

Khimji Kunverji & Co LLP

Chartered Accountants

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 and total comprehensive income for the quarter ended December 31, 2019 and year to date for the period from April 1, 2019 to December 31, 2019 ('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.
2. This Statement, which is the responsibility of the Company's management and approved by the its 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 Solution Private Limited (Previously known as CARE Kalypto Risk Technologies & Advisory Services Private Limited)	Wholly Owned Subsidiary
CARE Advisory Research and Training Limited	Wholly Owned Subsidiary
CARE Ratings (Nepal) Limited	Subsidiary
CARE Ratings (Africa) 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 (Previously known as CARE Kalypto Risk Technologies & Advisory Services Private Limited) and CARE Advisory Research and Training Limited, subsidiary companies included in the unaudited consolidated financial results, whose financial results...

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LLPIN-AAP-2267 [Converted from Khimji Kunverji & Co, a partnership firm with reg. no. 46150, into LLP w.e.f. May 08, 2019]



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reflect total revenues of Rs. 518.81 Lakhs and Rs. 1,307.86 Lakhs, total net profit / (loss) after tax of Rs. 84.23 Lakhs and Rs. (13.55) Lakhs and total comprehensive income / (loss) of Rs. 84.23 Lakhs and Rs. (13.55) Lakhs for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 respectively 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. 170.82 Lakhs and Rs. 526.73 Lakhs, total profit after tax of Rs. 51.26 Lakhs and Rs. 199.37 Lakhs and total comprehensive income of Rs. 51.26 Lakhs and Rs. 199.37 Lakhs for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 respectively as considered in the unaudited consolidated financial results. These financial results have been reviewed / audited by the other auditors 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 and disclosures 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 matters.

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)

Chartered Accountants

FRN: 105146W/ W100621



Hasmukh B Dedhia

Partner (F-33494)



UDIN: 20033494 AAAABK1570

Place: Mumbai

Date: February 07, 2020

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 December 31, 2019 and year to date results for the period from April 1, 2019 to December 31, 2019 ('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.
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 read with the relevant rules thereunder, 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 Statements 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.

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
FRN: 105146W/ W100621



Hasmukh B Dedhia
Partner (F-33494)



UDIN: 20033494 AAAAB J8981

Place: Mumbai
Date: February 7, 2020

Statement of Standalone and Consolidated Unaudited Financial Results for the quarter ended December 31, 2019

SN	Particulars	Standalone						Consolidated						(₹ in Lakhs)	
		Quarter Ended		9 Months Ended		Year ended March 31, 2019	Audited	Quarter Ended		9 Months Ended		Year ended March 31, 2019	Audited	Year ended March 31, 2019	
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019			December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2018				
		Unaudited	Unaudited	Unaudited	Unaudited			Unaudited	Unaudited	Unaudited	Unaudited				
I	Revenue from Operations	4,978.50	6,642.70	6,485.65	16,143.53	21,586.79	29,735.74	5,611.46	7,162.88	7,290.91	17,766.62	22,955.44	31,896.91		
II	Other Income	744.43	893.12	875.87	2,411.68	2,036.51	2,983.40	713.57	908.65	876.31	2,403.36	2,078.00	3,039.21		
III	TOTAL INCOME (I + II)	5,722.93	7,535.82	7,361.52	18,555.21	23,623.30	32,719.14	6,325.03	8,071.53	8,167.22	20,169.98	25,033.44	34,936.12		
IV	EXPENSES														
	Employee Benefits Expense	2,327.35	2,339.66	2,310.30	7,284.28	6,787.50	9,354.03	2,643.04	2,640.82	2,557.93	8,158.87	7,478.21	10,280.67		
	Depreciation and Amortisation Expense	173.87	171.50	82.18	513.85	218.08	306.39	201.49	189.66	94.76	575.64	238.95	333.04		
	Finance cost	17.96	19.00	-	56.96	-	-	24.64	22.62	-	71.02	-	-		
	Other Expenses	1,080.93	650.27	812.64	2,493.48	2,360.07	3,254.23	1,209.58	876.03	1,106.12	2,991.66	2,924.92	4,149.63		
	TOTAL EXPENSES (IV)	3,600.11	3,180.43	3,205.12	10,348.57	9,365.65	12,914.65	4,078.75	3,729.13	3,758.81	11,797.19	10,642.08	14,763.34		
V	Profit before Exceptional Items and Tax (III)-(IV)	2,122.82	4,355.39	4,156.40	8,206.64	14,257.65	19,804.49	2,246.28	4,342.40	4,408.41	8,372.79	14,391.36	20,172.78		
VII	Profit before Tax Expenses (V - VI)	-	-	-	-	-	-	-	-	-	-	-	-		
VIII	Tax Expenses:														
	Current Tax	352.71	843.07	1,202.91	1,638.71	4,316.43	5,989.64	365.04	858.87	1,217.09	1,687.64	4,344.54	6,024.03		
	Deferred Tax	122.50	(186.64)	112.82	(87.40)	(93.85)	316.16	123.27	(189.19)	116.65	(94.56)	(91.03)	341.97		
	Total Tax Expense	475.21	656.43	1,315.73	1,551.31	4,222.58	6,305.80	488.31	669.68	1,333.74	1,593.08	4,253.51	6,366.00		
IX	Net Profit for the period (VII - VIII)	1,647.61	3,698.96	2,840.67	6,655.33	10,035.07	13,498.69	1,757.97	3,672.72	3,074.67	6,779.71	10,137.85	13,806.78		
	Profit for the period attributable to:														
	Non-Controlling interest	-	-	-	-	-	-	16.29	23.44	19.64	71.13	35.23	59.55		
	Owners of the Parent	-	-	-	-	-	-	1,741.69	3,649.28	3,055.03	6,708.58	10,102.62	13,747.23		
X	Other Comprehensive Income														
	A (i) Items that will not be reclassified to profit & Loss	(45.41)	(142.55)	(25.18)	(233.37)	11.78	(313.29)	(45.41)	(142.55)	(18.04)	(233.37)	19.14	(315.74)		
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11.43	34.09	8.80	58.73	(4.11)	109.48	11.43	34.08	8.73	58.73	(4.12)	110.16		
	B (i) Items that will be reclassified to profit & Loss	-	-	-	-	-	-	3.65	1.62	(3.30)	(1.45)	4.63	0.19		
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	(0.92)	(0.67)	-	0.37	-	-		
	Other Comprehensive Income for the period	(33.98)	(108.46)	(16.38)	(174.64)	7.67	(203.81)	(31.25)	(107.52)	(12.61)	(175.72)	19.65	(205.39)		
	Other Comprehensive Income for the period attributable to:														
	Non-Controlling interest	-	-	-	-	-	-	0.60	0.21	-	(0.24)	-	-		
	Owners of the Parent	(33.98)	(108.46)	(16.38)	(174.64)	7.67	(203.81)	(31.85)	(107.73)	(12.61)	(175.48)	19.65	(205.39)		
XI	Total Comprehensive Income for the period (IX + X)	1,613.63	3,590.50	2,824.29	6,480.69	10,042.74	13,294.88	1,726.72	3,565.20	3,062.06	6,603.99	10,157.50	13,601.39		
	Total Comprehensive Income for the period attributable to:														
	Non-Controlling interest	-	-	-	-	-	-	16.89	23.65	19.64	70.89	35.23	59.55		
	Owners of the Parent	1,613.63	3,590.50	2,824.29	6,480.69	10,042.74	13,294.88	1,709.83	3,541.55	3,042.42	6,533.10	10,122.27	13,541.84		
	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	2,946.12	2,946.12	2,946.12	2,946.12		
	Other Equity	-	-	-	-	-	-	-	-	-	-	-	-		
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Audited)														
	Non-Controlling interest	5.59	12.56	9.64	22.59	34.06	45.82	5.59	12.56	10.49	22.77	34.41	46.66		
	Owners of the Parent	5.59	12.56	9.64	22.59	34.06	45.82	5.59	12.56	10.49	22.77	34.41	46.66		



88

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 February 7, 2020 and have been reviewed by the statutory auditors of the Company.
- 2 The Board of Directors of the Company have declared interim dividend of ₹ 6/- per share having a nominal value of ₹ 10 each.
- 3 Consolidated financial results include results of CARE Ratings Limited and its subsidiaries namely CARE Risk Solutions Private Limited (Formerly Known As CARE Kalypso Risk Solutions and Advisory Services Private Limited), CARE Advisory Research and Training Limited, CARE Ratings (Africa) Private Limited & CARE Ratings Nepal Limited.
- 4 The accompanying financial results have been prepared as per the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
- 5 The Company is undergoing some adjudication/inquiry proceedings pertaining to some credit ratings assigned by it to clients; the necessary responses are /are being furnished to the regulatory authorities. SEBI has levied penalty of Rs.25 Lacs vide letter dated December 26, 2019. Pending these adjudication and/or regulatory matters and based on the developments thereof, the Company has provided on prudent basis for this matter.
- 6 The financial results have been prepared in accordance with the applicable accounting standards, as modified under the Companies (Indian Accounting Standards) Rules, 2015 and as specified in section 133 of the Companies Act
- 7 The Company has granted 5,37,908 options on September 01, 2017, to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2017. As per Ind AS 102 - Share Based Payment, total cost of ESOS 2017 will be charged over vesting period, accordingly the Employee Benefit Expenses includes ESOP charge under respective periods as under:

Particulars	Quarter Ended			Nine Months Ended		Year ended March 31, 2019
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
ESOP Charge	-	196.83	268.26	-	985.09	1,273.73

(₹ in Lakhs)



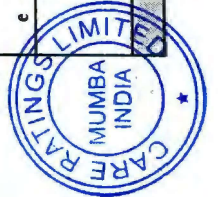
8 Segment Information based on Consolidated Financial results of the Group is as follows:

(₹ in Lakhs)

SN	Particulars	Quarter Ended			Nine Months Ended		Year ended
		December 31, 2019		September 30, 2019	December 31, 2018	December 31, 2018	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
a	Segment Revenue						
	Ratings and related services	5,132.18	6,797.63	6,619.00	21,833.23	30,117.29	
	Others	510.84	430.08	696.01	1,173.15	1,873.07	
	Total Segmental Revenue	5,643.02	7,227.71	7,315.01	23,006.38	31,990.36	
	Less: Inter Segment Revenue	(31.56)	(64.82)	(24.10)	(50.94)	(93.45)	
	Total Revenue from Operations (Net)	5,611.46	7,162.89	7,290.91	22,955.44	31,896.91	
b	Segment Results (Profit before Finance Costs and Tax)						
	Ratings and related services	1,495.93	3,527.22	3,377.46	12,349.55	16,765.38	
	Others	61.42	(70.83)	154.64	(36.19)	368.19	
	Total Segment Result	1,557.35	3,456.39	3,532.10	12,313.36	17,133.57	
	Less: Finance Costs	24.64	22.62	-	-	-	
	Add: Other Un-allocable Income - net	713.57	908.63	876.31	2,078.00	3,039.21	
	Profit before Tax	2,246.28	4,342.40	4,408.41	14,391.36	20,172.78	

(₹ in Lakhs)

SN	Particulars	Quarter Ended			Nine Months Ended		Year ended
		December 31, 2019		September 30, 2019	December 31, 2018	December 31, 2018	
		As on	As on	As on	As on	As on	As on
c	Segment Assets						
	Ratings and related services	23,486.93	22,032.07	18,230.40	23,486.93	18,230.40	15,399.61
	Others	2,165.30	1,893.22	1,369.31	2,165.30	1,369.31	1,452.30
	Unallocated Assets	36,563.20	43,357.40	40,050.52	36,563.20	40,050.52	44,661.23
	Total	62,215.43	67,282.69	59,650.23	62,215.43	59,650.23	61,513.14
d	Segment Liabilities						
	Ratings and related services	7,249.17	6,928.09	5,417.91	7,249.17	5,417.91	5,807.12
	Others	848.61	802.20	597.21	848.61	597.21	471.06
	Unallocated	-	-	-	-	-	-
	Total	8,097.78	7,730.29	6,015.12	8,097.78	6,015.12	6,278.18
e	Capital Employed						
	Ratings and related services	16,237.75	15,103.98	12,812.49	16,237.75	12,812.49	12,812.49
	Others	1,316.69	1,091.02	772.10	1,316.69	772.10	772.10
	Unallocated	36,563.20	43,357.40	40,050.52	36,563.20	40,050.52	44,661.23
	Total	54,117.64	59,552.40	53,635.11	54,117.64	53,635.11	55,234.97



8

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

In the statement of profit and loss for the nine months ended December 31, 2019 ('period'), the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. Due to said change, profit is reduced by Rs. 40.30 lakhs for the period.

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



S. B. Mainak

Chairman

DIN: 02531129

Mumbai, February 7, 2020

