

**Date: August 22, 2017**

The National Stock Exchange India Ltd.  
Listing Department  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (East)  
**Mumbai 400 051**

Dear Sir,

**Sub: OUTCOME OF THE BOARD MEETING HELD ON AUGUST 22, 2017**

1. Please find enclosed herewith the Unaudited Financial Results for the quarter ended June 30, 2017, Limited Review Report and the Press Release for Q1 FY 2018 of CARE Ratings Limited (Formerly known as Credit Analysis and Research Limited) as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. The Board of Directors have declared 1<sup>st</sup> Interim Dividend of Rs. 6/- per equity share of Rs.10/- each for financial year 2017-2018 and has fixed Wednesday, September 06, 2017 as a Record Date for the 1<sup>st</sup> Interim Dividend.
3. The Board of Directors have allotted 10,013 (Ten Thousand and Thirteen) Equity Shares of face value Rs.10/- (Rupees Ten Only) each at a premium of Rs. 607/- (Rupees Six Hundred and Seven only) per share to the eligible employees as per the CARE Employees Stock Option Scheme, 2013 (ESOS, 2013).
4. The Board of Directors on the recommendation of the Nomination and Remuneration Committee decided to grant 5,37,908 options of the company to the eligible employees under the Company's Employees Stock Option Scheme (ESOS). This includes the Tranche 2 of balance 5,00,000 ESOP's approved by the shareholders at the Annual General Meeting of the Company held on September 27, 2013 and 37,908 options which lapsed due to resignation of the employees in Tranche 1.
5. The Board decided to induct Ms. Sadhana Dhamane, Non-Executive Director of the Company in the Nomination and Remuneration Committee and the Stakeholders Relationship Committee. Post such induction, the composition of these Committees is as follows:

c) Nomination and Remuneration Committee

1.	Shri A. K. Bansal	-	Chairman (Independent Director)
2.	Shri S. B. Mainak	-	Member (Independent Director)
3.	Dr. Ashima Goyal	-	Member (Independent Director)
4.	Ms. Sadhana Dhamane	-	Member (Non-Executive Director)

**CARE Ratings Limited**  
(Formerly known as Credit Analysis & Research Limited)



d) Stakeholders Relationship Committee

1.	Shri S. B. Mainak	-	Chairman (Independent Director)
2.	Ms. Sadhana Dhamane	-	Member (Non-Executive Director)
3.	Mr. Rajesh Mokashi	-	Member (Managing Director & CEO)

6) The meeting of the Board of Directors of the Company commenced at 12.00 noon and concluded at 4.20 pm.

Please take note of the above.

Thanking you,

Yours faithfully,  
**For CARE Ratings Limited.**  
(Formerly known as Credit Analysis and Research Limited.)

  
**Mahendra Naik**  
Company Secretary  
ACS 20230



Encl.: As above

**CARE Ratings Limited**  
(Formerly known as Credit Analysis & Research Limited)

**CARE Ratings**  
Professional Risk Opinions



CIN-L67190MH1993PLC071691

Regd. Office: 4<sup>th</sup> 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 Unaudited Financial Results for the Quarter Ended June 30, 2017**

(₹ in Lakhs)

SN	Particulars	Standalone			
		3 Months ended June 30, 2017	3 Months ended March 31, 2017	3 Months ended June 30, 2016	Year ended March 31, 2017
		Unaudited	Unaudited (Refer Note 3)	Unaudited (Refer Note 3)	Unaudited (Refer Note 3)
I	Revenue from Operations	6,138.31	7,638.26	5,714.79	28,047.96
II	Other Income	649.79	629.72	991.80	3,317.84
III	<b>TOTAL INCOME (I + II)</b>	<b>6,788.10</b>	<b>8,267.98</b>	<b>6,706.59</b>	<b>31,365.80</b>
IV	<b>EXPENSES</b>				
	Employee Benefits Expense	1,640.31	1,777.97	1,747.49	6,693.82
	Depreciation and Amortisation Expense	79.80	76.12	85.42	314.19
	Other Expenses	577.48	1,206.75	425.78	2,725.14
	<b>TOTAL EXPENSES (IV)</b>	<b>2,297.59</b>	<b>3,060.84</b>	<b>2,258.69</b>	<b>9,733.15</b>
V	<b>Profit before Exceptional Items and Tax (III)-(IV)</b>	<b>4,490.51</b>	<b>5,207.14</b>	<b>4,447.90</b>	<b>21,632.65</b>
VI	Exceptional Items	-	-	-	-
VII	<b>Profit before Tax Expenses (V - VI)</b>	<b>4,490.51</b>	<b>5,207.14</b>	<b>4,447.90</b>	<b>21,632.65</b>
VIII	Tax Expenses:				
	Current Tax	1,593.23	1,542.18	1,152.13	6,345.41
	Deferred Tax	(651.66)	21.10	247.78	120.64
	<b>Total Tax Expense</b>	<b>941.57</b>	<b>1,563.28</b>	<b>1,399.91</b>	<b>6,466.05</b>
IX	<b>Net Profit for the period (VII - VIII)</b>	<b>3,548.94</b>	<b>3,643.86</b>	<b>3,047.99</b>	<b>15,166.60</b>
X	<b>Other Comprehensive Income</b>				
	A (i) Items that will not be reclassified to profit & Loss	(14.96)	(52.81)	23.42	(5.25)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	5.18	18.28	(8.11)	1.82
	B (i) Items that will be reclassified to profit & Loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	<b>Other Comprehensive Income for the period</b>	<b>(9.78)</b>	<b>(34.53)</b>	<b>15.31</b>	<b>(3.43)</b>
XI	<b>Total Comprehensive Income for the period (IX + X)</b>	<b>3,539.16</b>	<b>3,609.33</b>	<b>3,063.30</b>	<b>15,163.17</b>
	<b>Earnings Per Equity Share (Face Value Rs. 10 each) (not annualised)</b>				
	Basic	12.05	12.37	10.37	51.54
	Diluted	12.05	12.37	10.29	51.50

**Notes:**

- 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 22, 2017.
- The Board of Directors of the Company have declared interim dividend of Rs. 6/- per share having a nominal value of Rs. 10 each.
- The Company adopted Indian Accounting Standards (Ind AS) from April 01, 2017. The figures for the quarter ended June 30, 2016 and quarter & year ended March 31, 2017 are also Ind AS compliant. They have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.

**Reconciliation between Net Profit as reported under Previous Indian GAAP and IND AS for the quarter/year presented as follows:**

(₹ in Lakhs)

SN	Particulars	3 Months ended	3 Months ended	Year ended
		June 30, 2016	March 31, 2017	March 31, 2017
I	Net Profit as per Previous Indian GAAP	2,467.32	3,844.82	15,150.98
II	<b>Adjustments:</b>			
	Fair Value measurement of Investments through Profit and Loss A/c	737.38	(213.06)	16.59
	Actuarial Gain / (Loss) on defined benefit plans transferred to other Other Comprehensive Income	23.42	(52.81)	(5.25)
	Derecognition of Lease Equalisation Reserve	(4.74)	(2.39)	(11.98)
	Other Adjustments	1.84	(1.48)	5.68
	Tax Impact on above adjustments	(177.23)	68.78	10.58
		<b>580.67</b>	<b>(200.96)</b>	<b>15.62</b>
III	<b>Net Profit for the period under IND AS (I + II)</b>	<b>3,047.99</b>	<b>3,643.86</b>	<b>15,166.60</b>
IV	Other Comprehensive Income (Net of Tax)	15.31	(34.53)	(3.43)
V	<b>Total Comprehensive Income for the period as per IND AS</b>	<b>3,063.30</b>	<b>3,609.33</b>	<b>15,163.17</b>



*K@*

**Notes (contd.)**

- 4 The Company recognizes portion of surveillance fee income commensurate with the efforts involved based on percentage completion method. During the period, the Company has reviewed efforts required for completion of various activities in the surveillance process. Based on review, the Company has changed its effort estimates for surveillance and monitoring activities due to change in Regulations, Business-Mix and Technological Enhancements. Accordingly, the revenue recognized during the quarter ended June 30, 2017 is higher by Rs. 6.92 Crore
- 5 The Company primarily operates in single business and geographical segment, hence, no additional disclosures required to be given as per Ind AS 108 - Operating Segments other than those already given in the financial results.
- 6 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**



**Rajesh Mokashi**  
**Managing Director & Chief Executive Officer**  
**DIN:02781355**  
Mumbai, August 22, 2017



## Limited Review Report

To,  
Board of Directors of  
**CARE Ratings Limited** (formerly known as 'Credit Analysis and Research Limited')

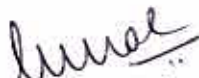
We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of **CARE Ratings Limited** (formerly known as 'Credit Analysis and Research Limited') ('the Company') for the quarter ended June 30, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended June 30, 2016, quarter & year ended March 31, 2017 including the reconciliation of net profit for the quarter/ year under Ind AS of the corresponding quarter with net profit for the quarter/ year reported under previous GAAP, as reported in these standalone financial results have been approved by the Company's Board of Directors but have not been subject to review.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on August 22, 2017. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Khimji Kunverji & Co.  
Chartered Accountants  
Firm's Registration No: 105146W

  
**Gautam V Shah**  
Partner (F-117348)



Mumbai  
August 22, 2017

## CARE Ratings Limited

Registered Office: 4th Floor, Godrej Coliseum, Somalya Hospital Road, Off Eastern Express Highway, Slon (East), Mumbai 400 022.

Website : [www.careratings.com](http://www.careratings.com) | Email: [investor.relations@careratings.com](mailto:investor.relations@careratings.com)

CIN : L67190MH1993PLC071691

Mumbai, August 22, 2017

### Unaudited Financial Results for Q1 -FY18

The Board of Directors of CARE Ratings approved the Q1-FY18 results in the Board Meeting held on Tuesday the 22<sup>nd</sup> of Aug, 2017.

#### Highlights: Q1 FY18 vis-à-vis Q1FY17

- Rating Revenue increases by around 8.0%
- Operating profit up by 11.1%, Operating profit margin improved from 60.5% to 62.6%
- Addition of 817 new clients in Q1FY18
- Total number of active client relationships at 15,222 as of June 30, 2017
- 1<sup>st</sup> Interim dividend of Rs. 6/- per share declared
- 1,774 instruments rated during the quarter
- 3.36% increase in volume of fresh debt rated

The Indian Accounting Standards (Ind AS) became applicable to the Company from April 1, 2017. The current quarter results are prepared in accordance of Ind AS and the previous year / quarter results have been restated as per Ind AS.

During Q1 FY18, the Company's Rating Income increased by around 8% over Q1 FY17. The increase in rating income is mainly due to new business as well surveillance income. Operating Profit for Q1 FY18 increased by 11.1% to Rs. 38.4 crores over Rs. 34.6 crores in Q1 FY17. Profit After Tax for Q1 FY18 increased to Rs. 35.5 crores over Rs. 30.5 crores in Q1 FY17, an increase of 16.4%.

Higher income from operations during the quarter was on account of higher volume of debt rated as well as commensurate increase in the surveillance assignments. Increase of 3.36% in volume of debt rated was associated with a sharp increase of 40.68% in the number of instruments rated from 1,261 to 1,774 during the quarter.

Other income decreased by Rs. 3.4 crores from Rs. 9.9 crores in Q1 FY17 to Rs. 6.5 crores during Q1 FY18 mainly due to Ind AS impact on accounting for fair value of investments.



Operating expenses increased by 1.7% mainly due to increase in SME marketing teams. As a result there was growth of 11.1% in operating profits and 16.4% in Net Profit during Q1 FY18.

Operating profit margin stood at 62.6% and Net Profit margin at 52.3% for Q1 FY18.

*Commenting on the results, Rajesh Mokashi, MD & CEO, said: **With business volumes being inexorably linked with developments in the economic climate involving both investment and economic growth, the first quarter was subdued. GST was a major reform to be introduced from July. With GST now in place and there being positive expectations on the monsoon as well as farm prospects, we are hopeful that economic conditions would be better in the coming quarters, especially after September.***

**Contact:**

Rajesh Mokashi, MD & CEO 022-67543456

Chandresh Shah, CFO 022-67543456

**ABOUT US**

*CARE Ratings (until recently called Credit Analysis and Research Limited), is the second largest full service rating Company in India\*. CARE Ratings offers a wide range of rating and grading services across a diverse range of instruments and has now entered its 25th year in the rating of debt instruments and related obligations covering wide range of sectors. The Company's list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, small and medium enterprises ("SMEs") and micro-finance institutions, among others. The Company also provides issuer ratings and corporate governance ratings and has rated innovative debt instruments, such as perpetual bonds. CARE Ratings is recognized for being knowledge based Company and has continued to work towards deepening the base.*

*The company has a subsidiary CARE (Ratings) Africa Private Limited (CRAF) in Mauritius. The company have two wholly owned subsidiaries in Mumbai, India namely CARE Risk Solutions Private Limited and CARE Advisory Research & Training Limited. The Company has its registered office in Mumbai, and branches in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, New Delhi, and Pune. The company has also established a subsidiary in Nepal, which is expected to commence operation in due course subject to regulatory approvals.*

**\* In terms of rating income FY17**

*(Handwritten signature/initials)*