (F-033494)

UDIN: 20033494AAAAHV8971



Place: Mumbai

Date: August 10, 2020

Limited Review Report on Unaudited Consolidated Financial Results

To,
Board of Directors of
CARE Ratings Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of CARE Ratings Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), and its share of the net profit after tax for the quarter ended June 30, 2020 ('the Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the figures for the quarter ended March 31, 2020 as reported in this Statement are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures up to the end of third quarter of the previous financial year. The figures up to the end of third quarter of the previous financial year had only been reviewed and not subject to audit.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

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

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We did not review the financial results of CARE Risk Solutions Private Limited and CARE Advisory Research and Training Limited, subsidiary companies included in the unaudited consolidated financial results, whose interim financial results reflect, total revenues of Rs. 243.16 Lakhs and Rs. 47.97 Lakhs for the three months ended June 30, 2020, total net profit / (loss) after tax of Rs. (47.65 Lakhs) and Rs. (82.15 Lakhs) for the three months ended June 30, 2020 and total comprehensive income/(loss) of Rs. (49.36 Lakhs) and Rs. (82.15 Lakhs) for the three months ended June 30, 2020 as considered in the unaudited consolidated financial results. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

We did not review the financial results of CARE Ratings (Africa) Private Limited and CARE Ratings (Nepal) Limited, subsidiary companies incorporated in Mauritius & Nepal respectively, whose financial results reflect total revenues of Rs. 106.68 Lakhs and Rs. 98.00 Lakhs for the three months ended 30 June 2020, total profit after tax of Rs. 50.58 Lakhs and Rs. 45.40 Lakhs for the three months ended June 30, 2020 and total comprehensive income (after tax) of Rs. 50.58 Lakhs and Rs. 45.40 Lakhs for the three months ended June 30, 2020 as considered in the unaudited consolidated financial results. These financial results have been audited by the other auditor as per the requirement of the applicable accounting standards of the respective countries and have been converted as per the requirements of Ind AS by the management. Our report on the Statement, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors and management certified Ind AS financial results and adjustments thereto.

Our conclusion is not modified in respect of above matter.

Emphasis of Matter

7. Attention is drawn to Note no. 9 of the Statement which describes the impacts of COVID-19 Pandemic on the unaudited consolidated financial results as also on business operations of the Company, the assessment thereof by the management of the Company based on its internal, external and macro factors, involving certain estimation uncertainties. Our opinion is not modified in respect of this matter.

Other Matter

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

For Khimji Kunverji & Co LLP
Chartered Accountants
FRN: 105146W/W-100621



Hasmukh B Dedhia
Partner (F-033494)
UDIN: 20033494AAAAHW3386

Place: Mumbai
Date: August 10, 2020

