CareEdge

Ratings • Analytics • Consulting • Sustainability

Action Spurs **Transformation**

Annual Report 2023-24

Ratings • Analytics • Consulting • Sustainability

Contents

Action Spurs Transformation

The ability to transform is indispensable for any company, given the unprecedented challenges and rapid changes taking place in global markets.

CareEdge's theme for this year's Annual Report, 'Action Spurs Transformation', underlines the Company's commitment to strategic initiatives, innovative solutions, and proactive measures to ensure a smooth and stable transition.

CareEdge's presence has broadened, with its subsidiaries and its flagship company securing prominent clients. In terms of technology, CareEdge's substantial efforts to automate and enhance its rating processes have ensured efficiency across all organisational functions. Such actions have strengthened CareEdge's position as one of the leading players in the industry and equipped the Company to cater to the evolving needs of stakeholders and clients.

Vision

A global research and analytics company that enables risk mitigation and superior decision-making

Mission

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

Values

Integrity, Pursuit of Excellence, Commitment, Fairness

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From the Chairman's Desk

As yet another year goes by, I am continually humbled by the opportunity to partake in this journey alongside all of you. I must begin by expressing my gratitude for your steadfast support of CareEdge, which consistently aids in achieving industry-leading success. It is both a pleasure and a privilege to share insights as we navigate dynamic economic landscapes and seize opportunities for strategic growth. This year, CareEdge has exemplified resilience, adaptability, and foresight amidst a complex macroeconomic environment marked by persistent global challenges.

In FY24, despite global economic volatilities, the Indian economy demonstrated remarkable resilience, with GDP growth at 8.2%, spurred by strong government investment and revival in industrial activity. Government initiatives aimed at infrastructure development and digital innovation have further propelled this growth, setting a firm foundation for sustained economic progress. Our consolidated achievements this fiscal year are a direct reflection of our deep commitment to our strategic goals and operational excellence. This success is a testament to the hard work and dedication of our teams globally and I extend my heartfelt gratitude to each member for their unwavering commitment.

Specifically, CareEdge Ratings recorded a robust total income of ₹ 378.37 crores, with a profit after tax of ₹ 102.56 crores on a consolidated basis, marking a significant improvement over the previous fiscal year. This remarkable achievement underscores our team's relentless focus and strategic execution across our diverse business verticals.

Our subsidiaries have shown exceptional performance and growth, enhancing our reputation as a leader in the financial services sector. Their success stems from our focused investments in technology and human resources, which have broadened our capabilities and deepened our market engagement. Despite rigorous restructuring in an evolving market, our subsidiaries have continued to diversify.

Over the past three years, we have focused on four strategic pillars — Group Approach, Technology, Talent and Branding — which have guided our transformational journey. These pillars have not only shaped our business strategy but have also been cruicial in navigating through the regulatory and macroeconomic challenges of our times.

This year was pivotal due to significant regulatory changes requiring a strategic reorganisation of our operations. The integration of CARE Advisory Research & Training Ltd. into CARE Risk Solutions Private Ltd., now known as CARE Analytics and Advisory Private Ltd., ensures compliance with emerging ESG reporting requirements, positioning us at the forefront of sustainable finance. CARE ESG Ratings Limited received approval from SEBI on May 2, 2024, to function as a Category I ESG Ratings Provider. Additionally, CareEdge shall offer Sovereign Credit Ratings & Global Scale Rating of Debt Securities through its subsidiary incorporated in IFSC Gift City. CARE Ratings (Africa) Private Limited has signed an MoU with the African Peer Review Mechanism (APRM) in the area of credit ratings.

Significant strides have been made in our international operations, particularly with the expansion into new markets such as South Africa and the strengthening of our presence in Mauritius. These developments, coupled with strategic partnerships like our memorandum of understanding with APRM, underscore our commitment to internationalisation and our focus on emerging markets.

Our dedication to sovereign ratings has been bolstered through strategic initiatives in the International Financial Services Centre (IFSC) at GIFT City. This initiative allows us to offer specialised financial services, enhancing our capabilities in high-potential financial sectors both domestically and internationally. As we move forward, our strategic focus will remain on deepening market penetration and enhancing service quality through the integration of advanced technologies and the expansion of our international footprint. We are poised for continued success and growth, driven by our strategic pillars and an unyielding commitment to excellence.

In closing, I am confident that with strong and stable leadership, CareEdge is well-positioned for a future filled with greater achievements. We will continue to strive towards making the CareEdge Group bigger and better. On behalf of the company, I extend my best wishes to you and your families. Stay safe and take care.

Najib Shah
Chairman, CareEdge Ratings

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Message from MD & Group CEO

I am pleased to share that with your unwavering support and dedication, CareEdge has demonstrated remarkable resilience, adaptability and strategic foresight in navigating a complex macroeconomic environment. The Indian economy withstood global headwinds in FY24 and retained its place as the world's fastest-growing major economy, buoyed by strong government investment. There has been a revival in industrial activity while services growth momentum has continued. The government's focus on infrastructure development and digital innovation will unswervingly propel this growth, setting a firm foundation for sustained economic progress. The achievements of CareEdge Group in the past year are a direct reflection of our deep commitment to our strategic goals and operational excellence.

We successfully leveraged our foundational strengths and core competencies to not only meet but exceed our performance targets. To celebrate a special milestone of 30 years of excellence, we held a series of flagship events – CareEdge Conversations in multiple cities across the country, attended by top government and industry officials. These events have reinforced our position as a thought leader in the financial services sector and our commitment to fostering dialogue and innovation.

In terms of our operations, we have focused on restructuring and expanding our services in Environmental, Social, and Governance (ESG) ratings and our presence in Africa. These strategic initiatives are part of our ongoing efforts to enhance our rating operations by continuously strengthening our core processes to improve accuracy, reliability, and market responsiveness. I am also thrilled to share that in the year gone, we launched our Sovereign Ratings methodology, becoming the first credit rating agency from India to venture into this space. This is a significant step that aligns with our vision of expanding our service offerings and enhancing our market position.

Leveraging advanced technologies has been a cornerstone of our strategy, allowing us to streamline operations and enhance decision-making processes. We also embarked on an ambitious platform modernisation journey, that will improve the ratings process efficiency substantially. Our innovative HR practices have been instrumental in helping us attract and retain our greatest asset – our employees – by creating a dynamic workplace culture that fosters growth and satisfaction. We have ensured open communication at all levels and are committed to bringing on board the right talent.

In FY24, we reorganised our business development vertical to move from a geographic structure to a sector-specific approach to bring in more focus and unlock value across the regions by creating enhanced business opportunities. Our Ratings vertical focused on several key pillars to enhance operational efficiency and future readiness streamlining operations with superior process controls, demonstrating strong performance metrics with low default rates, and enhancing outreach through webinars and media presence. We also integrated automation and digitisation into our processes, successfully executing over 5,500 rating assignments and improving compliance management.

Personally, my regular interactions with employees across the cadre, particularly the young new joiners this year, have helped us to gain fresh perspectives and ideas from the youth. Comprehensive skills development remains a priority, with significant investments in both technical and soft skills training. This ensures our team is well-equipped to meet current and future challenges. 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, our management is dedicated to your Company's sustained growth trajectory. The foundations laid in FY23 have already begun to bear fruit, and we anticipate witnessing further positive outcomes as these strategies are implemented. Our subsidiaries have shown exceptional performance and growth, enhancing our reputation as a leader in the financial services sector by broadening our capabilities and deepening our market engagement.

Looking ahead, our strategic focus will remain on enhancing service quality through the integration of advanced technologies and the expansion of our international footprints. We are poised for continued success and growth, driven by our strategic pillars and an unyielding commitment to excellence.

I am absolutely confident that with our perseverance and unwavering commitment, CareEdge is on track to achieve remarkable accomplishments. We will persist in our efforts to expand and elevate the CareEdge Group. On behalf of the entire Company, I extend my heartfelt best wishes to you and your families.

Mehul Pandya
MD & Group CEO, CareEdge

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Board of Directors

Najib Shah
Chairman, Non-Executive
Independent Director

V. Chandrasekaran
Non-Executive
Independent Director

Adesh Kumar Gupta
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

Mehul Pandya
Managing Director &
Group CEO

Committee Members

Stakeholders Relationship Committee

M. Mathisekaran
Chairperson

Najib Shah
Member

Sobhag Mal Jain
Member

Mehul Pandya
Member

Rating Sub-Committee

G. Mahalingam
Chairperson

Najib Shah
Member

Adesh Kumar Gupta
Member

V. Chandrasekaran
Member

Audit Committee

Adesh Kumar Gupta
Chairperson

Sonal Desai
Member

G. Mahalingam
Member

Sobhag Mal Jain
Member

Nomination & Remuneration Committee

Sonal Desai
Chairperson

Najib Shah
Member

V. Chandrasekaran
Member

Risk Management Committee

V. Chandrasekaran
Chairperson

M. Mathisekaran
Member

Sobhag Mal Jain
Member

Mehul Pandya
Member

Corporate Social Responsibility & Sustainability Committee

M. Mathisekaran
Chairperson

Sonal Desai
Member

V. Chandrasekaran
Member

Mehul Pandya
Member

Strategy and Investment Committee

V. Chandrasekaran
Chairperson

Adesh Kumar Gupta
Member

Najib Shah
Member

G. Mahalingam
Member

Technology Committee

Najib Shah
Chairperson

Adesh Kumar Gupta
Member

G. Mahalingam
Member

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Senior Management

Mehul Pandya
Managing Director & Group CEO

Sachin Gupta
Executive Director & Chief Rating Officer

Revati Kasture
Executive Director - Business Development

Jinesh Shah
Chief Financial Officer

Nehal Shah
Head – Compliance, Legal and Secretarial

Rajani Sinha
Chief Economist

Aniruddha Sen
Chief Human Resources
Officer

Nadir Bhalwani
Chief Information &
Technology Officer

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
Co - CEO, Advisory
CARE Analytics and
Advisory Pvt. Ltd.

Abhisheik Vishwakarma
Co - CEO, Analytics
CARE Analytics and
Advisory Pvt. Ltd.

CareEdge Conversations

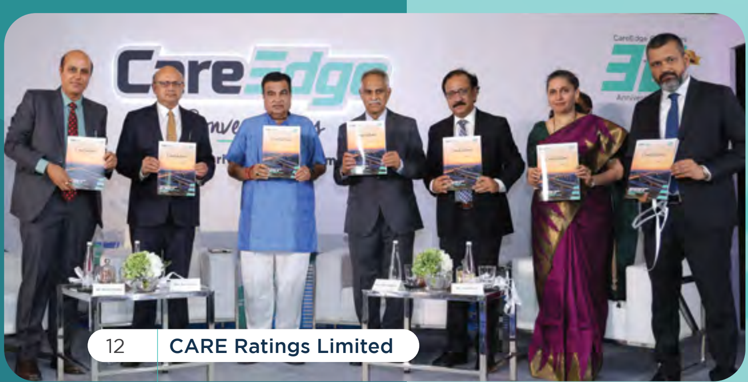
CareEdge celebrated its 30th anniversary in FY24. Having embarked on the journey as a small entity in 1993, the Company has come a long way to become one of the leading credit rating agencies in the country, with global footprints. CareEdge has been at the forefront of shaping the industry in terms of credit rating and research & analytics with the help of its stellar teams. To commemorate its 30th anniversary, the Company organised multiple flagship events titled 'Conversations', which were attended by highly placed dignitaries in the government and private sectors.

30 Years of Excellence

Infrastructure to Drive India's Amrit Kaal March

The Company hosted 'CareEdge Conversations' in New Delhi on May 23, 2023. The Chief Guest, Shri Nitin Gadkari, Honourable Minister for Road Transport and Highways, Govt of India, graced the evening, unveiling CareEdge's special report titled 'Infrastructure: Key Driver of India's Amrit Kaal March', along with the Guest of Honour Shri Rajiv Bansal, IAS, Secretary, Ministry of Civil Aviation, Govt of India. Their insightful words on the industry and the future of India further cemented the Company's belief in the growth prospects during the Amrit Kaal.

Delhi



Collaborating for Growth

The Company hosted 'CareEdge Conversations' in Mumbai on July 23, 2023. 'Collaboration for Growth' was the theme of the night. CareEdge was honoured to have Shri Piyush Goyal, Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Government of India, present via video conferencing to share his invaluable insights on India's significant strides in trade and textiles globally. His discussion with CNBC TV18's Executive Editor, Latha Venkatesh, was nothing short of riveting.

India: Reversing the Gaze - Unveiling Sovereign Risk Assessment

The Company hosted 'CareEdge Conversations' in Kolkata on August 7, 2023, where it unveiled its ground-breaking initiative - the Sovereign Risk Assessment. This milestone marks a significant leap towards establishing CareEdge's credibility on the global stage. Shri Sanjeev Sanyal, Member of the Economic Advisory Council to the Prime Minister, graced the evening as the Chief Guest and congratulated CareEdge for introducing a comprehensive framework for sovereign risk assessment. Mehul Pandya, MD & Group CEO, delivered a thoughtful inaugural address, while Chairman Najib Shah shared an insightful thematic address. The evening saw an insightful panel discussion among Mr. Shashwat Goenka, Vice Chairman of CESC; Sachin Gupta, Chief Rating Officer at CareEdge; and Rajani Sinha, Chief Economist at CareEdge. Revati Kasture, Executive Director, and Rajani Sinha added to the enriching experience with their insightful Sovereign Risk Assessment framework presentation.

Tapping into India's Potential

The Company hosted 'CareEdge Conversations' in Pune on July 7, 2023. Themed 'India: Tapping into its Potential', the evening saw the esteemed presence of Dr Bhagwat Kishanrao Karad, Union Minister of State for Finance, Government of India, who graced the occasion as the Chief Guest. Shri Asheesh Pandey, Executive Director, Bank of Maharashtra, was the Guest of Honour and shared valuable insights. Esteemed panellists Ms Nina Nagpal, MD, Citicorp Finance (India) Ltd., Mr Ajit Kumar Rath CVO & MD, State Bank of India, and Rajani Sinha, Chief Economist, CareEdge, shared their expertise and contributed to an enlightening panel discussion. Revati Kasture, Executive Director of CareEdge, skilfully moderated the panel discussion and ensured a smooth flow of thoughts and ideas.

Pune

Knowledge Partnerships: Building for Future

The Economic Times MSME Awards 2023

As a Knowledge Partner with ET MSME Awards 2023, CareEdge celebrated the success of the Indian MSME sector by recognising 26 outstanding micro, small, and medium enterprises across various award categories. CareEdge collaborated with ET in the award planning process, including evaluating parameters and framework, shortlisting nominees, and tabulating results for the jury.

CNBC TV18 ICAI CA 40 Under 40 Awards

CareEdge was associated as the Knowledge Partner with CNBC-TV18 for the ICAI CA 40 Under 40 Awards. CareEdge's role involved collaborating with CNBC TV18 in the award planning process, including evaluating parameters, shortlisting nominees, and tabulating results for the jury.

Global Real Estate Brand Awards

CareEdge was the Knowledge Partner in the 5th Edition of the Global Real Estate Brand Awards held in Bengaluru on May 30, 2023. The event was attended by CXOs of top real estate companies.

Accelerate MSME Series 2023: Financial Empowerment for Small Businesses

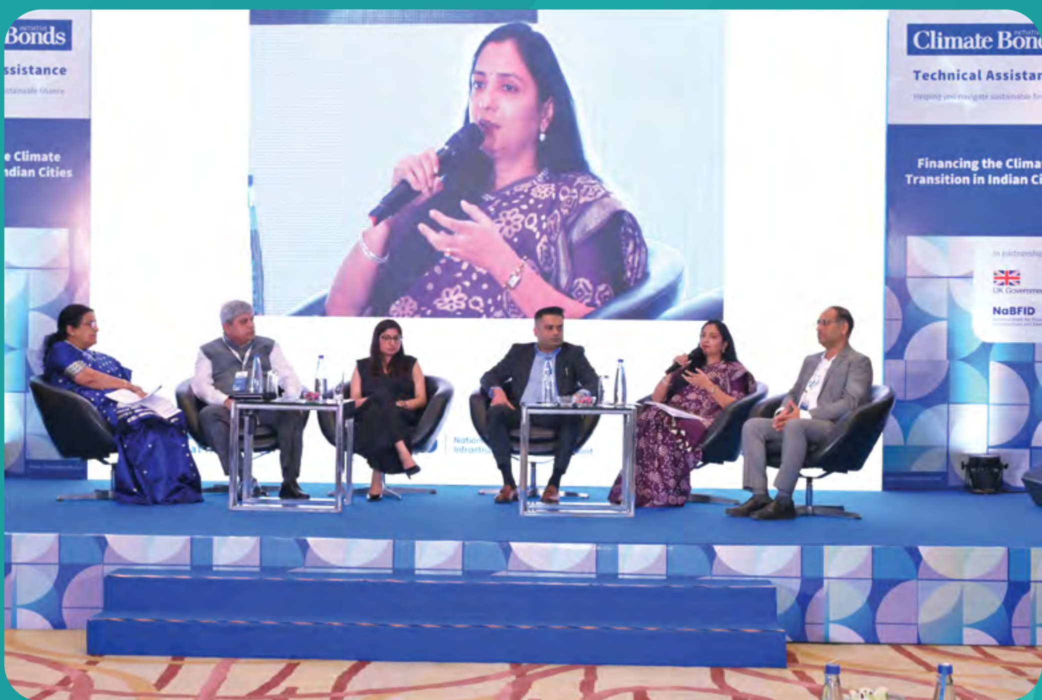
CareEdge was the 'Associate Partner' in a series of events organised by the PHD Chamber of Commerce (Punjab Chapter). These events, spanning over six months, covered various regions, including Chandigarh, Punjab, and Himachal Pradesh.

National Awards for Excellence in Cost Management

CareEdge team showcased their expertise at the prestigious 18th National Awards for Excellence in Cost Management. The awards, presented by The Institute of Cost Accountants of India, recognise outstanding achievements in cost management across various sectors.

Knowledge Sharing Forums: Expert Insights

FY24 saw CareEdge actively participate in Knowledge Sharing Forums across industries with expert insights. Throughout the year, leaders from CareEdge attended 110 events in multiple capacities, ranging from panel discussions and presentations to training sessions.




Perspective on Indian
Infrastructure Sector


CII
Confederation of Indian Industry
Third Meeting of
Western Regional Council 2023-24


mint
Mehul Pandya
mint
mint
mint

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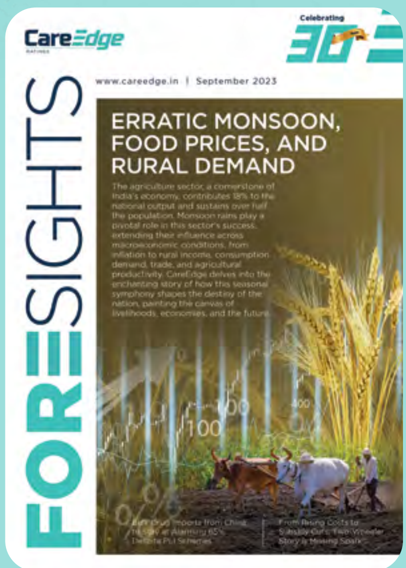
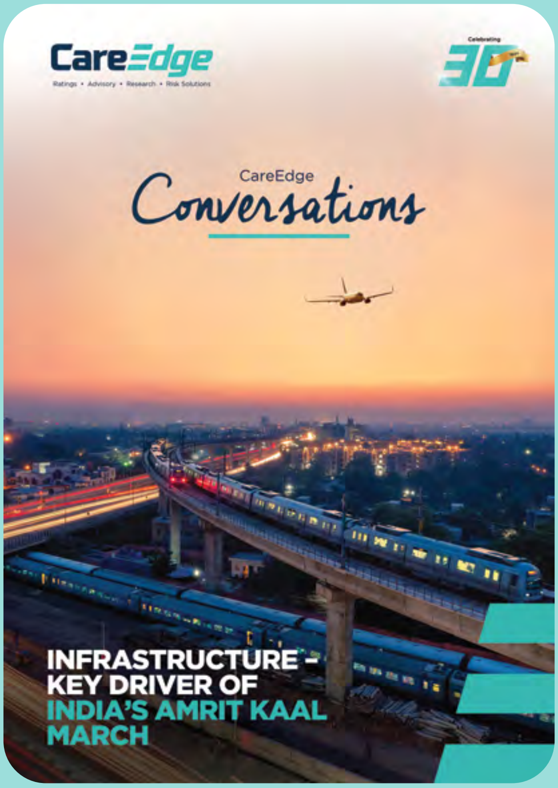
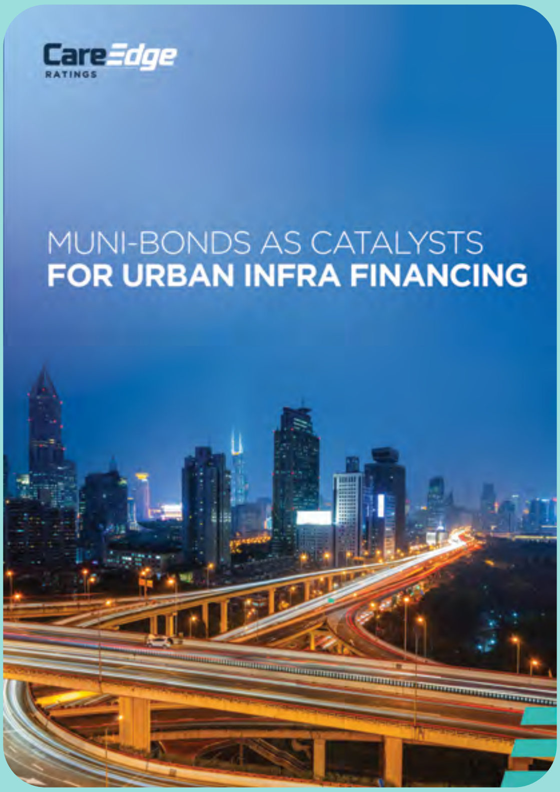
CareEdge Specials: Adding Value

Over the years, CareEdge published multiple special reports, including Budget Analysis, alongside its regular monthly magazine Foresights. The response to CareEdge's reports from all corners of media, industries, and the government has been exceptional in the year that has gone by.

Magazine Foresights







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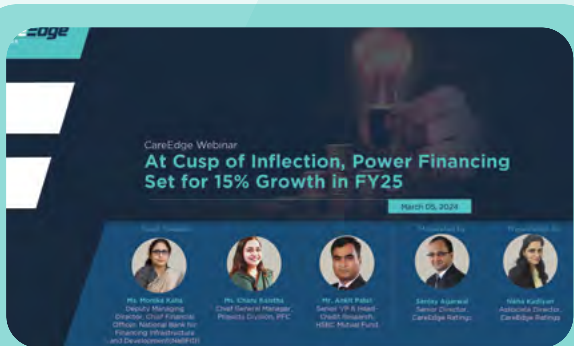
Webinars: Thematically Analysing Industries

CareEdge conducted 26 webinars over the year, continuing with dedicated efforts to enhance the Company's outreach. These thematic events were attended by industry leaders and experts who shared their knowledge to enlighten the audience on complex subjects related to multiple sectors.



Corporate Social Responsibiity: Growth for All

No amount of success is worth it if you cannot share it with others and use it to add value to someone's life. CareEdge continued its efforts in FY24 to be a responsible organisation with social welfare at the forefront of its objectives.

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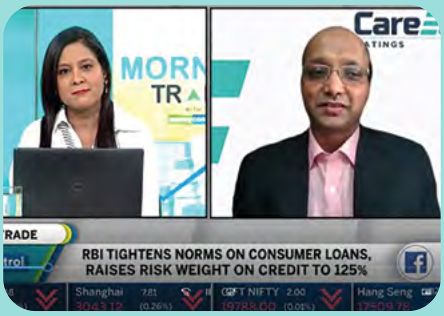
CareEdge in Media

With 2,310 mentions, FY24 has been an exceptional year in terms of media coverage for CareEdge. Whether it was the interviews with the Company's top management in leading dailies or panel discussions on television with its experts, CareEdge has thrived in all formats this year.


मई में मैन्युफैक्चरिंग ग्रोथ 4.9% से बढ़कर 5.7% (MoM)
मई में IIP ग्रोथ@5.2%
NIFTY JUL FUT
19462.00
PREM 77.7


MFIs: HEALTHY JUMP IN MARGINS
NIFTY 50
OFF DAY'S LOW
19229.70
RECOVERY
63.65
0.33%
DOW JONES
34099.42
TORRENT PHARMA
WTI Crude Oil Futures


ALL EYES ON BUDGET 2024
SACHIN GUPTA
Executive Director & Chief Rating Officer, Care Ratings
NEWS NOW
Tepid Pizza Demand Drags Jubilant Foodworks'
Surprise Q3 Profit Fall
SENSEX
71752.11


RBI TIGHTENS NORMS ON CONSUMER LOANS,
RAISES RISK WEIGHT ON CREDIT TO 125%
Shanghai
Hang Seng


Post
Moneycontrol
@moneycontrolcom
CareEdge is entering the sovereign ratings segment at a time when there is a clear divide between the Indian government and the major #US-based global rating agencies on their assessment of the #economy's strengths.
@SiddharthUbiWan reports
moneycontrol.com/news/business/...
#CareEdge
moneycontrol
moneycontrol.com
CareEdge enters sovereign ratings biz with eye on emerging market issues


The Road Ahead
THE ROAD AHEAD FOR CREDIT RATING AGENCIES
KASTURE
Executive Director
REVATI
CareEdge RATINGS

CARE Ratings (Africa) Private Limited (CRAF)

Operating since 2015, CRAF has significantly contributed towards the development of the debt capital market in Mauritius.

In FY24, CRAF witnessed a 32% 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, CRAF plans to broaden its operational reach into additional African territories, primarily targeting Southern African Development Community countries. 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 its expansion efforts, the company established CARE Ratings South Africa (Pty) Ltd. in October 2023 and applied for a Credit Rating Agency license from the Financial Sector Conduct Authority (FSCA) of South Africa in February 2024.

CARE Ratings Nepal Limited (CRNL)

CARE Ratings Nepal Limited (CRNL), a subsidiary of CARE Ratings Limited, offers a comprehensive array of rating services tailored to the Nepalese market, leveraging expertise and technical support from its parent company.

CRNL has developed a robust capability to deliver diversified products and services that meet the unique needs of this region.

CARE Analytics and Advisory Private Limited

Analytics

CareEdge Analytics boasts 18 years of experience in risk and compliance, serving regions such as India, Bhutan, and Sri Lanka. Over the past year, the company has undergone a significant transformation, restructuring itself as a FinTech entity under the CareEdge umbrella. With a sharp focus on the vast potential of the Indian market, CareEdge Analytics is tailoring its services to specifically address the unique demands of the Non-Banking Financial Companies sector. Additionally, CareEdge Analytics is exploring opportunities to expand into the markets of Nepal and Bangladesh.

CARE Analytics and Advisory Private Limited

Advisory

During FY24, CareEdge Advisory significantly expanded its product offerings across various segments, deepened its customer base, and forged new partnerships. The Company's esteemed client roster includes prominent names from fund houses, PSUs, banks, financial institutions, the manufacturing sector, and municipal corporations. The Advisory division anticipates continued robust growth across its consulting, research, and sustainability segments. This growth is expected to be driven by the overall economic growth, infrastructure spending, and associated capital expenditure requirements.

People at the Core

Any organisation is known by its employees. CareEdge believes its people are the strongest pillars of the Company's success. FY24 was the year of rewarding talent and bringing on board new faces to take the organisation further on the path to success. CareEdge cherished and celebrated its teams with various Rewards & Recognition and training programmes throughout the year. Not to forget the Company's delightful in-house events, ranging from CareEdge Premier League to festival celebrations.


CareEdge

Directors' Report

Your Directors are pleased to present the Thirty First (31st) Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2024.

Action-packed FY24

FY24 represented a pivotal year in which your Company took decisive action, implementing strategies honed over the preceding years and setting industry standards through exemplary leadership. The year was highlighted by celebrations to mark our 30th anniversary, a significant milestone. We celebrated the landmark with a series of major events. These were among the largest and most prestigious within our industry, attracting top leaders from both government and the private sector. Their participation not only honoured our past achievements but also set the stage for future initiatives. Furthermore, FY24 was a period of intensive restructuring and refinement of our business operations. We undertook a comprehensive overhaul across the board, extending to our subsidiaries as well. This strategic realignment was aimed at enhancing operational efficiency, improving service delivery, and positioning the Company for sustainable growth in an increasingly competitive marketplace.

Economic Backdrop – FY24

The Indian economy exhibited resilience in FY24 amidst lingering geopolitical uncertainties, slowing external demand and weather-related irregularities. The GDP grew at a healthy 8.2% in FY24. The growth has been supported by the government's capital spending resulting in an upbeat expansion of gross fixed capital formation (9% y-o-y). However, the private consumption growth was weak at 4% in FY24 compared with pre-pandemic growth of 7% in FY19. While rural demand has been lagging, the resilience in urban demand as reflected in high-frequency indicators such as air passenger traffic, passenger vehicle sales etc. has provided some respite. On a sectoral basis, the growth was led by manufacturing, construction, and services sectors while agriculture recorded a muted growth.

Retail inflation averaged 5.4% in FY24, moderating from 6.7% in the previous year. While erratic weather conditions kept food inflation elevated (averaging 7% in FY24), a sustained moderation in core inflation came as a relief. In terms of monetary policy, the Reserve Bank of India left the policy repo rate unchanged at 6.5% in FY24 while maintaining a vigil on the challenges emerging from persistently high food inflation and volatile crude oil prices.

The gross bank credit offtake remained healthy, increasing by 16.3% year-on-year in FY24, up from 15% growth in the previous year. Bank credit was primarily supported by high demand in the personal loans and services segments. However, there was a moderation in credit growth for personal loans and non-banking financial companies (NBFCs), due to an increase in the banks' risk weightage for credit disbursement to both segments. Industrial credit growth improved to 8.5% in FY24 from 5.6% in FY23, with credit disbursement to large enterprises (constituting 72% of total industrial credit) improving to 7% from last year's 3.1%.

Corporate bond issuances reached Rs 10.2 lakh crore in FY24, marking a 19% year-on-year increase. Commercial paper issuances maintained a steady level at Rs 13.8 lakh crore in FY24, the same as the previous year.

Note: Data on corporate bond issuances extracted from Prime Database on May 2, 2024'; Bank credit data for FY24 excludes the impact of the merger of a non-bank with a bank

On the external front, robustness in services exports has helped offset the weakness in merchandise exports. In terms of capital flows, net foreign direct investment inflows have moderated in FY24. However, foreign portfolio investments have been upbeat with net inflows to the tune of USD 41 billion in FY24 as against net outflows of USD 5.5 billion in the previous year. This translated into India's foreign exchange reserves being at a comfortable level of USD 646 billion as of end-FY24.

To summarise, the Indian economy remained resilient throughout the year despite facing challenges from geopolitical uncertainties, elevated food inflation and persistent weakness in external demand. A stronger-than-expected economic growth performance and a comfortable external position have supported India's healthy recovery in FY24.

Looking Ahead – FY25

The healthy economic performance is expected to continue in the current year with several high-frequency indicators pointing towards continued momentum. The prospects for the organised sector remain encouraging as reflected in the PMIs for the manufacturing and services sectors. On the consumption front, we expect rural demand to improve in the current fiscal based on expectations of normal monsoons this year.

The government has been at the forefront of the investment scenario in the economy with an emphasis on capex-led growth. While private capex has been slow, it is expected to improve in the current fiscal year as the capacity utilisation level for the manufacturing sector has already risen above the long-term average. Higher investment projects announced by the private sector are reflective of their increasing intent to invest. We can expect the private capex cycle to improve with policy certainty post-general elections. Overall, the economy remains well-placed compared to its peers with the GDP growth projected at around 7% in FY25.

Sustained moderation in CPI inflation is a positive. Though elevated food inflation remains a challenge, the government's continued supply-side interventions and expectations of a normal monsoon could aid in easing price pressures in the food basket. We project CPI inflation to moderate to 4.8% in FY25 from 5.4% in FY24. However, upside risks to commodity prices amid improving global growth and continued geo-political tensions remain a key monitorable for the inflation trajectory.

On the external front, prospects for world merchandise trade are expected to improve gradually as demand rebounds. Thus, we could see some improvement in India's merchandise exports following a lacklustre performance in the last fiscal. The healthy performance in services exports is expected to continue, albeit with some moderation in growth. Overall, we expect the current account deficit to remain comfortable around 1% of GDP in FY25. In terms of capital flows, healthy foreign portfolio investment inflows are expected to continue supported by India's inclusion in the global bond indices.

Overall, the economy remains well placed with healthy economic growth, moderating inflation, and a comfortable external position. However, there is a need to remain watchful of the risks emerging from weather-related uncertainties, escalating geopolitical conflicts, and volatile commodity prices. Further improvement in consumption and private investment would be critical for sustained economic growth.

Way Forward

Building on the initiatives of FY24, your 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 will 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, clear, 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, management is dedicated to repositioning the Company on a sustained growth trajectory. The foundations laid in FY24 have already begun to bear fruit, and we anticipate seeing further positive outcomes as these strategies are implemented.

Financial Performance

Your Company's Financial Performance for the year ended March 31, 2024, is summarised below:

Summary of Financial Performance (Standalone)

(Rs in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from Operations	**283.07**	**248.84**
Other Income	46.96	37.10
Total Income	330.03	285.94
Total Expenditure	168.15	147.80
Profit Before Tax (PBT)	**161.88**	**138.14**
Provision for Tax	42.44	34.34
Profit After Tax (PAT)	**119.44**	**103.80**
Other comprehensive income/ (loss)	(0.23)	(0.87)
Total comprehensive income for the period	119.21	102.93
Appropriations		
Interim Dividend	20.84	29.68
Final Dividend	44.60	29.65
Total (Dividend Outflow)	**65.44**	**59.33**
Transferred to General Reserve	-	-

The total operating income for the financial year of FY24 was Rs 283.07 crore, a 14% increase from FY23, while the other income stood at Rs 46.96 crore, a 27% increase from the previous year.

Your Company's total expenditure in the financial year was Rs 168.15 crore, 14% higher than the previous year, primarily due to the increase in manpower cost by 20%. The FY24 net profit increased by 15% as compared to the previous year driven 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 20.84 crore. The Board has recommended a final dividend of Rs 11/-per equity share amounting to a pay-out of Rs 32.84 crore for FY 2023-24, for approval of 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, your company has not transferred any amount into the general reserve.

Business Operations: Strategic Reorganisation

In FY24, the business development team underwent a strategic reorganisation from a geographical structure to one focused on specific sectors, to sharpen focus within key domains. This shift has facilitated the unlocking of value across various geographies, translating into increased business opportunities for the Company. With this approach, the Company has been able to unlock value in different geographies as also garner significant market share in new clients added during the year. As part of this strategy, your Company has adopted a targeted approach to expand its market share in the securitisation domain, both by engaging new originators and by deepening relationships with existing clients. The outcomes of this initiative have been encouraging, with volume growth of 59% leading to a significant enhancement in our market share during FY24.

In our pursuit of leveraging technology to drive efficiencies throughout the organisation, the business team initiated the implementation of a comprehensive Customer Relationship Management (CRM) software, which is considered as one of the best in the industry. A detailed Business Requirement Document (BRD) was developed, and the software is now in the advanced stages of implementation. The CRM software is expected to significantly improve sales efficiency and is designed to equip the business team with extensive data, enabling them to make informed and intelligent decisions.

CareEdge Ratings used an innovative approach for rating the transaction of the fund raising program of an Alternative Investment Fund (AIF). Instead of employing traditional methods, CareEdge Ratings utilized complex simulation techniques, to assess the transaction's risk and assigned a capital protection rating. This assessment involved considering various factors such as fund structure, Probability of Defaults associated with the ratings of the underlying exposure and their correlations. This approach demonstrates the use of advanced techniques to assess risk in complex financial transactions, providing valuable insights for investors and stakeholders involved in the fund-raising program.

To enhance brand positioning as a knowledge institution, monthly Infra and BFSI newsletters were launched this year. Building on last year's success, your Company's highly appreciated monthly collection of sectoral reports and opinion pieces, Foresights, has continued to grow stronger. The aim is to provide a thematic understanding of specific sectors and to highlight CareEdge Ratings' extensive coverage and expertise. Additionally, we continued with our regular publications of knowledge papers, thematic reports, and daily updates such as the Morning Brief.

Technology: Safe and Secure

In FY24, your Company performed the Disaster Recovery Plan and executed Disaster Recovery (DR) for business-critical applications to provide business continuity in the event of any shut-down unexpectedly due to unforeseen circumstances, such as natural events, or security issues. This involved shutting down Core business applications from the Production/Live Environment from the Data Centre (DC) routing all the Business Applications from Disaster Recovery (DR) for 7 (seven) days and successfully resuming business applications from the Primary Data Centre. In addition, your Company successfully executed an unplanned Business Continuity and Disaster Recovery Plan. Furthermore, to augment the data availability and ensure timely recovery of systems during a disaster event, we have migrated the backup solution from the tape library to the latest backup technology which provides rapid data recovery, low-cost archival and higher performance.

Your Company improved its security posture concerning web app security and enhanced the Web Application Firewall (WAF) features which now protects all the business-critical web applications. The Web Application Firewall filters, monitors, and blocks any malicious HTTP/S traffic travelling to the web application.

In FY24, as per the information security strategy, your Company implemented Privileged Access Management (PAM) for cyber threats by controlling, monitoring and securing privileged access to critical business resources.

Usage of Technology in Ratings

Ratings is a regulated business and most of the processes are standardised across the rating agencies by regulators. However, we believe ratings operations can become more efficient with the data and technology available today. We have optimised the Machine Learning (ML) models to read financial and operational data from publicly available corporate company filings. The data accuracy based on ML results has significantly improved and the models are being continuously revised. This has augmented the business operations by improving the overall efficiency and reducing the turnaround time.

Your Company has enhanced the features and functionalities on its website, in addition to the regulatory requirements. During FY24, the subsidiary company's websites have been rolled out to provide the same brand vision across the group. In addition, business applications supporting the ratings analyst team had made significant enhancements for ratings letters, press releases and evaluation forms which would reduce the analyst operational time.

In FY24, your Company embarked on a partnership with a technology service provider to build a rating platform by using cutting-edge secure technology and leveraging ML and Artificial Intelligence (AI).

As part of the Business Transformation Program, the Company has implemented enterprise cloud-based solutions for their financial management. This was a greenfield implementation covering the order to cash (OTC) module for the Company and its subsidiaries. The procure-to-pay (P2P) module is currently under implementation.

To help the business manage corporate spending, we are implementing an avant-garde cloud-based expense management software, which shall provide the employees, managers and finance team to track spending trends, categorize expenditures and make better decisions based on insights.

Outreach

FY24 marked a monumental year for your Company as we celebrated our 30th anniversary with a flourish of activity that significantly bolstered our outreach and visibility. This special year was punctuated by a series of high-octane 'Conversations' events, bringing together eminent leaders from both the government and private sectors. These gatherings were not just events but pivotal forums for discourse, featuring insights from our top policy-makers and industry stalwarts.

Our efforts this year have drawn widespread acclaim from top media outlets and senior industry professionals, evident from our participation in 26 enriching webinars and 110 speaker and knowledge-sharing forums. These sessions have not only been platforms for dialogue but have also allowed 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.

The impact of our initiatives has been magnified by our strategic Knowledge Partnerships with leading entities like ET NOW and CNBC TV18, positioning us at the forefront of thought leadership in our industry. This extensive array of activities has also received robust coverage in print, digital, and broadcast media, showcasing our prominent forums and the cutting-edge insights shared, which have been regularly featured in opinion pieces and headline stories.

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, your Company's investor relations outreach, continues to foster robust connections with the financial community, ensuring our stakeholders remain well-informed and engaged. This multifaceted approach has not only celebrated our past achievements but also set a dynamic course for the future, reinforcing your Company's position as a leader in the industry.

Some of the notable events of FY24 included:

CareEdge Conversations: Delhi

As part of our 30th-anniversary celebrations, we successfully hosted 'CareEdge Conversations' at the Taj Mahal Hotel in New Delhi on May 23. The evening was graced by our Chief Guest Shri Nitin Gadkari, Honourable Minister for Road Transport and Highways, Government of India, who unveiled CareEdge's special report titled 'Infrastructure: Key Driver of India's Amrit Kaal March', along with our Guest of Honour Shri Rajiv Bansal, IAS, Secretary, Ministry of Civil Aviation, Govt of India. Shri Gadkari live-streamed his speech at the event on his Twitter handle. There was an inaugural address from our Chairman, Najib Shah, and a thematic address from our MD and Group CEO, Mehul Pandya. The vote of thanks was given by our Executive Director, Revati Kasture.

CareEdge Conversations: Mumbai

We hosted our flagship event in Mumbai on July 23 with 'Collaboration for Growth' being the theme of the night. We were honoured to have Shri Piyush Goyal, Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Government of India, present with us via video conferencing to share his invaluable insights on India's major strides in trade and textiles globally. His discussion with CNBC TV18's Executive Editor Latha Venkatesh was nothing short of riveting. Our Chief Economist also engaged in an enlightening talk with Ms Venkatesh, analysing the current economic landscape. Furthermore, we heard from CareEdge Ratings Chairman Najib Shah and MD & Group CEO Mehul Pandya, who provided their experienced perspectives on trade and collaboration of industries for growth. The valedictory address was given by our Executive Director, Revati Kasture.

CareEdge Conversations: Kolkata

CareEdge hosted its flagship 'Conversations' event in Kolkata on August 7 with 'India – Reversing The Gaze' being the theme of the night. At the event we unveiled our groundbreaking initiative - the 'Sovereign Risk Assessment', thereby becoming the first domestic credit rating agency in the country to do so. Shri Sanjeev Sanyal, Member of the Economic Advisory Council to the Prime Minister, graced the evening as the Chief Guest and congratulated CareEdge for introducing a comprehensive framework for sovereign risk assessment. Mehul Pandya, MD & Group CEO, delivered a thoughtful inaugural address while our Chairman Najib Shah shared an insightful thematic address. The evening saw an insightful panel discussion between Mr. Shashwat Goenka, Vice Chairman of CESC; Sachin Gupta, Chief Ratings Officer at CareEdge, and Rajani Sinha, Chief Economist at CareEdge. Revati

Kasture, Executive Director, and Rajani Sinha added to the enriching experience with their insightful Sovereign Risk Assessment framework presentation.

CareEdge Conversations: Pune

CareEdge successfully hosted its flagship Conversations event in Pune on July 7. Themed 'India: Tapping into its Potential', the evening saw the esteemed presence of Dr. Bhagwat Kishanrao Karad, Union Minister of State for Finance, Government of India, who graced the occasion as the Chief Guest. Shri Asheesh Pandey, Executive Director, Bank of Maharashtra, was the Guest of Honour and shared valuable insights. Mehul Pandya, MD & Group CEO of CareEdge Ratings, delivered the welcome address and set up the stage for an engaging and fruitful discussion. At the same time, Adesh Kumar Gupta, a Board Member of CareEdge Ratings, shared enriching insights. Esteemed speakers, Ms. Nina Nagpal, MD, Citicorp Finance India Ltd, Mr. Ajit Kumar Rath CVO & MD, State Bank of India, and Rajani Sinha, Chief Economist, CareEdge, shared their expertise and contributed to an enlightening panel discussion. Revati Kasture, Executive Director of CareEdge, skilfully moderated the panel discussion and ensured a smooth flow of thoughts and ideas.

CareEdge associated as the Knowledge Partner with CNBC-TV18 for the ICAI CA 40 Under 40 Awards. CareEdge's role involved collaborating with CNBC TV18 in the award planning process, including evaluating parameters, shortlisting nominees, and tabulating results for the jury.

As a Knowledge Partner with ET MSME Awards 2023, CareEdge celebrated the success of the Indian MSME sector by recognising 26 outstanding micro, small, and medium enterprises across various award categories.

CareEdge Advisory was a Knowledge Partner with Free Press Journal for 'Best Annual Report 2023' for Corporate India. CareEdge Advisory Team led by Swati Agrawal, President presented its assessment of the best Annual Reports across 8 sectors to the eminent Jury. Revati Kasture Executive Director CareEdge was part of the Jury Panel.

Mehul Pandya, MD and Group CEO of CareEdge was elected to serve a second consecutive term on the Board of Directors of Association of Credit Rating Agencies in Asia (ACRAA) and was also appointed as its Vice Chairman w.e.f. January 1, 2024.

Mehul Pandya, MD & Group CEO of CareEdge, participated in an engaging panel discussion at the Mint India Investment Summit 2024. The event was held at the ITC Grand Central in Parel, Mumbai, on March 29-30. The summit was attended by the Honourable Finance Minister Nirmala Sitharaman, senior officials from the Finance and Commerce Ministries, along with numerous esteemed professionals and dignitaries over two days.

Mehul Pandya, MD and Group CEO of CareEdge, was the keynote speaker at the International Conference of Advances in Theories, Research and Practices in Management. The event was organised by GLS University, Ahmedabad, on March 23.

Mehul Pandya, MD & Group CEO of CareEdge, was invited as a distinguished speaker at the felicitation event for Dr. Ravi Margasahayam, Global Ambassador of NASA, organised by USIIC with support from the US Consulate in Mumbai, on December 4.

Sachin Gupta, Executive Director & Chief Rating Officer at CareEdge Ratings, was invited as a panellist at the Edelweiss Annual Investors Meet on November 6. The topic of discussion was 'India Credit Landscape: Emerging Trends and Opportunities'.

Sachin Gupta, Executive Director & Chief Rating Officer, CareEdge Ratings, was invited to the Directors' Strategy Meet, organised by National Highways Infra Trust (NHIT) at Udai Vilas, Udaipur, Rajasthan, where he made a presentation on 'Perspective on Indian Infrastructure' on August 23.

Revati Kasture, Executive Director at CareEdge Ratings, was the Advisory and Jury Member at the 8th ET Edge Infra Focus Summit.

Revati Kasture, Executive Director at CareEdge Ratings, was a panellist for the workshop on 'Expected Loss Based Credit Rating Mechanism', conducted by the Department of Economic Affairs, Government of India on June 5, New Delhi.

Rajani Sinha, Chief Economist at CareEdge Ratings, gave a presentation on the State of the Economy at the CII Western Regional Council Meeting on August 24 in New Delhi.

Nehal Shah, Head, Compliance, Legal and Secretarial, CareEdge Ratings, was felicitated by Legasis Private Limited for her contribution to the field of compliance. The Compliance 10/10 Awards, hosted by Legasis, is one of the most prestigious events for compliance professionals in India.

Nadir Bhalwani, Chief Information & Technology Officer at CareEdge Ratings, was a panelist at the Mumbai Cloud and Datacentre Convention 2023 on December 1.

Sanjay Agarwal, Senior Director at CareEdge Ratings, was a moderator in the session titled "Infrastructure Financing – A Key Enabler for Infrastructure Growth" at the ICEMA 4th Annual Finance Conclave held in New Delhi on May 11.

Rajashree Murkute, Senior Director at CareEdge Ratings, participated in a round table panel discussion on increasing muni-bond issuances at SEBI's munibonds outreach program in Chandigarh on December 18.

Human Resources: Recruiting and Retaining Top Talent

To ensure CareEdge is recognised as one of the best places to work, your Company has focused on enhancing the quality of work life through various engagement programmes and training interventions throughout the year. Continuing with the aim to deliver efficient and high-quality services, your Company has paid special attention to retaining talent and recruiting new personnel. As of March 2024, there were 563 full-time employees compared with 517 last year, with employee attrition at 23.5% for FY24. In FY23, our attrition rate was 28%.

Highlights of some of the key HR initiatives of FY24:

a) Mid-Year Appraisal (MYA): For the first time at CareEdge, a system-based MYA was implemented, providing a structured opportunity for employees and their supervisors to acknowledge achievements from the first half of the year and identify areas needing further development.

b) Employee Engagement Survey (EES): Your Company conducted a system-based, fully anonymous Employee Engagement Survey in November 2023, which saw the participation of 79% of the eligible population Workload Management and Employee Engagement & Wellness were identified as areas requiring additional attention. Subsequently, business verticals have identified action plans to address the matter, and we have started the process of implementing them.

c) Leadership Training on Stakeholder Engagements (WISE): Twenty-two senior employees participated in a two-day training session on "Winning and Influencing Stakeholder Engagements" with a focus on "Elevator Pitches." This session was led by the globally recognised communication expert, Prof. Mihir Mankad, who travelled from the U.S. to deliver this bespoke program to CareEdge executives.

d) Learning Intervention (BLEND): A unique training module was developed specifically for the Business Development vertical, covering essential skills such as precise communication, negotiation techniques, and effective brand pitching.

e) Performance vs Potential Grid (9 Box): The renowned "9 Box – Performance vs Potential Grid" was utilised to identify high performers and potential future leaders, facilitating informed discussions around promotions to higher responsibilities. Concurrently, an exercise was undertaken to identify the 20 most critical positions within the company and their potential successors.

f) Long-Term Incentive Plan (LTIP): FY24 marked the selection of "brightest young talents" for the company's Long-Term Incentive Plan (LTIP), aiming to reward and retain exceptional performers.

Strengthening the Subsidiaries:

Your 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 (CRAF)

Operating since 2015, CRAF has contributed significantly towards the development of the debt capital market in Mauritius.

In FY24, CRAF experienced a 32% 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, CRAF is strategically planning to broaden its operational reach into additional African territories, primarily targeting countries within the Southern African Development Community (SADC). 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 its expansion efforts, the company established CARE Ratings South Africa (Pty) Ltd in October 2023 and applied for a Credit Rating Agency license from the Financial Sector Conduct Authority (FSCA) of South Africa in February 2024. The Board at CARE Ratings South Africa comprises Mr Najib Shah, Mr Mehul Pandya, and Mr Saurav Chatterjee as Directors, with Mr Ravi Mohan and Mr Saveshan Pillay serving as Independent Directors.

CARE Ratings Nepal Limited (CRNL)

CARE Ratings Nepal Limited (CRNL), a subsidiary of CARE Ratings Limited, offers a comprehensive array of rating services tailored to the Nepalese market, leveraging expertise and technical support from its parent company. CRNL has developed a robust capability to deliver diversified products and services that meet the unique needs of this region.

Reflecting on the past financial year, CRNL has sustained its growth trajectory. Our primary focus has been on enhancing customer relationships, a strategy that continues to strengthen our position in the Nepalese market. Despite facing industry headwinds, such as sluggish growth in bank loans and advances, CRNL has successfully increased the number of its active ratings. This achievement is attributed to our proactive participation in educational initiatives, conferences, and stakeholder engagements, among other activities.

The economic landscape in Nepal, especially within the banking sector, presents several challenges, including rising non-performing assets (NPAs) and growth limitations driven by stricter regulatory demands. Despite these obstacles, CRNL has adeptly navigated the environment, achieving a consistent revenue increase in FY24. However, the subdued growth in bank loans and advances, coupled with broader industry slowdowns, may slightly impact the company's growth trajectory in the short term.

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

During the year, a slump sale transaction involving transfer of business of CARE ESG Ratings Limited (CERL) (Formerly known as CARE Advisory Research) and Training Limited including its assets, clients and human resource to CARE Analytics and Advisory Private Ltd. (CAAPL) (Formerly known as CARE Risk Solutions Private Limited) took place. A Business Transfer Agreement was signed between CERL and CAAPL (both wholly owned subsidiaries of CARE Ratings Limited) on September 30, 2023, accordingly entire business of CERL were transferred to the CAAPL w.e.f. October 16, 2023. Accordingly, there are two divisions of businesses i.e. CareEdge Analytics and CareEdge Advisory. On October 26, 2023, CRSPL was renamed CARE Analytics and Advisory Private Ltd. (CAAPL).

CareEdge Analytics

With over 18 years of global experience, CareEdge Analytics specializes in providing advanced risk and compliance solutions to banks and financial institutions. Over the past three years, the company has consistently ranked among the top Risktech100 companies worldwide, according to Chartis Research. Leveraging the strength and expertise of its parent company, CareEdge Analytics excels in delivering sophisticated analytics solutions to banks globally.

Risk Analytics Products: CareEdge Analytics offers a comprehensive suite of risk analytics products, including credit risk assessment tools, internal rating systems, scorecards, and financial reporting solutions aligned with IFRS standards. These products are designed to effectively manage and mitigate a variety of risks while ensuring regulatory compliance.

Advanced Analytics: Utilising state-of-the-art AI/ML tools and techniques, CareEdge Analytics provides advanced analytics solutions that equip banks with essential insights into their risk management and financial operations. These insights support data-driven decision-making and optimize overall performance.

Risk Consulting: CareEdge Analytics delivers expert advisory services in risk consulting and model development. These services help banks to develop and implement robust risk management strategies, including the design of risk models and enhancement of risk governance frameworks.

Digital Services: Recognising the critical importance of digital transformation in the banking sector, CareEdge Analytics also offers consulting and implementation services for digital products tailored to the BFSI sector. These services are aimed at streamlining processes, enhancing customer experiences, and boosting operational efficiency.

In FY24, CareEdge Analytics reported good growth in its operating revenue, though there were challenges.

CareEdge Advisory

The Advisory Division provides a range of services in Consulting, Research, and Sustainability.

Consulting: Services include infrastructure transaction advisory, bespoke consulting, risk advisory, portfolio investment advisory, domestic and international corporate credit assessments, peer benchmarking, techno-economic viability (TEV) studies, and grading.

Research: This segment produces industry research reports and risk metrics, including customised industry research for DRHP filings.

Sustainability: Offers comprehensive solutions in the ESG domain such as peer benchmarking & gap analysis, reporting & integration, ESG performance evaluation, supply chain reporting, due diligence and Green finance. Offerings also include Second Party Opinion services for Green and Social bonds and assessments of Green deposit frameworks for banks.

F24 was marked by significant growth, expansion of services, stabilisation of operations, and the addition of prestigious clients, including fund houses, PSUs, banks, financial institutions, manufacturers, and municipal corporations. The Division also excelled in producing customised industry research reports, covering niche industries and establishing strong relationships with Capital Market participants. The Sustainability services have gained considerable traction, with notable achievements in Green finance and a diverse and impressive client base that includes international entities in Mauritius.

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

During the year under review, CareEdge ESG decided to initiate its business as an ESG Rating Provider (ERP) in accordance with the SEBI Notification dated July 3, 2023, and the SEBI Master Circular dated July 12, 2023, in alignment with the SEBI (Credit Rating Agencies) Regulations, 1999. Consequently, the Company transferred its business on a going concern basis, through a slump sale, to CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited) effective October 16, 2023. Following the business transfer, the Company applied to the Securities and Exchange Board of India (SEBI) to obtain an ERP license and the CareEdge ESG received the license under Category I on May 2, 2024. CareEdge ESG has already established a core team and is prepared to commence its ESG rating activities.

CareEdge Global IFSC Limited

CareEdge Global IFSC Limited was incorporated as a wholly-owned subsidiary of the Company on April 29, 2024. The CareEdge Global IFSC Limited will carry out the business of Global Scale Ratings of Securities, Sovereign Ratings, sub-Sovereign Ratings, Research, Valuation and any other activity allowed by Regulators. It is in the process of applying for a licence to the International Financial Services Centres Authority and SEZ Authorities - GIFT City for commencing business as a rating agency.

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 entered into during the Financial Year 2023-24 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 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 the 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. Sobhag Mal Jain (DIN:08770020) was appointed as an Additional Director in the category of Non-Executive Non-Independent with effect from January 28, 2023. Further, his appointment was approved by the Members as Non-Executive Non-Independent Director of the Company through a postal ballot on April 15, 2023.

The Board of Directors at their meeting held on March 19, 2024, has re-designated Mr. Mehul Pandya as Managing Director and Group CEO. He was earlier designated as Managing Director and CEO of the Company.

Mr. Manoj Chugh was appointed as an Additional Director (in the category of Non-Executive Independent Director) w.e.f. May 9, 2024. Approval from Members of the Company for his appointment as an Independent Director, is being sought at the ensuing Annual General Meeting of the Company.

In accordance with the Articles of Association of the Company and provisions of Section 152(6)(e) of the Act, Mr. Sobhag Mal Jain (DIN:08770020) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. Adesh Kumar Gupta (DIN:00020403), who is an Independent Director of the Company, will complete his second term as an Independent Director at the ensuing Annual General Meeting and accordingly will cease to be a Non-Executive Independent Director of the Company w.e.f July 9, 2024.

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. Further, the Independent Directors of the Company possess requisite qualifications, experience and expertise in the field of finance, strategy, auditing, tax, risk advisory and financial services and they hold the highest standards of integrity.

Number of Meetings of the Board of Directors

The Board of Directors met 6 (Six) times during the Financial Year ended 2023-24 on May 11, 2023, August 9, 2023, September 30, 2023, October 31, 2023, January 24, 2024 and March 19, 2024. 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 their genuine concerns and to provide for adequate safeguards against victimisation of persons who may use this mechanism. During the year, your 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 of the Act, 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 with the aim of improving effectiveness.

The Board Evaluation Cycle for FY24 was completed by the Company internally which included the 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 degree of fulfilment of key responsibilities, board structure and composition, establishment, and delineation of responsibilities to various committees, the effectiveness of board processes, information, and function.

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

The Board reviewed the performance of the individual directors on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

Further, a separate meeting of independent directors was held by the Independent Directors on March 19, 2024, where they reviewed the performance of the Board and assessed 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, 2024, 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/ 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 action in their respective areas and thereby strengthen 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) were 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, there have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and rules framed thereunder either to the Company or to the Central Government.

Secretarial Audit Report

The Board of Directors of your Company has appointed A. K. Jain & Co., Company Secretaries, Mumbai, to conduct the Secretarial Audit of the Company for FY 2023-24. The Secretarial Audit Report is appended to this Report as **Annexure - II**.

There are no qualifications, reservations or adverse remarks or disclaimers made by A. K. Jain & Co., Company Secretaries, Mumbai in their secretarial audit report.

Maintenance of Cost Records and Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act is 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

Your Company has taken necessary steps and initiative in respect of the conservation of energy to a possible extent to conserve the resources as required under Section 134(3)(m) of the Act and rules framed thereunder. As your 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 148.06 Lakhs and has spent Rs 243.27 lakhs 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, 2024, and the date of this report other than those disclosed in this report.

Significant and 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 concern status of your 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, 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 your 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 form part of the Annual Report. Statement on the highlights of the performance of the subsidiary companies and their contribution to the overall performance of the Company are given in Form AOC-1 has 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, 2024 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, 2024. The Authorised Share Capital of the Company is Rs 35,00,00,000/- (3,50,00,000 Equity Shares of face value of Rs 10/- each).

During the Financial Year ended March 31, 2024, the Company has allotted 1,51,501 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	June 22, 2023	29,598
2	September 27, 2023	42,735
3	January 8, 2024	68,868
4	February 12, 2024	3,100
5	March 13, 2024	7,200

In view of this, the paid-up share capital as on March 31, 2024, was Rs 29,85,21,130/- which consisted of 2,98,52,113 equity shares of Rs 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 Schemes 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

Your 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 Rs 25 lakhs and subsequently enhanced it to Rs 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 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 Madras High Court.

Change in the Nature of Business

During the Financial Year 2023-24, 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

Your 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.

Your 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, 2024, the ICC did not receive any complaint 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 your 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 minimize 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 2023-24, your Company released payments amounting to Rs 2.28 crores (P.Y.: Rs 1.92 crores) in areas of healthcare, education, community development, mid-day meals, nutritional food to Anganwadi children.

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 Indian Subsidiary

There was no material (non-listed) Indian subsidiary of your Company as on March 31, 2024.

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, 2024, 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, 2024, 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 9, 2024

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 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 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 for 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

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 Directors**' 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 Requirement) 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**" mean 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 shall specifically include company secretary and chief financial officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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;

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 SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, can be appointed as an Independent Director.

4. Evaluation of Performance

The Committee shall recommend to the Board on appropriate performance criteria for the directors. It shall also carry out 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 Companies Act, 2013 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 Companies Act, 2013 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 Companies Act, 2013 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 Companies Act, 2013 or, if it is not able to comply with such provisions, with the approval of the Central Government.

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;

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.

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.

c) In case of any subsequent changes in the provisions of the Companies Act, 2013 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 II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2024

[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
Godrej Coliseum, 4th Floor, Somaiya Hospital Road,
Off Eastern Express Highway, Sion East
Mumbai 400022.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CARE Ratings Limited (CIN: L67190MH1993PLC071691) (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 physically and electronically of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 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 maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

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

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

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

(iv) The 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;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (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;
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;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period);
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period); and
i. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that, the management of the Company has identified and certified the compliance of the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 and the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 to the extent specifically applicable to the Company.

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 in advance, 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.

All decisions at the meetings of the Board of Directors were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate 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/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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

For **A. K. Jain & Co.**
Company Secretaries

Ashish Kumar Jain
Proprietor
FCS: 6058. CP: 6124
Peer Review Certificate No.1485/2021
UDIN:F006058F000343395

Place: Mumbai
Date: 9 May, 2024

Annexure to the Secretarial Audit Report

To,
The Members
CARE Ratings Limited,
Godrej Coliseum 4th Floor, Somaiya Hospital Road,
Off Eastern Express Highway, Sion East,
Mumbai 400022.

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 processes 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 processes 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 procedures 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 **A. K. Jain & Co.**
Company Secretaries

Ashish Kumar Jain
Proprietor
FCS: 6058. CP: 6124
Peer Review Certificate No.1485/2021
UDIN:F006058F000343395

Place: Mumbai
Date: 9 May, 2024

Management Discussion and Analysis Report

In FY24, our journey truly embodied the theme 'Action Spurs Transformation.' This pivotal year marked three decades of progressive strides from our humble inception in 1993. We celebrated this milestone year by hosting momentous high-octane events titled "Conversations" that were graced by luminaries from both the government and private sectors. These gatherings not only commemorated our past achievements but also sparked dialogues shaping future directions. Simultaneously, we strategically realigned and expanded our subsidiaries, pushing into new geographies and broadening our business scope, preparing us for the next phases of innovation and leadership in the industry.

"Innovation distinguishes between a leader and a follower." – Steve Jobs

Emphasis on Transformation

As part of our commitment to staying at the forefront of industry standards and expectations, we undertook a comprehensive restructuring of your Company and subsidiaries. This realignment focused on enhancing our capabilities in ESG ratings, risk management, analytics, and advisory services. By integrating these key areas, we aimed to foster a more holistic approach to our services, ensuring that they met the evolving needs of our clients and the broader market.

Throughout FY24, our efforts were anchored by the four pillars of transformation that we have developed over the past three years: Group Approach, Technology, Talent, and Branding. Each of these pillars represents a core area of focus that is essential to our ongoing success and growth.

Group Approach: We enhanced our group structure to facilitate better synergy across different arms of the business. This restructuring was aimed at creating a more cohesive framework that leverages the strengths of each subsidiary to enhance overall service delivery.

Technology: A significant part of our transformation involved adopting and advancing new technologies. The integration of AI and ML into our ratings and advisory services has set a new standard within our operations, enabling us to provide more accurate, timely, and insightful analyses.

Talent: Recognising that our people are our greatest asset, we have heavily invested in hiring, retaining, and training top-tier talent. Our focus has been on nurturing a workforce that is not only skilled but also aligned with our core values and vision for the future.

Branding and visibility: FY24 also saw us ramping up our branding and visibility efforts. Through targeted high-quality outreach activities and a strengthened media presence, we have worked diligently to communicate our transformed brand identity and thought leadership. This initiative has been essential in ensuring that our external image reflects our internal evolution.

The groundwork laid in the previous year bore fruit in FY24, as we began to see the tangible benefits of our strategic initiatives. The actions taken in terms of restructuring, technology adoption, talent management, and branding have all contributed to a more dynamic, responsive, and efficient organisation. Our approach not only reinforced our market position but also underscored our commitment to leading by example in the financial services industry.

As we move forward, CareEdge remains committed to building on this foundation of transformation. Our focus will continue to be on driving innovation, enhancing service quality, and sustaining growth, ensuring that we not only meet but exceed the expectations of our clients and stakeholders in the ever-evolving financial landscape.

Ratings

As the second largest credit rating agency in India, your Company continued to grow in FY24 and add value to the industry. The Ratings vertical strategically organised its performance around several key pillars, designed to enhance operational efficiency and readiness for the future:

Efficient execution and superior process controls: We focused on streamlining operations and implementing superior process controls, leading to more efficient and effective execution.

Strong performance metrics: Our vertical demonstrated strong performance, particularly in terms of low default rates and decisive rating actions, highlighting our robust analytical capabilities.

Enhanced outreach: We significantly increased our outreach efforts through webinars, opinion pieces, and a strong media presence. This year, both the quality and quantity of our engagements have seen notable improvements.

Future readiness through automation and digitisation: We are committed to preparing the organization for the future by integrating automation and digitisation into our processes, ensuring that we stay ahead in a rapidly evolving industry.

In FY24, we successfully executed over 5,500 rating assignments, encompassing both initial ratings and surveillance cases. Additionally, we enhanced our Management Information Systems (MIS) and tightened process controls to improve our compliance management.

Throughout the year, we hosted 26 webinars, drawing robust participation from industry experts along with active involvement from bankers, institutional analysts, and industry practitioners. These sessions have served as vital platforms for discussion and dissemination of industry insights.

Our opinion pieces, exceeding 80 in number this year, covered a wide range of themes and garnered extensive coverage across multiple media outlets. The high quality of these pieces has contributed significantly to our thought leadership in the industry.

Our monthly publication, 'Foresights,' now in its second year, continues to be well-received by a diverse array of stakeholders, affirming its value and relevance in the current market.

Automation remains a key focus for us. We have engaged a reputable IT vendor to implement a sophisticated workflow automation process, which is expected to be operational in the next financial year.

We are also actively conducting pilot projects to integrate AI technologies into our rating processes. These initiatives are aimed at increasing operational efficiency and reducing the potential for human errors, ensuring that our ratings are both accurate and reliable.

Looking ahead, we are poised to continue our excellent performance. In the current year, our focus will be on maintaining our robust analytical capabilities and enhancing our engagement with investors and other market participants. These efforts are expected to further solidify our position in the Indian debt markets. Additionally, our ongoing commitment to automation is anticipated to yield significant efficiency benefits, aligning with our strategic goals for growth and innovation.

The overall rating revenue for the company stood at Rs 283.07 crore for FY24 as against Rs 248.84 crore in FY23. The rating revenue has grown by ~ 14% during FY24 as compared to FY23 aided by strong performance in the initial rating revenue.

"Act as if what you do makes a difference. It does." - William James

Business Performance: Onwards & Upwards

In FY24, the business development team underwent a strategic reorganisation from a geographical structure to one focused on specific sectors, to sharpen focus within key domains. This shift has facilitated the unlocking of value across various geographies, translating into enhanced business opportunities for the Company. With this approach, the company has garnered significant market share in terms of new clients added during the year.

As part of this strategy, your company has adopted a targeted approach to expand its market share in the securitisation domain, both by engaging new originators and by deepening relationships with existing clients. The outcomes of this initiative have been encouraging, with volume growth of 59% leading to a significant enhancement in our market share during FY24.

CARE Ratings (Africa) Private Limited

CARE Ratings (Africa) Private Limited (CRAF) continued its impressive performance during the financial year under review. The Company assigned ratings to significantly large corporates of Mauritius including renowned entities like The Mauritius Commercial Bank Ltd., Swan Life, SICOM, MUA, Bank One, ABC Bank, CIEL, ENL, CIM Financial Services Ltd., Ascencia, Medine group, One & Only Villas, New Mauritius Hotel and Alteo.

In FY24, CRAF has assigned ratings to bank facilities and bond issues aggregating to MUR 120 billion (MUR 90 billion in FY23) translating to a 30% higher debt rating in FY24 (vis-à-vis FY23). There has been an increase in awareness about the concept of Credit Rating among Banks and Corporates and a clear understanding of the benefits of such Ratings.

CRAF's total revenue grew by 32% in FY24.

CARE Ratings Nepal Limited

In FY24, CARE Ratings Nepal (CRNL), a subsidiary of CARE Ratings Limited, successfully expanded its range of services tailored to the Nepalese market, drawing on its parent company's expertise. Despite challenges like rising non-performing assets and stringent regulations, CRNL grew its revenue steadily and increased its active ratings count. This growth was supported by robust customer engagement and extensive educational initiatives. Looking forward, CRNL is optimistic about overcoming economic headwinds by enhancing customer relationships, diversifying its services, and leveraging its strong foundation and dedicated team.

CRNL saw its revenue grow consistently in FY24, navigating through an industry-wide slowdown adeptly. Looking ahead, while acknowledging potential economic headwinds, CRNL remains optimistic about its future.

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

CareEdge Analytics

CareEdge Analytics boasts 18 years of experience in risk and compliance, serving regions such as India, Bhutan, and Sri Lanka. Over the past year, the company has undergone a significant transformation, restructuring itself as a FinTech entity under the CareEdge umbrella.

With a sharp focus on the vast potential of the Indian market, CareEdge Analytics is tailoring its services to specifically address the unique demands of the Non-Banking Financial Companies (NBFC) sector. Additionally, we are exploring opportunities to expand into the markets of Nepal and Bangladesh.

For the current fiscal year, CareEdge Analytics is set to concentrate on the lending tech sector and enhance our product offerings through the integration of AI and ML technologies. Our primary goal is to increase revenue by deepening customer relationships and expanding our share in the analytics market.

In FY24, we reported strong growth in operating revenue, though there were challenges.

CareEdge Advisory

During FY24, CareEdge Advisory significantly expanded its product offerings across various segments, deepened its customer base, and forged new partnerships. Our esteemed client roster includes prominent names from fund houses, PSUs, banks, financial institutions, the manufacturing sector, and municipal corporations.

Looking ahead, the Advisory division anticipates continued robust growth across its consulting, research, and sustainability segments. This growth is expected to be driven by the overall economic growth, infrastructure spending, and associated capital expenditure requirements. India's commitment to achieving its climate goals and the ESG reporting requirements is expected to boost our sustainability business. As in the current year, we aim to establish more alliances and collaborations to broaden our services and position ourselves as a comprehensive solution provider for our clients. Additionally, we are committed to expanding our business scope to include other geographies where the CareEdge Group is present.

CARE ESG Ratings Limited

(Erstwhile CARE Advisory Research and Training Limited)

During the year under review, CareEdge ESG decided to initiate its business as an ESG Rating Provider (ERP) in accordance with the SEBI Notification dated July 3, 2023, and the SEBI Master Circular dated July 12, 2023, in alignment with the SEBI (Credit Rating Agencies) Regulations, 1999. Consequently, the Company transferred its business on a going concern basis, through a slump sale, to CARE Analytics and Advisory Private Limited effective October 16, 2023. Following the business transfer, the Company applied to the Securities and Exchange Board of India (SEBI) to obtain an ERP license and the CareEdge ESG received the license under Category I on May 2, 2024.

CARE ESG Ratings has already established a core team and is prepared to commence its ESG rating activities.

CareEdge Global IFSC Limited

CareEdge Global IFSC Limited was incorporated as a wholly-owned subsidiary of the Company on April 29, 2024.

The CareEdge Global IFSC Limited will carry out the business of Global Scale Ratings of Securities, Sovereign Ratings, sub-Sovereign Ratings, Research, Valuation and any other activity allowed by Regulators. Applied for a licence to the International Financial Services Centres Authority and SEZ Authorities - GIFT City for commencing business as a rating agency.

"Perseverance is not a long race; it is many short races one after the other." - Walter Elliot

Tech Update

In FY24, your company significantly enhanced business continuity by executing a robust Disaster Recovery (DR) Plan. This ensured seamless operations during a simulated seven-day shutdown of our primary data centre, followed by a successful switch back from our DR site. We also upgraded our backup solutions to modern technologies that ensure faster data recovery and improved performance.

Further securing our digital infrastructure, we enhanced our Web Application Firewall (WAF) and implemented Privileged Access Management (PAM) to protect against advanced cyber threats. These measures have fortified our defences, making our systems resilient against potential cyber-attacks.

People at the Core

At CareEdge, our commitment to nurturing a vibrant workplace and offering our team optimal career opportunities continues to drive our progress. Throughout FY24, we have remained focused on attracting and retaining exceptional talent at all levels—from leadership to entry-level roles. Recognising and rewarding our employees' dedication and hard work has been a priority, acknowledging their pivotal role in our success.

Your Company enriched our workplace culture with regular social events and educational webinars. Our HR policies are regularly updated to reflect the latest industry standards, ensuring we remain a top choice for professionals. As we step into FY25, we maintain a dedicated team of 563 employees and are deeply committed to sustaining a supportive and positive work environment. Your Company's attrition rate declined in FY24 as compared to the previous year.

"Success is not in what you have, but what you are." - Booker T. Washington

Brand Power: Stronger than Ever

In FY24, your Company celebrated its 30th anniversary, marking this momentous milestone by significantly enhancing our presence within the industry. Throughout the year, we organised a series of high-profile 'CareEdge Conversations' events that brought together distinguished leaders from both the government and private sectors. These gatherings were not merely events but served as pivotal platforms for substantial discourse and exchange of ideas. We actively engaged in 26 webinars and participated in 110 speaker and knowledge-sharing forums, underlining our dedication to fostering dialogue and disseminating knowledge.

Our knowledge partnerships with leading media outlets such as ET NOW and CNBC TV18 played a crucial role in amplifying our visibility and influence, ensuring that our insights and expert analyses reached a wide audience. These partnerships enabled us to feature prominently across various media platforms, from print to digital and broadcast, highlighting our forums and the cutting-edge insights shared therein.

This year, the power of our brand was more pronounced than ever, driven by our core pillars of Group Impetus, People, Technology, and Branding & Visibility. We created enriching experiences for our stakeholders, pushing the boundaries of innovation and excellence in service. Through these efforts, we not only strengthened our market position but also deepened the trust and relationships with our stakeholders, setting a strong foundation for future growth and impact.

"Start where you are. Use what you have. Do what you can." - Arthur Ashe

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) and the Indian Banks Association (IBA). In FY24, SEBI issued the master circular for Credit Rating Agencies (CRAs) which was a compilation of all the circulars issued by SEBI earlier and restricted the applicability to only listed securities. RBI then communicated that the SEBI guidelines as applicable to securities would apply mutatis mutandis to bank loan ratings, short-term non-convertible debentures and commercial papers and also issued a guidance note clarifying various matters. SEBI also issued circulars on disclosures w.r.t Issuers Not Cooperating, online dispute resolution, disclosure to debenture trustees and detailed guidelines for ESG Rating Providers.

CareEdge Ratings is committed to remaining compliant with all the regulations on the back of adequate control mechanisms and various technology-led initiatives.

"Endurance is not just the ability to bear a hard thing, but to turn it into glory."- William Barclay

Opportunities

Despite challenges from geopolitical uncertainties, weak external demand and weather-related irregularities, the Indian economy exhibited resilience. The GDP growth for FY24 was at 8.2%. While retail inflation moderated, food inflation persisted at elevated levels. The Reserve Bank of India maintained the policy repo rate at 6.5% throughout the year while maintaining a vigil over high food inflation and volatile crude oil prices.

Several high-frequency indicators are pointing towards continued momentum in economic activity. Rural demand is expected to improve supported by prospects of a normal monsoon. This is a positive for the broad-based recovery in the consumption scenario. The government has remained at the forefront of the investment scenario. Going ahead, the improving private sector intent to invest as reflected by high new investment project announcements could be an indication of pick up in the private capex cycle. The rise in manufacturing sector capacity utilization above the long-term average also bodes well for an eventual rise in the private capex. Overall, the economy remains well-placed with GDP growth projected at around 7% in FY25.

Threats

The main threats to operations are identified and mitigation measures are put in place. Some of these are elaborated below:

Operational Risks

Operational risks encompass people, process, fraud and technology risks. These have all been addressed by your company with appropriate measures.

Mitigants

- Talent is harnessed with continuous training for enhancing skills and creating a healthy environment for everyone so that we attract and retain the right talent.
- The Ratings Operations manual provides a rigorous SOP to be adhered to while executing an assignment with periodic audits to ensure compliance.
- Our comprehensive Code of Conduct addresses issues of fraud and maintenance of confidentiality is ingrained in every employee at the time of joining the organisation and buttressed through the year in various sessions organised by the senior Group Heads.
- CareEdge Ratings has in place a comprehensive IT security policy to address risks involving significant security breaches, and breakdowns in computer systems and network infrastructure. We employ security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for the identification and assessment of potential vulnerabilities and use encryption technology for transmitting and storing critical data.

Business Risk

While the overall growth of the economy was healthy in FY24, 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 FY25 to sustain the growth momentum generated over the last two years.

Mitigants

Your Company have 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 FY24, revenue contributions from our non-rating businesses have increased to 10% from 6% in FY23.

In addition to economic risks, there are various business risks we encounter. These include competition within the industry, challenges in accessing relevant information, uncooperative issues, 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 limited 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 on 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.

Market Intelligence Risk

Market Intelligence risk encompasses our capacity to accurately anticipate and identify the deteriorating ability of companies to meet their debt obligations, thereby providing early warning signals. Effectively managing this risk is crucial as any default, particularly in the case of market instruments such as bonds, can have a significant impact on individual investors and potentially tarnish the reputation of our firm.

Mitigants

We are working towards strengthening our market intelligence systems to ensure that we are ahead of the curve.

Market Risk (Investment)

We run the risk of our investment portfolio being affected by changes in interest rates as we do have a sizeable investment portfolio.

Mitigants

Here, we do have a very conservative investment policy, which concentrates more on preserving the shareholders' assets by balancing risk with returns.

Compliance and Other Related Risks

Compliance and other related risks arise due to the regulatory structure in which we operate.

Mitigants

CareEdge Ratings' software interface maps the entire workflow in the rating process, affixing 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.

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 legal risk arising from companies not being satisfied with our ratings is possible and we 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.

The new transformative agenda, which emphasises the Group approach, will help to mitigate to an extent any threat to the rating business.

Governance and Oversight

The majority of the Directors in your Company'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 all through 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.

Financial Performance

The table below gives salient features of the performance of CareEdge Group at the consolidated level

(Rs in Crore)

Details	For the year ended		Growth
	March 31, 2024	**March 31, 2023**	**(in %)**
Income			
Revenue from operations	331.68	278.99	18.89%
Other income	46.69	37.94	23.07%
Total Income (A)	**378.37**	**316.93**	**19.39%**
Expenses			
Employee costs	164.58	133.94	22.87%
Depreciation, amortization & impairment	10.48	16.24	(35.43%)
Finance costs	1.71	1.00	70.93%
Other costs	54.97	40.00	37.41%
Total Expenses (B)	**231.75**	**191.18**	**21.22%**
Profit Before Tax (A-B)	**146.63**	**125.75**	**16.61%**
Taxes	44.07	40.29	9.38%
Profit After Tax	**102.56**	**85.46**	**20.02%**

Ratios	FY 2023-24	FY 2022-23
Debtors Turnover (in times)	14.75	13.69
Current Ratio (in times)	8.57	10.41
Inventory Turnover	NA	NA
Interest Coverage Ratio	NA	NA
Debt Equity Ratio	NA	NA
Operating Profit Margin (%)	33.81%	37.65%
PAT Margin (%)	27.11%	26.96%
Return on Net worth (%)	14.15%	12.43%

(Rs in Crore)

Details	March 31, 2024	March 31, 2023	Growth%
Property, plant, equipment, Right to use assets, Goodwil and Intangible assets	143.22	137.79	3.94%
Less accumulated depreciation	34.40	24.80	38.70%
Less Impairment on intangible assets	-	5.71	N.M.
Net Block	**108.82**	**107.28**	**1.43%**
Depreciation as % Total income	2.77%	3.32%	
Accumulated depreciation as % gross block	24.01%	18.00%	

(Rs in Crore)

Details	As at March 31, 2024	As at March 31, 2023	Growth %
Non-Current Investments			
Investments in Equity instruments (Unquoted)	24.93	24.93	N.M.
Investment in Tax-Free Bonds	18.89	18.98	(0.47)%
(A) Total	**43.82**	**43.91**	**(0.20)%**
Current Investments & Treasury			
Investment in Mutual Funds & Bonds (Quoted)	22.95	30.06	(23.65)%
Cash and Bank Balances	8.28	7.27	13.89%
Fixed Deposits/Liquid funds	606.09	537.12	12.84%
(B) Total	**637.32**	**574.45**	**10.94%**
Grand Total (A) + (B)	**681.14**	**618.36**	**10.15%**

The Group's trade receivables are presented below:

(Rs in Crore)

Details	As at March 31, 2024	As at March 31, 2023	Growth %
Ratings & other services (Net)	15.19	15.32	(0.85%)
Non-Ratings	7.30	5.07	43.98%
Total	**22.49**	**20.39**	**10.30%**

The table below gives salient features of the performance of CareEdge at the Standalone level

(Rs in Crore)

Details	For the year ended		Growth
	March 31, 2024	March 31, 2023	(in %)
Revenue from operations	283.07	248.84	13.76%
Other income	46.96	37.10	26.58%
Total Income (A)	**330.03**	**285.94**	**15.42%**
Expenses			
Employee costs	125.12	104.03	20.27%
Depreciation, amortization & impairment	11.15	13.77	(19.03)%
Finance costs	1.48	0.70	111.43%
Other costs	30.41	29.30	3.79%
Total Expenses (B)	**168.15**	**147.80**	**13.77%**
Profit Before Tax (A-B)	**161.88**	**138.14**	**17.19%**
Taxes	42.44	34.34	23.59%
Profit After Tax	**119.44**	**103.80**	**15.07%**

Ratios	FY 2023-24	FY 2022-23
Debtors Turnover (in times)	19.25	16.38
Current Ratio (in times)	10.26	12.68
Inventory Turnover	NA	NA
Interest Coverage Ratio	NA	NA
Debt Equity Ratio	NA	NA
Operating Profit Margin (%)	45.06%	46.42%
PAT Margin (%)	36.19%	36.30%
Return on Net worth (%)	15.73%	14.94%

(Rs in Crore)

Details	March 31, 2024	March 31, 2023	Growth%
Property, plant, equipment etc	122.49	118.43	3.43%
Less accumulated depreciation	29.51	21.86	35.00%
Less Impairment on intangible assets	-	5.72	N.M.
Net Block	**92.98**	**90.85**	**2.34%**
Depreciation as % Total income	2.32%	2.82%	
Accumulated depreciation as % gross block	24.09%	18.46%	

(Rs in Crore)

Details	As at March 31, 2024	As at March 31, 2023	Growth %
Non-Current Investments			
Investments in Equity instruments (Unquoted)	89.91	93.21	(3.54)%
Investments in Preference shares	20.50	-	N.M
Investment in Tax-Free Bonds	18.89	18.98	(0.47)%
(A) Total	**129.30**	**112.19**	**15.25%**
Current Investments & Treasury			
Investment in Mutual Funds & Bonds (Quoted)	22.95	30.06	(23.65)%
Cash and Bank Balances	4.33	5.15	(15.92)%
Fixed Deposits/Liquid funds	563.33	499.87	12.70%
(B) Total	**590.61**	**535.08**	**10.38%**
Grand Total (A) + (B)	**719.91**	**647.27**	**11.22%**

Trade receivables are presented below:

(Rs in Crore)

Details	As at March 31, 2024	As at March 31, 2023	Growth %
Ratings & other services (Net)	14.71	15.19	(3.16)%
Non-Ratings	-	-	-
Total	**14.71**	**15.19**	**(3.16)%**

"Do not go where the path may lead, go instead where there is no path and leave a trail." - Ralph Waldo Emerson

Our View on FY25

As we move into FY25, the Indian economy showcases continued momentum as seen in the performance of several high-frequency indicators. Rural demand which has remained tepid in the last fiscal is expected to improve supported by expectations of normal monsoon. This is likely to aid in a broad-based recovery in the overall consumption scenario.

Additionally, the easing in CPI inflation comes as a positive for the consumption scenario. Though the elevated prices of select food items continue to pose a challenge, the supply-side interventions by the government and the expected normal monsoon could aid in alleviating these price pressures.

On the investment front, the government has remained committed towards capex-led growth, even while private capex has been slow. However, increasing private sector investment announcements and capacity utilisation levels rising above the long-term average signal encouraging prospects for the private capex cycle.

On the external front, merchandise exports are expected to improve gradually following a weak performance last year. Strong performance in the services exports is expected to keep India's current account deficit manageable at around 1% of GDP in FY25. Healthy foreign portfolio investment inflows are expected to continue gaining from India's inclusion in global bond indices. Overall, India's external vulnerabilities remain limited aided by a comfortable current account position and ample foreign exchange reserves.

To summarise, despite several domestic and global headwinds, India's economic fundamentals remain positive with growth projected at around 7% in FY25. Furthermore, India gains on the back of a comfortable external position. However, challenges from weather-related uncertainty, geopolitical tensions and volatile commodity prices remain the key monitorable going forward. Overall, the Indian economy is well-positioned to continue its path of recovery and growth, leveraging its strengths while navigating the challenges.

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 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 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 2023-24	Ratio of Remuneration of each Director/ to median remuneration of employees
1	Mr. Najib Shah Independent Director	119%	2.78:1
2	Mr. V. Chandrasekaran Independent Director	35%	1.97:1
3	Mr. Adesh Kumar Gupta Independent Director	36%	1.93:1
4	Ms. Sonal Desai Independent Director	41%	1.74:1
5	Dr. M Mathisekaran Independent Director	60%	1.66:1
6	Mr. Gurumoorthy Mahalingam* Independent Director (w.e.f. November 21, 2022)	NA	NA
7	Mr. Sobhag Mal Jain* Non-Executive Non-Independent Director (w.e.f. January 28, 2023)	NA	NA
8	Mr. Mehul Pandya Managing Director & Group CEO	1%	27.59:1
9	Ms. Nehal Shah Company Secretary & Compliance Officer	2%	9.51:1
10	Mr. Jinesh Shah Chief Financial Officer	7%	7.15:1

* Remuneration received in FY 2023-24 is not comparable with remuneration received in FY 2022-23 as it was for part of the year and hence not stated

2) The percentage increase in the median remuneration of employees in the Financial Year 2023-24:

The median remuneration of employees of the Company during the financial year 2023-24 was Rs 13,00,020/-. The percentage increase in the median remuneration of employees in the financial year stood at 15.56% compared to the financial year 2022-23.

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 2023-24 over FY 2022-23 was 10.36% for employees, excluding the KMP's. In comparison, the average increase in remuneration of KMPs during the same period was 3.13%.

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

As of March 31, 2024, there were 563 full time employees compared with 517 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 Report

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	investor.relations@careedge.in
7	Telephone	022-67543456
8	Website	https://www.careratings.com
9	Financial year for which reporting is being done	2023-24 (April 1, 2023 - March 31, 2024)
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 29,85,21,130
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 022-67543456 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	NA
15	Type of Assurance obtained	NA

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	Providing credit ratings including Debt ratings, Bank Loan Ratings, Issuer Ratings, Securitisation Ratings and Expected Loss Ratings	94.52%

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	94.52%

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 currently operates with 10 branches across 7 states.
International (No. of Countries)	The Company undertakes overseas operations through its subsidiary companies in Mauritius and Nepal.

b.	What is the contribution of exports as a percentage of the total turnover of the entity?	0.08%
c	A brief on type of customers	The Company is a credit rating agency based in India. It provides credit ratings, research, and risk advisory services across various sectors such as corporate, financial institutions, banks, MSMEs, and public sector entities. CARE Ratings assesses the creditworthiness of entities by evaluating their financial performance, industry dynamics, and macroeconomic factors to provide insights into their ability to meet financial obligations.

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)	563	357	63%	206	37%
2	Other than Permanent (E)	35	7	20%	28	80%
3	Total employees (D+E)	598	364	61%	234	39%
Workers						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total workers (F+G)	NA	NA	NA	NA	NA

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	0.00	0	0.00
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D+E)	0	0	0.00	0	0.00
Differently Abled Workers						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total differently abled workers (F+G)	NA	NA	NA	NA	NA

21 Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	13%
Key Management Personnel	3	1	33%

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

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23.25%	23.90%	23.50%	31.00%	23.00%	28.00%	43%	41%	42%
Permanent Workers	NA			NA			NA		

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	CARE Ratings (Africa) Private Limited	Subsidiary	78%	No
4	CARE Ratings Nepal Limited	Subsidiary	51%	No
5	CARE Ratings South Africa (Pty) Ltd (incorporated from October 25, 2023)	Subsidiary	78%	No

Note: The list includes only the subsidiaries of the listed entity (CARE Ratings Limited) & not the step-down subsidiaries

VI. CSR Details

24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii) Turnover (in Rs)	Rs 283 crores
	(iii) Net worth (in Rs)	Rs 759 crores

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 2023-24 (Current Financial Year)			FY 2022-23 (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
The list of the stakeholders Communities	All the community related grievances are handled by the NGO Partners. The suggestions / solutions to mitigate the problem are then communicated to the community. Based on mutual agreement, the action plan is executed.	0	0	None	-	-	-
Investors (other than shareholders)	Yes - https://www.careratings.com/investors-contact	1	0	None	3	0	None
Shareholders	Yes - https://www.careratings.com/investors-contact	0	0	None	1	0	None
Employees and workers	Yes - https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679040341_Whistle%20Blower%20Policy.pdf	0	0	None	0	0	None
Customers	Yes - https://www.careratings.com/contactus	9	0	None	11	0	None
Value Chain Partners	Yes - https://www.careratings.com/contactus	0	0	0	0	0	None
Other (Total)	Yes - https://www.careratings.com/contactus	0	0	None	1	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	Ethics and Anti-Corruption	Risk	1. We have ensured strong ethical business culture and undertaken measures to have effective risk management such as a Board approved Risk Management Framework and the Risk Management Process. 2. Important in enhancing long-term value creation with stakeholders. 3. Critical in the successful running of the company	• 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.	**Positive:** Good governance practices imply a better response to a constantly changing environment.
2	Transparency, Accountability & Reporting				
3	Human Rights Practices	Risk and 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 the community. **Opportunity:** The presence of a Code of Conduct and a strong redressal mechanism outlines the Company's commitment to Human Rights protection	The Company remains committed to respecting and protecting Human Rights. The Company's Code of Business Conduct & Ethics and the Human Resource Practices cover most of these aspects. The Company does not hire child labor, forced labor, or involuntary labor. The Company treats all its employees at parity.	**Positive:** Comprehensive alignment of Human Rights principles in accordance with the guiding principles of national and international Human Rights standards amplifies the Company's performance in the social aspect as well as reflects its commitment towards human rights integration within the Company's business model.

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)
4	Risk Management	Risk	**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.	**Positive:** Compliance with relevant regulatory requirements pertaining to the rating domain reflects the Company's commitment to responsible business practices. **Negative:** Noncompliance with the regulatory requirements, may affect the Company's image and impact its business continuity in the long term.

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	Employee Practices and Benefits	Risk and Opportunity	**Risk:** Talent management parameters such as acquisition, retention and development are intrinsically linked to workforce welfare. The inability to meet the workforce expectations may impact the Company's retention rate and affect the Company's business continuity due to the criticality of the workforce as a part of the business's growth plan. **Opportunity:** The company's efforts towards workforce welfare and development directly conveys its resolute commitment towards the upliftment of the most integral asset.	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 responsibility 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 a facility.	**Positive:** A strong workforce with a high retention rate highlight the Company's efforts towards creating a conducive work environment in addition to creating a positive approach towards workforce development **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.

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)
6	Technological Innovations	Opportunity	Innovation in technology enables the company to streamline operations, automate processes, and boost overall efficiency		**Positive:** Innovation opens up new markets, developing products or services that cater to emerging trends or addressing unmet needs and gives a competitive advantage
7	Diversity, Equity & Inclusion	Opportunity	Diverse teams are more likely to consider a wider range of viewpoints and perspectives when making decisions		**Positive:** Company that values diversity, equity, and inclusion fosters a sense of belonging and psychological safety among employees. When individuals feel respected, valued, and included, they are more likely to be engaged, motivated, and satisfied in their roles

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 policies of the Company are developed and aligned to applicable legal requirements, guidelines and the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended from time to time). The Company has aligned 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), as amended.								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Environment** • Creating a separate ESG Rating subsidiary to provide specialised ESG grading • Diligently monitor direct & indirect emission sources to analyse trends on regular intervals • Identify boundary for Scope 3 emission, and monitor the same from the next reporting year **Social** • Support CSR programs aligned to our CSR policy around community development, women empowerment, healthcare & education • Manage Talent – Ensure that we contain the loss of Talent at the Leadership Level (upto one down to the 2 ED's and those featured as "hi-po's" in the Talent Book. Retaining 80% of the names featuring in the Talent Book, within Boxes 1, 2 and 3, will constitute Low Risk • Rate of Attrition – Maintaining current attrition rate at company level - between 20-25%. In the current market these are acceptable benchmarks, that have been agreed with Company Management • Continuous development of human capital through trainings & regular interactions								

5	Specific commitments, goals and targets set by the entity with defined timelines, if any. *(continued)*	**Governance** • 100% utilization of funds with strict governance around utilization by NGOs • Succession Planning – As part of the exercise which is undertaken while preparing the Talent Book, ensure that successors are identified for each of the critical positions – particularly for the key verticals of Analytics and Business Development (BD) • Ensure adequacy of resources for the Analytics (Analyst & GH population) and BD team: Anything which is higher than a 10% deficit is to be flagged off as "Medium Risk". Weekly tracking for the Analytics business by the CRO with the Talent Acquisition Team and on a bi-weekly basis with the ED-BD and the Talent Acquisition Team. Self-tracking by HR additionally helps to ensure that we mitigate this key business risk • Recruitment TAT: For at least 85% of the replacement hiring, the TAT needs to be at the agreed levels, to mitigate this key business risk
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	**Environment** • CARE ESG Ratings Ltd. created as a 100% subsidiary of Care Rating • Fuel, electricity, data diligently monitored on year-on-year basis. A reduction in total GHG emissions is observed as compared to last year **Social** • Multiple CSR programs were successfully implemented via partner NGOs • A reduction of 16% in attrition rate is observed as compared to last reporting year • AI program CareEXA launched last year is being successfully implemented to improvise day-to-day working experiences and build a better culture for everyone • Mid-Year Appraisal (MYA): system-based MYA provided opportunities to employees and supervisors to recognise and reflect their achievements in the first half of the year, as well as focus on key areas • Employee Engagement Survey: system based, wholly anonymous employee engagement survey was administered during Nov 2023. **Employee Engagement Score was 3.71 out of 5**. This was the first year of conducting the survey, and the score was above average, which was a good indicator. Areas like Workload Management and Employee Engagement & Wellness emerged as areas where greater focus was needed • 22 senior employees were trained over 2 days on "Winning and Influencing Stakeholder Engagements" (WISE), with special emphasis on "Elevator Pitches". The custom design program was conducted in person by world renowned communication expert • First lot of the "brightest young talents", being chosen for LTIP **Governance** • 100% utilization of funds with strict governance around utilization by NGOs • A unique learning intervention (BLEND) was developed for those in the Business Development vertical, covering topics such as precise communication, negotiation skills, pitching the brand etc • "9 Box – Performance vs Potential Grid" was used to identify strong performers and future leaders. These have since been used for discussions for elevations to higher positions of responsibility. At the same time a separate exercise was conducted to identify the 20 most critical positions within the Company, and to identify potential successors

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)	There is a notable growth in the businesses of the company as well as the subsidiaries as they're bringing in top clients for the purpose of expansion in new markets with appropriate products. There has been a surge in accountability towards ESG in the coming years. It provides an opportunity to create a more sustainable business which will act as a key determinative for improving relevancy and trust among the organization's stakeholders. The company's operating philosophy has always considered social and environmental responsibility. Hence, the company's CSR initiatives have created a deep relationship which is further reflected in the communities with whom the company engages with. We were involved in multiple initiatives in the field of education, provision of health facilities, local area development & provision of livelihood of the underprivileged. We engage with our employees to provide challenging, inclusive, dynamic and diverse work environment that leads to their professional development and also promotes good work-life balance. This helps to improve the overall health and wellness of employees. The company promotes strong administration, transparency and risk management at all levels of our organization. This has helped guarantee long-term preservation of value for our business.
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Corporate Social Responsibility & Sustainability Committee along with the Board of the Company are responsible for the implementation and oversight of the Business Responsibility policy(ies).
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 authorized the Corporate Social Responsibility & Sustainability Committee to review the ESG/Sustainability matters of the Company, including initiatives and reporting sustainability performance and oversee the implementation of business responsibility policies. To aid the Board to discharge its responsibility effectively, the Committee represents the Board in defining the Company's strategy relating to ESG matters and the Committee meets at regular intervals to evaluate the environmental, social and economic performance of the Company and continues to strengthen the efforts on the sustainability-related issues.

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 policies are assessed periodically. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies & procedures are implemented									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The status of compliance with all applicable statutory requirements is reviewed on a quarterly basis by the Board. Quarterly Compliance Certificate on applicable laws is provided by respective department heads and placed before the Board.									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 policies are evaluated/ reviewed internally by the respective departments at defined intervals.								
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 Directors are regularly updated by the Management on significant developments concerning the company, industry, business model, risk metrics and mitigation measures. An induction session is arranged for every Independent Director, on his/her appointment to the Board of Directors. The induction session, amongst others, includes an overview of the Company, its vision and mission, the industry in which it operates, its business strategies, risk management, ESG initiatives, Code of Conduct for Prevention of Insider Trading, Code of Conduct for Directors and Senior Management, Corporate Governance, changes in the regulatory environment as applicable and the roles and responsibilities as a member of each Committee and Board		
Key Managerial Personnel	2	POSH Training & Impactful Communication	100%
Employees	60+	Functional trainings like – How to write a rating note, how to rate companies, Criteria based training programs etc and behavioural trainings like- Impactful Communication, Leadership trainings for First Time Managers, Time management, Overcoming Procrastination etc	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 Rs)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		Nil
Settlement			Nil		Nil
Compounding fee			Nil		Nil

Non- Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In Rs)**	**Brief of theCase**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil				NA
Punishment	Nil				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	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.	Yes, the Company has a Code of Conduct that explicitly prohibits any form of corruption or bribery, emphasizing integrity and ethical behaviour within the organization. It applies to the Directors, Senior Management, and Employees of the company. This Code of Conduct is circulated to all the employees at the beginning of the financial year and to the new employees at the time of their induction. Each employee and Director are required to confirm his/ her acceptance of the Code of Conduct.

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 2023-24 (Current Financial Year)	FY 2022-23 (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 2023-24 (Current Financial Year)		FY 2022-23 (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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	50 days	52 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 2023-24 (Current Financial Year)	FY 2022 - 23 (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
Shares of RPTs in	a. Purchases (Purchases with related parties/ total purchases)	0.75%	0.74%
	b. Sales (Sales to related parties/ total sales)	0.01%	NA
	c. Loans & advances (Loans & advances given to related parties / total loans and advances)	90.91%	93.03%
	d. Investments (Investments in related parties / total investments made)	15.85%	38.77%

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
None	NA	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 manages Conflict of Interest through various mechanisms such as "Policy on Firewall between the Company and its group entities" and "Code of Conduct for the Board and Senior Management". Further, the Board Members and KMPs confirm that there were no material, financial or commercial transactions, where they have interest that may have any potential conflict with the interest of the Company, at the beginning of every financial year and as and when there is any change in such interest. The Directors do not participate in agenda items at the Board/Committee Meetings in which they are interested or deemed to be an interested party.

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

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	Since we are into service industry, and understanding the nature of our business, R&D & Capex is not applicable		
Capex			

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b. If yes, what percentage of inputs were sourced sustainably?

We source all our materials through local vendors, though considering the business activities of the Company, this question has limited applicability. As a rating agency, our resource use is mainly limited to electricity, office supplies and communication or IT equipment. Despite the limited scope, we ensure responsible sourcing of all our office requirements.

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)	Given the nature of the business, this point 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 contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	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 2023-24 Current Financial Year	FY 2022-23 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:

	Recycled or re-used input material to total material					
	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled (MT)	Safely Disposed
Plastics (including packaging)	The company provides rating services to its customers and does not manufacture any products, hence this point is not applicable					
E-waste	The Company has a pending litigation, due to which no E-waste can be sold off. Once this is resolved, the same would be disposed off safely to authorised e-waste recycler.					
Hazardous waste	NA					
Other waste	The Company safely disposes of other waste (food & wet).					

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
Given the nature of the business, this point is not applicable to the Company	

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	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	357	357	100%	357	100%	NA	NA	357	100%	0	0
Female	206	206	100%	206	100%	206	100%	NA	NA	0	0
Total	563	563	100%	563	100%	206	100%	357	100%	0	0
Other than Permanent employees											
Male	7	7	100%	7	100%	NA	NA	7	100%	0	0
Female	28	28	100%	28	100%	28	100%	NA	NA	0	0
Total	35	35	100%	35	100%	28	100%	7	100%	0	0

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

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	1.14%	1.08%

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

Benefits	FY 2023-24			FY 2022-23		
	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	563	0	Y	517	0	Y
Gratuity	563	0	Y	517	0	Y
ESI	8	0	Y	14	0	Y
Others - Please specify	0	0	NA	0	0	NA

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	Most of our offices are located in commercial premises with differently-abled friendly provisions like ramps at entrances, braille in lifts, DA washrooms, etc, and all the required safety & security systems to ensure safety of the 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 under the Rights of Persons with Disabilities Act, 2016. The policy is available for our employees on the intranet.

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 a Whistle Blower Policy which establishes the necessary mechanism for employees to report to the management, concerns about unethical behaviour, actual or suspected fraud, and violation of the Company's Code of Conduct or ethics policy. The Company has many channels of communication, including grievance redressal mechanisms, for stakeholders to communicate their expectations and concerns. The policy is available on the company 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 2023-24			FY 2022-23		
	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	The company acknowledges the right to freedom of association as stipulated by the laws of the land. However, we do not recognize any employee association/union.					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8 Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	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	357	164	45.94%	349	98%	314	282	90%	266	85%
Female	206	92	44.66%	202	98%	203	196	97%	178	88%
Total	563	256	45.47%	551	98%	517	478	92%	444	86%
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%

*3 female employees could not participate in the health & safety and skill upgradation training during FY 23-24, due to their entry into the organization post the training dates.

** No trainings were conducted in Chennai & Hyderabad office, since the offices were under renovation. Hence a reduction in % of health & safety training attendance is observed as compared to last year

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

Category	FY 2023-24*			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	357	334	94%	314	280	89%
Female	206	189	92%	203	186	92%
Total	563	523	93%	517	466	90%
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	0	0	0	0	0	0

*23 male employees and 18 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?	Fire safety drills are conducted by the building owners since most of our offices are part of commercial buildings In addition, there were dedicated in-house fire safety training and evacuation drills conducted by the external experts. Fire audits across locations were also diligently carried out. Periodic cleaning & maintenance of water purifiers were carried out. Additionally, there are no occupational health and safety risks considering the nature of the business. The company continues to prioritize employee well-being and psychological safety. Our HR division also has been organizing in-house events to create a healthy 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?	Given the nature of business, this is not applicable to us. However, the Company continuously strives to identify any potential hazards and improve on workplace safety with measures like Fire/Smoke Sensors, Access Control, CCTV, 24-hour Security, etc.
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 are covered under the Company's health insurance and personal accident insurance.

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

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities	Employees		
	Workers		

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 2023-24 (Current Financial Year)			FY 2022-23 (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 conducted on health & safety practices and safe working conditions.
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 provides its employees with, personal accident cover, future service gratuity liability in addition to medical insurance. Benefits like provident fund, gratuity, etc., are settled on a priority basis.
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 takes great care to ensure that the statutory dues applicable are deducted and deposited by the value chain partners. All supply chain partners must adhere to it in every way in order to support business responsibility principles and ideals of 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:

	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 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
Employees	Given the nature of the business, this point 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 believes in hiring well-qualified talent on merits and continuously upskills the workforce to align with the changing business environment. In light of this, the need for these transition assistance programs is not envisaged currently.

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	As part of our commitment to integrating Environmental, Social, and Governance (ESG) principles into our operations, our company conducted materiality assessments in the previous fiscal year to enhance stakeholder relationships and foster sustainable growth. The stakeholder engagement mechanism continues to flourish through regular healthy interactions and resolving any queries as and when encountered. The key internal and external stakeholder groups identified by the Company as part of the engagement mechanism are - Investors/ shareholders, regulators, suppliers/vendors, Non-Governmental Organizations (NGOs), 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
1	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

2	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
3	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.
4	Industry Associations	No	Newsletters, websites, emails, webinars	Monthly or as deemed necessary by either party	Industry standards
5	Regulators/ Legislators	No	Emails, regular meetings with Regulators, Regulatory filling, correspondence & meetings	Periodic	Data security, regulatory updates
6	Communities	Yes	Community service events, surveys, emails, service campaigns, website	Ongoing	Access to education, employee engagement

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.	The stakeholder engagement and materiality assessment conducted during FY23 resulted in the prioritization of key issues, mapping out the corresponding risks for each significant topic, and devising subsequent risk mitigation measures. The primary outcome of the stakeholder engagement exercise was the identification and prioritization of material issues pertinent to environmental, social, governance, and economic aspects. The identified material issues were presented to the highest governing member and the Board for their feedback and guidance on strategizing the company's sustainable growth model. As part of our ongoing commitment to engaging with both internal and external stakeholder groups to identify key material issues affecting them, the stakeholder engagement exercise undergoes periodic review. Our objective is to create value for all our stakeholders. Our key stakeholders include employees, customers, partners and vendors, Government and regulatory bodies, as well as the community. We engage with these groups to understand their perspectives and address their requirements effectively. These ongoing engagements help us identify and monitor key economic, environmental, and social trends that can be incorporated into our overall business strategy. At the Company, the stakeholder engagement mechanism is a key driving force towards strengthening and broadening the stakeholder relationship, thereby aiding in the identification of key material issues impacting the Company's growth.
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 Our material issues were shortlisted based on their relevance to & effect on our internal & external stakeholders. These are crucial inputs whilst planning our goals & targets in areas of E-S-G. Ethics, human rights, transparency & accountability, Employee practices & benefits, Technological innovations, Diversity equity & Inclusion were the main material issues identified. 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.	CARE Ratings through their CSR initiatives, support themes like Education, Healthcare, Local Area Development and Sustainable Livelihood. Please refer Principle 8- leadership indicator 6 for details.

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

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 2023-24* Current Financial Year			FY 2022-23 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	563	558	99%	517	382	74%
Other than permanent	35	21	60%	34	29	85%
Total Employees	598	579	97%	551	411	75%
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

*3 permanent employees and 13 other than permanent employees could not participate in human rights training during FY 23-24, due to their entry into the organization post the training dates.

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 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										
Male	357	0	0%	357	100%	314	0	0%	314	100%
Female	206	0	0%	206	100%	203	0	0%	203	100%
Other than permanent										
Male	7	0	0%	7	100%	9	0	0%	9	100%
Female	28	0	0%	28	100%	25	0	0%	25	100%
Workers										
Permanent										
Male	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA

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	24,60,000	1	22,60,000
Key Managerial Personnel*	2	1,43,59,996	1	1,18,52,400
Employees other than BoD and KMP	355	14,61,000	205	11,75,974
Workers	NA	NA	NA	NA

* Remuneration to MD & CEO has been included in KMP

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Gross wages paid to females as % of total wages	28.82%	30.82%

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 formulated a Grievance Redressal in Employee Manual which states that the employees can address their complaints or grievances to the Human Resources department or to the Senior Management. There shall be no retaliation or reprisal taken against any employee or associate who raises concerns in accordance with the policy.
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 2023-24 Current Financial Year			FY 2022-23 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 2023-24 Current Financial Year	**FY 2022-23 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 believes in promoting employee well-being and providing a supportive environment to all employees and has guidelines on redressal mechanisms that are available internally for employees. For effective redressal of employee grievances, the Company has in place the Code of Conduct, Employee manual and the Whistle Blower Policy. The Company also has a Policy against Sexual Harassment at the workplace in adherence to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also on a periodic basis conducts training. 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
9	Do human rights requirements form part of your business agreements and contracts? (Yes/No)	The company includes clauses on human rights including anti child labour, anti forced labour and other requirements in the agreement and contracts as and when required.

10	Assessments for the year:	
		% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
	Child labour	100% (audited by the external consultant)
	Forced/involuntary labour	100% (audited by the external consultant)
	Sexual harassment	100% (Handled on a case-to-case basis, as soon as they arise)
	Discrimination at workplace	100% (The HR function is audited by Internal Auditors periodically)
	Wages	100% (The HR function is audited by Internal Auditors periodically)
11	Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.	NA

	Leadership Indicators	
1	Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.	The Company has upheld the basic principles of human rights in all its dealings. We regularly sensitize our employees on the Code of Conduct through various training programs. Training on POSH & Code of Conduct is mandatory for all new employees as a part of their induction process. Similar refresher trainings are conducted periodically, throughout the year.
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?	Most of our offices are located in commercial premises with differently-abled friendly provisions like ramps at entrances, braille in lifts, DA washrooms etc, and all the required safety & security systems to ensure safety of the 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	No assessment has been done, however, the Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings.
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 Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year) (Giga Joules)	FY 2022-23 (Previous Financial Year) (Giga Joules)
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)	5258	5382.26
Total fuel consumption (E)	177.32	90.3
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	5435.32	5473
Total energy consumed (A+B+C+D+E+F)	5435.32	5473
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations) (Turnover in millions)	1.92	2.19*
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	
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) - per employee	9.09	9.93

* The Company commenced its complete operations from Work-From-Office setup w.e.f April 1, 2022

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 independent assessment has been done	

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

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

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water (tanker)	-	-
(iv) Seawater / desalinated water	NA	NA
(v) Water from municipal corporation	-	-
(vi) Water Bottles / Aquaguard (Ltr X number of bottle) (KL)	200.92	224.22

	Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	NA	NA
	Total volume of water consumption (in kilolitres)	200.92	224.22
	Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (Turnover in millions)	0.07	0.09
	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	NA	NA
	Water intensity (optional) – per employee	0.34	0.41
	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 independent assessment has been done
4	Provide the following details related to water discharged:		

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater	NA	NA
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	NA	NA
No treatment		
With treatment – please specify level of treatment		
(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		NA

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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	We do not have any DG supply on a regular basis. In some of the premises, the DG set is used for a few hours for which we don't measure the above-mentioned parameters.		
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	NA

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

	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	12.77	6.48
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	443.71	516.75#
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent/Rs in million	0.16	0.21
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	NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – per employee	Metric tonnes of CO2 equivalent	0.76	0.95

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

Since data centres are outsourced, the emissions of the same are considered under Scope 3. Scope 2 emissions for FY23 are also revised accordingly.

	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 independent assessment has been done
8	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.	The Company operates as a credit rating agency, conducting business operations in office spaces without direct involvement with the environment. However, as we maintain a strong awareness of environmental considerations we do look at the impact companies have on the environment when doing our ratings assignments. The considerations with respect to Environment, Social and Governance aspects are an integral part of assessing credit risk and get addressed under various parameters in our sector methodologies, wherever relevant. For example, Environmental risk is a concern for polluting sectors like Chemicals and the Company would look at mitigation in the form of pollution control certifications, effluent treatment measures, etc. as part of the assessments done for arriving at the credit ratings.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	-	-
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
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)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
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)q	-	-
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	Nil	
(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	Nil	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Considering the nature of our operations, the hazardous & non- hazardous waste are not material issues for the company. However, the company is in the process of monitoring waste generation (though in minor quantities) and further having a robust disposal mechanism to minimise waste sent to landfill. On E-waste in particular, The company has a pending litigation, due to which no E-waste can be sold off. Once this is resolved, the same would be disposed off safely to authorised e-waste recycler.

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 external assessment has been done

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 the business, the Company does not use any hazardous or toxic chemicals in the business operations.

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 offices are a part of commercial buildings that are compliant with the necessary environmental laws.				

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	

Parameter	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (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	-	

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
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		
(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	NA	NA
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		NA

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (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 CO2 equivalent	602.13	664.36
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent/ Rs in million	0.21	0.27
Total Scope 3 emission intensity (optional) – per employee	Metric tonnes of CO2 equivalent/ employee	1.01	1.21
Since data centres are outsourced, the emissions of the same are considered under Scope 3.			
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 10 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	Energy conservation	Hand dryers, sensor taps and LED light fixtures	Sensor-based taps installed at offices help to reduce water consumption, while hand dryers in washrooms reduce paper/tissue usage. Furthermore, LED light fixtures installed throughout the offices contribute to lowering energy consumption.
2	Reduced paper usage	Implementing IT platforms to streamline processes and reduce paper consumption across all offices	Across all our offices, numerous processes previously reliant on manual documentation across various organizational functions have been transitioned to IT platforms to curtail paper usage. This shift has significantly reduced paper footprints, particularly among key members of the analytical and business teams who historically printed notes and circulated documents.
3	GHG Emission reduction	Virtual meetings are conducted across branch offices and with clients wherever possible	Virtual meetings have helped reduce our carbon footprint due to business travel. The same is currently not monitored, however, will be done in future.

5	Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.	Yes, the Company recognizes the importance of business continuity in its business and has put in place policies to ensure mission-critical operations continue in the event of an interruption.
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	Given the nature of the business, this point is not applicable
7	Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.	NA

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 a member and associated with 2 trade and industry chambers/ associations
	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

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
	Not Applicable	

Leadership Indicators

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

Participation in ACRAA involves working with other rating agencies in Asia to exchange views on rating and methodologies. The idea is to learn about the global best practices in rating and assessing changing trends. The Company regularly engages with the regulators and participates in regular dialogues which help them to promote enhanced standards for rating agencies. The Company is working with the regulators to develop the debt market and brings out studies and papers and holds seminars for the same to educate the participants and spread knowledge. Some of the stats are given below:

Total number of media coverages - 2310

Total number of opinion pieces - 26

Total TV interviews - 17

Total number of individual quotes - 837

Total number of Reports published - 329

Total Webinars - 26

Total KSFs (including speaker invites) - 110

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 Rs)
			NA			

3	Describe the mechanisms to receive and redress grievances of the community.	The CSR activity at our company is overseen by a dedicated team responsible for planning and executing various schemes aimed at making a positive impact on society. This team meticulously monitors the utilization of resources and facilities provided through CSR endeavors. In the event of any grievances, our NGO partners are responsible for addressing and resolving them promptly, ensuring effective communication and swift resolution.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	NA	NA
Semi-urban	NA	NA
Urban	18.5%	NA
Metropolitan	81.5%	100%

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 Rs)
1	Tamilnadu	Viruddhanagar	25.76 Lakhs

3	(a)	Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)	No, the Company does not have preferential procurement policy focusing on suppliers from marginalized/ vulnerable groups. The Company believes in an equal and fair opportunity for all vendors including marginalized/ vulnerable employees.
	(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	Supported kidney transplant surgeries- through Apex kidney foundation	3 kidney transplant surgeries supported	100% are marginalized beneficiaries
2	Nanhi Kali	434 girl children's education sponsored	
3	Heart surgeries through Prashanti trust	22 cardiac surgeries	
4	Healthcare for underprivileged kids with Type1 diabetes through Juvenile Diabetes Foundation	58 underprivileged kids	
5	Health kit for pregnant women through Kamarajar Education trust	750 women supported	
6	Sustainable livelihood & Entrepreneurship development of rural women- by Millet value chain enrichment & popularization project	60 women trained	
7	Paediatric cardiac surgeries- through Shri Sathya Sai Health & Education trust	7 paediatric cardiac surgeries	
8	Land for Tillers Freedom (LAFTI)- Economic development of farmers Skill development of marginalised women & rural young people for economic empowerment	About 100 beneficiaries	
9	Golden hour foundation	Cardiac speciality ambulance	
10	Paraplegic re-hab centre- Funds for automatic wheelchair	15 wheelchairs	
11	Little More Foundation- Pallitative care & Occupational therapy for cancer patients & their relatives of Tata care	600+ (New and follow up patients)	
12	LeapForword	Listening product of young adults to learn English	
13	Abhyasika- Through Seva sahyog trust	3 Study centres in & around Mumbai for 85+ students 1400+ students benefitted from the book bank	
14	Fine Arts Society	Funded equipment for lighting facility of Auditoriums	NA

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:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
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	9*	0	NA	11	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, A Privacy Policy has been implemented which provides support and management direction and documents how Information Security is managed throughout the Company. It outlines the appropriate measures through which the Company will facilitate the secure and reliable flow of information, both within the Company and externally. The policy sets out the principles and an overarching framework for Information Security. It also details the supporting policies and guidelines, which will address the aspects of security. The link to access 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		No, the company has not received any case filed against the company for cyber security and data privacy of customers, irresponsible advertising and/or anti-competitive behaviour during the current financial year and pending as of 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 complies with all disclosure requirements for its product and services and the website https://www.careratings.com is a reservoir of such information and knowledge. The criteria and methodology used to assign ratings are available on the website in great detail for various support. Each press release also specifies an applicable list of criteria for rating. The rationale provided explains the reason for the rating. All changes in ratings are clearly spelled out in the relevant section. Yes, the company seeks feedback from its clients on a regular basis. Detailed surveys are carried out periodically in this context so that it provides inputs to the management to focus on areas where improvement is required.

ANNEXURE - VI

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the 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, 2023 to March 31, 2024 (Same as that of Holding Company)	
		As on March 31, 2024	**As on March 31, 2023***
	Share Capital (includes Instruments entirely equity in nature of 20,50,00,000)	69,79,77,300	49,29,77,300
	Reserves and Surplus	(61,87,12,003)	(40,45,16,000)
	Total Assets (Non-Current Assets + Current Assets)	41,51,57,190	31,91,77,423
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	33,58,91,893	23,07,16,123
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	33,90,13,518	17,91,49,274
	Profit/(Loss) before Tax	(23,07,74,005)	(20,01,62,735)
	Provision for Taxation Tax Expenses (Deferred Tax)	-	(4,44,78,514)
	Profit/(Loss) after the Tax	(23,07,74,005)	(24,46,42,249)
	Proposed / Interim Dividend (including Dividend Tax)	-	-
	% of shareholding	100%	100%

*Pursuant to business transfer agreement entered between CARE Analytics and Advisory Private Limited and CARE ESG Ratings Limited, financial statements of CARE Analytics and Advisory Private Limited for FY2023 have been restated.

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, 2023 to March 31, 2024 (Same as that of Holding Company)	
		As on March 31, 2024	**As on March 31, 2023**
	Share Capital	14,09,54,500	14,09,54,500
	Reserves and Surplus	(91,19,000)	(77,10,371)
	Total Assets (Non-Current Assets + Current Assets)	14,88,23,000	15,31,33,000
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	1,69,87,500	1,98,88,871
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	-	-
	Profit/(Loss) before Tax	50,73,000	(28,69,000)
	Provision for Taxation Tax Expenses (Deferred Tax)	(63,62,000)	(19,20,410)
	Profit/(Loss) for the Year	(12,89,000)	(47,89,410)
	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, 2023 to March 31, 2024 (Same as that of Holding Company)**	
		As on March 31, 2024	**As on March 31, 2023**
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	MUR Rs 1.7570/MUR	MUR Rs 1.7574/MUR
	Share Capital	2,63,01,565	2,63,01,565
	Reserves and Surplus	9,60,65,288	7,33,57,998
	Total Assets (Non-Current Assets + Current Assets)	13,79,04,534	11,07,98,924
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	1,55,37,680	1,28,44,239
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	10,30,74,266	7,83,37,015
	Profit/(Loss) before Tax	4,05,32,197	3,33,63,776
	Provision for Taxation Tax Expenses (Deferred Tax)	(66,71,242)	(58,73,313)
	Profit/(Loss) after the Tax	3,38,60,955	2,74,90,463
	Proposed / Interim Dividend (including Dividend Tax)	87,85,150	87,86,930
	% of shareholding	78%	78%

4.	Name of the Subsidiary	CARE Ratings South Africa (Pty) Ltd	
	Date since when subsidiary was acquired	**October 25, 2023**	
	Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period	**October 25, 2023 to March 31, 2024 (Same as that of Holding Company)**	
		As on March 31, 2024	**As on March 31, 2023**
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Africa Rand Rs 4.40774/ Africa Rand	
	Share Application Money pending alloted	40,35,436	-
	Reserves and Surplus	(32,78,913)	-
	Total Assets (Non-Current Assets + Current Assets)	7,56,523	-
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	-	-
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	-	-
	Profit/(Loss) before Tax	(33,31,403)	-
	Provision for Taxation Tax Expenses (Deferred Tax)	-	-
	Profit/(Loss) after the Tax	(33,31,403)	-
	Proposed / Interim Dividend (including Dividend Tax)	-	-
	% of shareholding	78%	-

5.	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, 2023 to March 31, 2024 (Same as that of Holding Company)	
		As on March 31, 2024	As on March 31, 2023
	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NPR1 Rs = 1.60 NPR	NPR 1 Rs = 1.60 NPR
	Share Capital	3,12,50,000	3,12,50,000
	Other Equity	6,74,47,105	6,42,23,671
	Total Assets (Non-Current Assets + Current Assets)	11,85,10,661	11,68,69,929
	Total Liabilities (Non-Current Liabilities + Current Liabilities)	1,98,13,556	2,07,23,528
	Details of Investments (excluding investments in subsidiary company)	-	-
	Turnover	5,00,39,138	4,81,49,058
	Profit/(Loss) before Tax	3,77,33,159	3,64,54,186
	Provision for Taxation Tax Expenses including Deferred Tax	96,00,122	91,66,354
	Profit/(Loss) after the Tax	2,81,33,037	2,72,87,832
	Proposed / Interim Dividend (including Dividend Tax)	2,50,00,000	65,78,948
	% of shareholding	51%	51%

1. Names of subsidiaries which are yet to commence operations : CARE Ratings South Africa (Pty) Limited and CareEdge Global IFSC Limited (incorporated on April 29, 2024)

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

For and on behalf of the Board of Directors of CARE Ratings Limited

Sd/-
Najib Shah
Chairman
(DIN-08120210)
Date: May 9, 2024
Place: Mumbai

Sd/-
Mehul Pandya
Managing Director & Group CEO
(DIN-07610232)
Date: May 9, 2024
Place: Mumbai

Sd/-
Adesh Kumar Gupta
Chairman-Audit Committee
(DIN-00020403)
Date: May 9, 2024
Place: Mumbai

Sd/-
Jinesh Shah
Chief Financial Officer
M. No.-117833
Date: May 9, 2024
Place: Mumbai

Sd/-
Nehal Shah
Company Secretary
M. No.- A18077
Date: May 9, 2024
Place: Mumbai

ANNEXURE – VII

CORPORATE GOVERNANCE REPORT

Company's philosophy on Corporate Governance

Corporate governance is about maximizing members value legally, ethically and on a sustainable basis. At CARE Ratings Limited ("CARE" or 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 interest 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 and office, 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, 2024 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 run in 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, 2024, in compliance of Regulation 17 of the Listing Regulations, the Board has an optimum combination of Executive, Non-Executive and Independent Directors. As on the date of this Report, the Board has Nine (9) Directors, of whom Seven (7) 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 therein 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, 2024 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 Directors databank.

Details of Directors as on the date of this Report 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 07, 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 09, 2024
Managing Director & Group CEO	Mr. Mehul Pandya	07610232	July 29, 2022

Mr. Sobhag Mal Jain was appointed as a Non-Executive Non-Independent Director on the Board w.e.f. January 28, 2023. His appointment was further approved by the Members of the Company through Postal Ballot on April 15, 2023, the results of which was declared on April 17, 2023.

$ Mr. Manoj Chugh was appointed as an Additional Director (in the category of Non-Executive Independent Director) w.e.f May 9, 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/1717682866_Familiarisation%20Programme%20for%20Non-Executive%20and%20Independent%20Directors.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 January 28, 2023 had appointed Mr. Sobhag Mal Jain (DIN:08770020) as an Additional Director (Non-Executive Non-Independent Director) of the Company and later, his appointment as a Non-Executive Non-Independent Director was approved by the Members of the Company through Postal Ballot, the results of which was declared on April 17, 2023.

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. Approval from Members of the Company for his appointment as an Independent Director, is being sought at ensuing Annual General Meeting of the Company.

At the ensuing Annual General Meeting ("AGM"), in accordance with the provisions of the Act, Mr. Sobhag Mal Jain, (DIN:08770020), Non-Executive Non-Independent Director 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 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 6 times during the financial year 2023-24 on May 11, 2023, August 9, 2023, September 30, 2023, October 31, 2023, January 24, 2024 and March 19, 2024. The maximum gap between two Board Meetings was not more than one hundred and twenty days.

Details of attendance for FY2024:

Name of the Director	No. of Board meetings held during the tenure of the director	No. of meetings attended	AGM held on July 28, 2023#	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	Chairman	Member	
Mr. Najib Shah	6	6	Yes	-	2	-	-	-
Mr. V. Chandrasekaran	6	6	Yes	5	1	4	6	• Tata Investment Corporation Limited- Non-Executive Independent Director • Grasim Industries Limited- Non-Executive Independent Director
Mr. Adesh Kumar Gupta	6	6	Yes	6	1	1	6	• Vinati Organics Limited- Non-Executive Independent Director • India Pesticides Limited- Non-Executive Independent Director • Grasim Industries Limited- Non-Executive Independent Director • Krsnaa Diagnostics Limited- Non-Executive 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 28, 2023#	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	Chairman	Member	
Mr. Gurumoorthy Mahalingam	6	6	Yes	8	1	2	5	• Infrastructure Leasing and Financial Services Limited - Non-Executive Director • IL&FS Financial Services Limited - Nominee Director • Life Insurance Corporation of India - Non-Executive Independent Director • City Union Bank Limited - Non-Executive Independent Director • Central Depository Services (India) Limited - Non-Executive Independent Director
Ms. Sonal Desai	6	6	Yes	2	1	-	2	Sharda Cropchem Limited - Non-Executive Independent Director
Dr. M. Mathisekaran	6	6	Yes	-	-	-	-	-
Mr. Manoj Chugh$	NA	NA	NA	-	-	-	-	-
Mr. Sobhag Mal Jain^	6	6	Yes	3	1	-	-	Choice International Limited - Non-Executive Independent Director
Mr. Mehul Pandya	6	6	Yes	3	-	-	-	-

was held through Audio/Video conference mode

$ Mr. Manoj Chugh was appointed as an Additional Director of the Company under the category Non-Executive Independent Director at the Board meeting held on May 9, 2024

^ Mr. Sobhag Mal Jain was appointed as an Additional Director under the category Non-Executive Non-Independent Director at the Board meeting held on January 28, 2023. His appointment was further approved by the Members of the Company through Postal Ballot on April 15, 2023, the results of which was declared on April 17, 2023.

As on March 31, 2024, 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. The same 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 your 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 Personnels of your Company have confirmed their compliance with the Code of Conduct for the year ended March 31, 2024. 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	Adesh Kumar Gupta	Sonal Desai	M. Mathisekaran	G. Mahalingam	Manoj Chugh	Sobhag Mal Jain	Mehul Pandya
Taxation	Y	Y	Y	Y	N	N	N	Y	N
Finance and Investments	Y	Y	Y	Y	Y	Y	N	Y	Y
Leadership and Board Experience	Y	Y	Y	Y	Y	Y	Y	Y	Y
Risk Management	Y	Y	Y	Y	Y	Y	N	Y	Y
Global Business Perspective	Y	Y	Y	Y	Y	Y	Y	Y	Y
Technology	N	N	Y	Y	N	N	Y	N	Y
Business Strategy	Y	Y	Y	Y	Y	N	Y	Y	Y
Industry and Market Expertise	Y	Y	Y	Y	Y	Y	N	Y	Y
Governance	Y	Y	Y	Y	Y	Y	Y	Y	Y
People and Talent Understanding	Y	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. Adesh Kumar Gupta	Chairman
Ms. Sonal Desai	Member
Mr. Gurumoorthy Mahalingam	Member
Mr. Sobhag Mal Jain	Member

Mr. Adesh Kumar Gupta, Chairman of Audit Committee attended the Annual General Meeting of the Company which was held on July 28, 2023.

(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 of the Audit Committee

The Audit Committee met Four (4) times during the financial year 2023-24 on May 11, 2023, August 9, 2023, October 31, 2023 and January 24, 2024. The time gap between any two meetings was less than 120 days as prescribed under the Listing Regulations.

Details of attendance

Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. Adesh Kumar Gupta	4	4
Ms. Sonal Desai	4	3
Mr. Gurumoorthy Mahalingam	4	4
Mr. Sobhag Mal Jain	4	4

The Company Secretary of your 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.

Composition of NRC:

Name of the Director	Position held
Ms. Sonal Desai	Chairperson
Mr. Najib Shah	Member
Mr. V. Chandrasekaran	Member

The Company Secretary of your Company is the Secretary to the NRC.

(B) Terms of Reference

The terms of reference of the Nomination and Remuneration Committee approved by the Board as per the provisions of Section 178 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 Two (2) times during the financial year 2023-24 on May 2, 2023 and September 27, 2023.

Details of attendance

Name of Directors	No. of Meetings held	No. of Meetings attended
Ms. Sonal Desai	2	2
Mr. Najib Shah	2	2
Mr. V. Chandrasekaran	2	2

(D) Remuneration/Sitting Fees paid to Directors

During the Financial year 2023-24, 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 and Commission paid/ 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)	12,00,000	31,38,082
2	Mr. V. Chandrasekaran (Non-Executive Independent Director)	13,50,000	15,69,041
3	Mr. Adesh Kumar Gupta (Non-Executive Independent Director)	13,00,000	15,69,041
4	Ms. Sonal Desai (Non-Executive Independent Director)	10,50,000	15,69,041
5	Dr. M Mathisekaran (Non-Executive Independent Director)	9,50,000	15,69,041
6	Mr. Gurumoorthy Mahalingam (Non-Executive Independent Director)	12,50,000	15,69,041
7	Mr. Manoj Chugh# (Non-Executive Independent Director)	NA	NA
8	Mr. Sobhag Mal Jain$ (Non-Executive Non-Independent Director)	9,50,000	15,69,041
9	Mr. Mehul Pandya (Managing Director & Group CEO)	As mentioned below	

He was appointed as an additional Director (in the category Non-Executive Independent Director) w.e.f May 9, 2024

* Commission will be paid after the Annual General Meeting

$ Being paid to the public financial institution, the Director represented.

The details of the remuneration to Mr. Mehul Pandya, Managing Director & Group CEO are as follows:

(Amount in Rupees)

Particulars	Mr. Mehul Pandya
Salary and Allowance	1,92,14,591
Variable Pay	90,63,745
Provident Fund Contribution	7,85,998
Perquisite Value-Stock Option (ESOP)*	66,25,514
Leave Encashment	1,75,130
Total	**3,58,64,978**

*Mr. Mehul Pandya, Managing Director & 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 Commission and Sitting Fees 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 Director	Position held
Dr. M. Mathisekaran	Chairman
Mr. Najib Shah	Member
Mr. Sobhag Mal Jain	Member
Mr. Mehul Pandya	Member

Ms. Nehal Shah, Company Secretary of your 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; and

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 2023-24 on March 13, 2024.

Details of attendance

Name of Directors	No. of Meetings held	No. of Meetings attended
Dr. M. Mathisekaran	1	1
Mr. Najib Shah	1	1
Mr. Sobhag Mal Jain	1	1
Mr. Mehul Pandya	1	1

Details of shareholders complaints during Financial Year ended March 31, 2024 are as follows:

The Company has not received any complaint from the Shareholders during the financial year ended March 31, 2024.

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 there under.

Name of the Director	Position held
Dr. M. Mathisekaran	Chairman
Ms. Sonal Desai	Member
Mr. V. Chandrasekaran	Member
Mr. Mehul Pandya	Member

(B) Terms of Reference

The term 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 thrice (3) during the financial year 2023-24 on May 4, 2023, June 8, 2023 and December 29, 2023.

Details of attendance		
Name of Directors	**No. of Meetings held**	**No. of Meetings attended**
Dr. M. Mathisekaran	3	3
Ms. Sonal Desai	3	3
Mr. V. Chandrasekaran	3	3
Mr. Mehul Pandya	3	3

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.

Name of the Director	Position held
Mr. V. Chandrasekaran	Chairman
Dr. M. Mathisekaran	Member
Mr. Sobhag Mal Jain	Member
Mr. Mehul Pandya	Member

(B) Terms of Reference

The terms of reference of the 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 2023-24 on June 8, 2023 and November 22, 2023.

Details of attendance

Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. V. Chandrasekaran	2	2
Dr. M. Mathisekaran	2	2
Mr. Mehul Pandya	2	2
Mr. Sobhag Mal Jain	2	2

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 the Company (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. Adesh Kumar Gupta	Member
Mr. Najib Shah	Member
Mr. V. Chandrasekaran	Member

(B) Terms of Reference

1) The Ratings 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; and

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 and
- 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 Ratings 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 Five (5) times during the financial year 2023-24 on April 28, 2023, July 14, 2023, October 20, 2023, December 21, 2023 and January 19, 2024.

Details of attendance

Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. Gurumoorthy Mahalingam	5	5
Mr. Adesh Kumar Gupta	5	5
Mr. Najib Shah	5	5
Mr. V. Chandrasekaran	5	5

2.7.Independent Directors Meeting

As on March 31, 2024, the Company had Six (6) Independent Directors i.e. Mr. Najib Shah, Mr. V. Chandrasekaran, Mr. Adesh Kumar Gupta, Ms. Sonal Desai, Dr. M. Mathisekaran and Mr. Gurumoorthy Mahalingam 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 2023-24, one meeting of the Independent Directors was held on March 19, 2024. The meeting was attended by Mr. Najib Shah, Mr. V. Chandrasekaran, Mr. Adesh Kumar Gupta, Ms. Sonal Desai, Dr. M Mathisekaran and Mr. Gurumoorthy Mahalingam 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.

2.8 Technology Committee

The Technology Committee has been consitituted for monitoring the progress of IT projects and approval of cost of projects.

(A) Composition of Technology Committee

Name of the Director	Position held
Mr. Najib Shah	Chairman
Mr. Adesh Kumar Gupta	Member
Mr. Gurumoorthy Mahalingam	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 2023-24, the Committee met twice i.e. on August 1, 2023 and January 17, 2024.

Details of attendance

Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. Najib Shah	2	2
Mr. Adesh Kumar Gupta	2	2
Mr. Gurumoorthy Mahalingam	2	2

2.9 Strategy and Investment Committee

In view of pursuing a growth path, your Company has formed a Strategy and Investment Committee on April 15, 2021. The Committee was formed for evaluating the strategic and investment decision.

(A) Composition of Strategy and Investment Committee:

Name of the Director	Position held
Mr. V. Chandrasekaran	Chairman
Mr. Adesh Kumar Gupta	Member
Mr. Najib Shah#	Member
Mr. Gurumoorthy Mahalingam#	Member

Appointed as a member of the committee w.e.f. September 30, 2023

(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, the Committee met twice (2) i.e. on September 18, 2023 and November 21, 2023.

Details of attendance

Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. V. Chandrasekaran	2	2
Mr. Adesh Kumar Gupta	2	2
Mr. Najib Shah#	1	1
Mr. Gurumoorthy Mahalingam#	1	1

Appointed as a member of the committee w.e.f. September 30, 2023

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
6	Mr. Anirudhha Sen	Head – Human Resources
7	Mr. Nadir Bhalwani	Chief Information and Technology Officer
8	Ms. Rajani Sinha	Chief Economist
9	Ms. Smita Rajpurkar*	Director - Criteria & QCT
10	Mr. Milind Gadkari*#	Senior Director
11	Mr. Padmanabh Bhagavath*#	Senior Director - Ratings
12	Mr. Ranjan Sharma*#	Senior Director - Ratings
13	Mr. Sanjay Kumar Agarwal#	Senior Director - Ratings
14	Ms. Rajashree Murkute#	Senior Director - Ratings
15	Mr. Yogesh Shah#	Senior Director – Ratings
16	Ms. Priti Agarwal#	Senior Director – Ratings
17	Mr. Saikat Roy#	Senior Director – Business Development
18	Mr. Pradeep Kumar V#	Senior Director - Business Development
19	Mr. Ankur Sachdeva#	Senior Director - Business Development

* Became Senior Management Personnel pursuant to change in their functional role w.e.f. July 17, 2023

Ceased to be Senior Management Personnel w.e.f. August 9, 2023, due to change in organizational structure however they continue to remain in the employment of the Company

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
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.	0	-
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
2020-21	The Company conducted AGM through VC/ OAVM pursuant to the MCA Circular dated April 08, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM	September 14, 2021 at 3:30 p.m.	2	1. Approval of remuneration payable to Mr. Ajay Mahajan (DIN: 05108777) as the Managing Director and Chief Executive Officer (CEO) of the Company; 2. Re-appointment of Mr. Adesh Kumar Gupta (DIN: 00020403), as an Independent Director of the Company to hold office for a second term

5. Resolution passed through Postal Ballot:

During the financial year 2023-24, the Company sought the approval of the Members through postal ballot pursuant to Section 110 of the Act read with rules made thereunder, the details of which are given below:

Date of the Notice	Date of Declaration of Result	Resolutions passed through Postal Ballot	Type of Resolution
January 28, 2023	April 17, 2023	Appointment of Mr. Sobhag Mal Jain (DIN:08770020) as a Non-Executive Non-Independent Director of the Company	Ordinary Resolution

Person who conducted the Postal Ballot exercise i.e. Scrutinizer of Postal Ballot:

Mr. Ashish Kumar Jain, Proprietor of A. K. Jain & Co., Practicing Company Secretary, was appointed as the Scrutinizer for carrying out all the aforesaid postal ballot in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with Section 108 and 110 and other applicable provisions of the Act read with the related Rules and General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No.20/2021 dated December 8, 2021, General Circular No.03/2022 dated May 5, 2022, General Circular No.11/2022 dated December 28, 2022 and General Circular No.09/2023 dated September 25, 2023 ("the MCA Circulars"), the Company sent Notice of Postal Ballot along with Explanatory Statement, setting out material facts and reason for the resolution, to Members/ beneficiaries who have registered their email address with the Company or depositories/depository participants.

Further, the communication of assent/dissent of the Members take place through the remote e-voting system. Physical copies of the postal ballot Notice along with postal ballot forms and pre-paid business reply envelopes were not sent to the Members for the aforesaid Postal Ballots.

For this purpose, the Company had engaged the services of National Securities Depository Limited and the Company also publishes a notice in the newspapers declaring the details and requirements as mandated by the Act and applicable rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members were requested to cast their vote through e-voting facility before the close of business hours on the last date of e-voting. The Scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results were also displayed on website of the Company, www.careedge.in, besides being communicated to the stock exchanges, depository and registrar and share transfer agent.

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 2023-24 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:**

Your 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:

Your 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 2023-24.

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, Free Press Journal 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 2023-24, 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 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 retains 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 4,54,380/- of unpaid/unclaimed dividends and 646 shares were transferred during the financial year 2023-24 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, 2024 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 2023-24, 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 2023-24 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, your Company has obtained a certificate from a company secretary in practice, that none of the Directors on the Board of your Company as on March 31, 2024 is debarred or disqualified from being appointed or continuing as Directors of your 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 2023-24 is annexed to this report as **Annexure VIIB**.

21. Recommendations of Board/Committees:

During the financial year 2023-24, 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 2023-24 are as under:

Sr. No.	Services provided	Amount (Rupees in Lacs)
1	Audit Fees	46.93
2	Tax Audit Fees	4.02
3	Other Services	2.85
4	Reimbursement of Expenses	5.42
	Total	**59.22**

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23. All mandatory requirements as per the Chapter IV of the Listing Regulations have been complied by the Company. Details of compliance with mandatory requirements of the Listing Regulations:

I. Disclosure on website in terms of listing regulations

Item	Compliance Status (Yes/ No/NA) refer note below
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Compositions of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Disclosed in Annual Report
Policy for dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	Not Applicable
New name and the old name of the listed entity	Not Applicable

II. Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA) refer note below
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Explanatory statement to be annexed for every special business to be transacted at General Meeting	17(A)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1), (2), (2A)	Yes
Composition and role of Risk Management Committee	21(1),(2), (3),(4)	Yes
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5), (6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2),(3)	Yes
Approval for material Related Party Transactions	23(4)	Not Applicable

Particulars	Regulation Number	Compliance status (Yes/No/NA) refer note below
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3), (4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2)	Yes
Policy with respect to Obligation of Directors and senior management	26(5)	Not Applicable
Obligation with respect to KMPs, Directors and Promoters	26(6)	Not Applicable

Pursuant to Regulation 7(2) of the Listing Regulations, certificates on half yearly basis have been issued by a qualified practicing Company Secretary confirming the compliance of share transfer formalities by 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:**	Tuesday, July 9, 2024
	Time:	3:30 p.m.
	Venue:	The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated September 25, 2023 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, 2023 to March 31, 2024
	Financial Reporting for the quarter ending June 30, 2024:	On or before August 14, 2024
	Financial Reporting for the quarter and half year ending September 30, 2024:	On or before November 14, 2024
	Financial Reporting for the quarter ending December 31, 2024:	On or before February 14, 2025
	Financial Reporting for the quarter and year ending March 31, 2025:	On or before May 30, 2025
c)	**Dates of Book Closure/Record Date:**	Friday, June 21, 2024
d)	**Dividend Payment Date:**	Final dividend on equity shares for the year ended March 31, 2024 as recommended by the Directors, if approved by the Members at the Annual General Meeting will be paid on or before Wednesday, August 7, 2024
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 2023-24 have been paid to BSE Limited and National Stock Exchange of India Limited

f) Stock Code:	BSE Limited: 534804 National Stock Exchange of India Limited: CARERATING ISIN: IN752H01013
g) 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.
h) 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.

i) Top 10 equity shareholders of the Company as on March 31, 2024:

Sr. No.	Name	Total Shares	% to Equity
1	Life Insurance Corporation of India	28,68,230	9.61
2	Crisil Limited	26,22,431	8.78
3	Nippon Life India Trustee Ltd-A/C Nippon India Multi Cap Fund	25,26,099	8.46
4	Pari Washington India Master Fund, Ltd.	15,66,456	5.25
5	Pari Washington Investment Fund	11,02,150	3.69
6	India Insight Value Fund	7,20,000	2.41
7	Aquamarine Master Fund L.P	6,51,756	2.18
8	Russell Investments Limited	5,31,000	1.78
9	Mirae Asset Banking And Financial Services Fund	4,91,045	1.64
10	1729 Capital	4,76,639	1.60

j) Market Price Data high / low during each month from April 2023 to March 2024:

Period- 2023-24	BSE		NSE	
	High	Low	High	Low
April 2023	673.95	625.80	674.10	626.95
May 2023	715.00	631.00	715.00	630.00
June 2023	722.10	637.00	722.00	637.00
July 2023	766.00	681.45	766.30	690.25
August 2023	837.90	699.05	838.95	699.70
September 2023	886.80	800.60	886.75	800.95
October 2023	1,009.80	810.00	1010.00	840.55
November 2023	929.00	836.00	930.00	831.20
December 2023	995.60	895.00	997.00	891.00
January 2024	1,060.80	916.50	1,060.00	925.05
February 2024	1,265.00	1,013.15	1,263.95	1,024.05
March 2024	1,205.05	1,050.00	1,209.80	1,049.05

k) Distribution Schedule and Shareholding Pattern as on March 31, 2024:

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	50,915	964	26,80,838	0.003	8.980
2	5001-10000	-	1,273	-	9,41,549	-	3.154
3	10001-20000	-	661	-	9,60,229	-	3.217
4	20001-30000	-	227	-	5,63,272	-	1.887
5	30001-40000	-	111	-	3,94,379	-	1.321
6	40001-50000	-	-	-	3,05,167	-	1.022
7	50001-100000	-	154	-	11,24,623	-	3.767
8	100001 and above	-	164	-	2,28,81,092	-	76.648
	Total	**2**	**53,571**	**964**	**2,98,51,149**	**0.003**	**99.997**

l) Shareholding Pattern as on March 31, 2024

Sr. No.	Category	No. of Shares held	Percentage (%)
I	Promoters	-	-
II	Non-Promoters		
a)	Alternative Investment Fund	13,65,939	4.58
b)	Banks	12	0.00
c)	Clearing Members	3,755	0.01
d)	Employees	2,53,933	0.85
e)	Foreign Portfolio-Corp	68,35,694	22.90
f)	Foreign Portfolio Investors	3,120	0.01
g)	HUF	3,17,917	1.06
h)	Indian Financial Institutions	-	-
i)	Bodies Corporates	54,95,653	18.41
j)	Mutual Funds	36,05,803	12.08
k)	NBFC	395	0.00
l)	Nationalised Bank	537	0.00
m)	Non-Resident Indians	5,29,433	1.77
n)	NRI Non-repatriation	2,47,879	0.83
o)	Resident Individuals	80,95,397	27.12
p)	QIB	30,54,242	10.23
q)	Trusts	2,412	0.01
r)	IEPF	803	0.00
s)	Directors and Their Relatives	39,189	0.13
	Total	**2,98,52,113**	**100**

m) Dematerialization of Shares and Liquidity

2,98,51,149 equity shares which constitutes 99.99% of the paid-up capital as on March 31, 2024 of your Company are held in electronic mode.

n) **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

o) **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 0876 / 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
Kolkata Unit No A / 7 / 4, 7th Floor, Block A, Apeejay House, 15 Park Street, Kolkata – 700 016 Tel: +91 - 33 - 40181607	**Noida** Plot no. C-001 A/2 Sector 16B, Berger Tower, Noida, Gautam Budh Nagar (UP) – 201301 Tel: +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	

p) **Email:** care@careedge.in

q) **Investor Complaints ID:** investor.relations@careedge.in

r) **Website:** www.careedge.in

s) **Compliance Officer:**
Ms. Nehal Shah
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

t) Green Initiative: Pursuant to Section 20 of the Companies Act, 2013, 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, 2024 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.

u) CARE Share Price Vs. NSE Nifty

Month	CARE Close Price (Rs)(NSE)	NSE Nifty
April 2023	638.50	18,065.00
May 2023	635.00	18,633.85
June 2023	702.30	19,189.05
July 2023	732.05	19,979.15
August 2023	831.95	19,733.55
September 2023	876.85	20,192.35
October 2023	910.40	19,811.50
November 2023	914.80	20,133.15
December 2023	951.60	21,778.70
January 2024	1,030.90	22,097.45
February 2024	1,160.75	22,217.45
March 2024	1,119.40	22,493.55

v) CARE Share Price Vs. BSE Sensex

Month	CARE Close Price (Rs) (BSE)	BSE SENSEX
April 2023	638.70	61,112.44
May 2023	634.60	62,622.24
June 2023	700.45	64,718.56
July 2023	731.50	66,527.67
August 2023	832.90	64,831.41
September 2023	875.20	65,828.41
October 2023	910.45	63,874.93
November 2023	916.10	66,988.44
December 2023	951.40	72,240.26
January 2024	1,031.50	71,752.11
February 2024	1,160.50	72,500.30
March 2024	1,117.25	73,651.35

w) The Company has not received any complaint during the financial year ended March 31, 2024 relating to sexual harassment at Workplace.

x) Outstanding GDRs/ ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

Your Company does not have outstanding Global Depository Receipt, American Depository Receipt or Warrant or any Convertible instrument during the financial year ended March 31, 2024.

y) 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 Requirements) 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, 2024 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;

3) instances of significant fraud of which we have become aware and

4) 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/-	**Sd/-**
Mehul Pandya	**Jinesh Shah**
Managing Director & Group CEO	**Chief Financial Officer**

Place: Mumbai
Date: May 9, 2024

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
Godrej Coliseum, 4th Floor
Somaiya Hospital Road
Off Eastern Express Highway
Sion (East), Mumbai 400022.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CARE Ratings Limited (CIN:L67190MH1993PLC071691) and having registered office at Godrej Coliseum, 4th Floor, Somaiya Hospital Road, Off Eastern Express Highway, 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 the 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 and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending as on 31st March, 2024 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 the Director	DIN	Date of Appointment in the Company
1	Mr. Venkatadri Chandrasekaran	03126243	15/11/2017
2	Mr. Adesh Kumar Gupta	00020403	22/05/2018
3	Ms. Sonal Gunvant Desai	08095343	30/03/2019
4	Mr. Najib Shah	08120210	17/07/2019
5	Mr. Madasamy Mathisekaran	03584338	19/08/2019
6	Mr. Mehul Harshadray Pandya	07610232	29/07/2022
7	Mr. Gurumoorthy Mahalingam	09660723	21/11/2022
8	Mr. Sobhag Jain	08770020	28/01/2023

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 **A.K. Jain & Co.**
Company Secretaries

Ashish Kumar Jain
Proprietor
Peer Review Certificate No.1485/2021
FCS: 6058, CP: 6124
UDIN:F006058F000343428

Place: Mumbai
Date: May 9, 2024

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, 2024.

For CARE Ratings Limited

Sd/-
Mehul Pandya
Managing Director & Group CEO

Place: Mumbai
Date: May 9, 2024

ANNEXURE-VIIID

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 dated 7 May 2024.

2. We have examined the compliance of conditions of Corporate Governance by CARE Ratings Limited ("the Company"), for the year ended 31 March 2024, 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 2024.

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: 24067114BKFFVM5726

Place: Mumbai
Date: 9 May 2024

ANNEXURE – VIII

ANNUAL REPORT ON CSR ACTIVITIES

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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, CARE 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, CARE may look to provide for development of Local Area (area in the city in which CARE's office is located) in terms of 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.careratings.com

2. **Composition of CSR and Sustainability Committee (as on 31st March, 2024):**

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)	3	3
2.	Mr. V Chandrasekaran	Member (Independent Director)	3	3
3.	Ms. Sonal Desai	Member (Independent Director)	3	3
4.	Mr. Mehul Pandya	Member (Managing Director & Group CEO)	3	3

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 is available on the Company's website at the following links:

   - Composition of CSR and Sustainability Committee: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1716782721_Composition%20of%20Commitees.pdf
   - CSR Policy: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679039991_Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf
   - CSR projects approved: Link to be Updated: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1717076813_CSR_Committee_and_CSR_projects_March_31_24.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 113,92,46,184/-

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135): Rs 2,27,84,924/-

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: N.A

   (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 2,27,84,924/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs 2,28,00,000/-

   (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 2,28,00,000/-

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2023-24 (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	Name of the Fund	Amount	Date of transfer
Rs 2,28,00,000			-		

(f) Excess amount for set off, if any: Not Applicable

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 2,27,84,924
(ii)	Total amount spent for the Financial Year	Rs 2,28,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs 15,076
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs 15,076

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 2022-23				NA			
2	FY 2021-22	-	-	Rs 1,98,12,869	Rs 39,02,242	July 28, 2022	NIL	
3	FY 2020-21				NA			

8. 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				

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. 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

Date: May 9, 2024
Place: Mumbai

Sd/-
Mr. Mehul Pandya
Managing Director & Group CEO

Date: May 9, 2024
Place: Mumbai

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 2024, 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 2024, 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. 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.

2 A.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 as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modifications 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) and paragraph 2B(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 2024 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 has been no delay in transferring amounts, 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 performed 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, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which, along with access management tools (as applicable) have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- In the absence of independent auditor's reports in relation to controls at the respective service organizations for an accounting software used for maintaining the books of accounts including general ledger (operated from 1 January 2024 to 31 March 2024) and accounting software used for maintaining the books of accounts relating to payroll, which are operated by third-party software service providers, we are unable to comment whether audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

- In case of an accounting software used for maintaining the books of account including general ledger (operated from 1 April 2023 to 31 December 2023), the feature of recording audit trail (edit log) facility has not been enabled during this period.

- In case of an accounting software used for maintaining the books of accounts relating to revenue, in the absence of an access management tool (implemented from 6 June 2023), the feature of recording audit trail (edit log) facility was not enabled for the period from April 1, 2023 to June 5, 2023.

Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

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 year 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:24067114BKFFVL3376

Place: Mumbai
Date: May 09, 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CARE Ratings Limited for the year ended 31 March 2024

(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 every 2 years. In accordance with this programme, all 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. No discrepancies were noticed on such verification.

(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 non 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 firms or limited liability partnerships. Further, the Company has not provided guarantee or security to Companies, firms, limited liability partnership or any other parties during the year. The Company has made investment in Optionally Convertible Cumulative Redeemable Preference Shares of a Company and has granted loans to a Company and other parties, in respect of which the requisite information is as below:

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees	Security	Loans (Rs. in lakhs)	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries (CAAPL) *			– 1,290.00	
Others (employee loans)			– 135.64	
Balance outstanding as at balance sheet date				
Subsidiaries (CAAPL)*			– 1,250.60	
Others (employee loans)*			– 128.92	

*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 during the year and the terms and conditions on which these are made during the year are, prima facie, 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)	1,290.00	There is no 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, in our opinion 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 except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)			– NIL
- Agreement does not specify any terms or period of Repayment (B)			– Rs. 1,290.60 lakhs
Total (A+B)			Rs. 1,290.60 lakhs
Percentage of loans/advances in nature of loan to the total loans			94%

(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 amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally 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, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs 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	177.23	A.Y. 2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143.64	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	7.81	A.Y. 2019-20	Deputy Commission 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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. 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 balance sheet 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 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 (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) Based on 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 course of the audit.

(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) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(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:24067114BKFFVL3376

Place: Mumbai
Date: May 09, 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of CARE Ratings Limited for the year ended 31 March 2024

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 2024 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 2024, 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:24067114BKFFVL3376

Place: Mumbai
Date: May 09, 2024

CareEdge
Ratings • Analytics • Consulting • Sustainability

Standalone Balance Sheet

as at March 31, 2024

(Rs in lakh)

Particulars	Note Number	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
(1) Non-current assets			
a. Property plant and equipment	2	7,676.63	7,735.10
b. Right-of-use assets	42	1,570.38	1,333.53
c. Intangible assets	3 (a)	50.50	16.29
d. Intangible assets under development	3 (b)	147.14	285.64
e. Financial assets			
(i) Investments	4	12,929.83	11,219.06
(ii) Loans	5	1,284.45	144.45
(iii) Other financial assets	6	57.57	72.90
f. Other non-current assets	7	45.27	35.42
Total non-current assets		**23,761.77**	**20,842.39**
(2) Current assets			
a. Financial assets			
(i)Trade receivables	9	1,470.77	1,518.95
(ii)Cash and cash equivalents	8	3,028.54	4,250.92
(iii)Bank balances other than cash and cash equivalents	10	21.58	24.62
(iv)Loans	11	95.07	27.41
(v)Other financial assets	12	56,273.95	49,355.73
b. Current tax asset (Net)	13	12.84	248.75
c. Other current assets	14	447.38	341.37
Total current assets		**61,350.13**	**55,767.75**
Total assets		**85,111.90**	**76,610.14**
II. EQUITY AND LIABILITIES			
(1) Equity			
a. Equity share capital	15	2,985.21	2,970.05
b. Other equity	16	72,940.45	66,516.12
Total equity		**75,925.66**	**69,486.17**
Liabilities			
(2) Non-current liabilities			
a. Financial liabilities			
(i) Lease liabilities	42	1,521.00	1,241.46
b. Provisions	17	1,137.21	990.69
c. Deferred tax liabilities (net)	18	547.11	493.91
Total non-current liabilities		**3,205.32**	**2,726.06**
(3) Current liabilities			
a. Financial liabilities			
(i) Lease liabilities -	42	148.17	123.56
(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		419.25	419.34
(iii) Other financial liabilities	19	1,970.28	1,589.58
b. Other current liabilities	20	3,008.66	1,694.24
c. Provisions	21	434.56	571.19
Total current liabilities		**5,980.92**	**4,397.91**
Total liabilities		**9,186.24**	**7,123.97**
Total equity and liabilities		**85,111.90**	**76,610.14**
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

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Ajit Viswanath
Partner
Membership No. 067114

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Adesh Kumar Gupta
Independent Director
DIN No. - 00020403

Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

Mumbai
Date : May 09, 2024

Standalone Statement of Profit and Loss

for the Year ended March 31, 2024

(Rs in lakh)

Particulars	Note Number	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Income			
I. Revenue from operations	23	28,306.57	24,883.91
II. Other income	24	4,696.24	3,710.39
III. Total income (I + II)		**33,002.81**	**28,594.30**
Expenses			
IV. Employee benefit expenses	25	12,511.90	10,403.14
V. Finance costs	26	147.54	69.94
VI. Depreciation and amortisation expense	27	764.66	805.42
VII. Impairment of non current assets		350.00	571.55
VIII. Other expenses	28	3,040.68	2,930.40
IX. Total expenses (IV TO VIII)		**16,814.78**	**14,780.45**
X. Profit before tax (III- IX)		**16,188.03**	**13,813.85**
Tax expense			
(i) Current tax	34 (A)	4,151.51	3,677.91
(ii) Adjustment of tax relating to earlier periods	34 (A)	-	(161.22)
(iii) Deferred tax	18	92.34	(83.03)
XI. Total tax expense		**4,243.85**	**3,433.66**
XII. Profit after tax (X- XI)		**11,944.18**	**10,380.19**
A. Other comprehensive Income			
(i) Items that will not be reclassified to profit or loss	50	(61.85)	(116.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss	18	39.15	29.27
XIII. Other comprehensive income/ (loss), net of income tax		**(22.70)**	**(87.05)**
XIV. Total comprehensive Income for the year (XII + XIII)		**11,921.48**	**10,293.14**
XV. Earnings per equity share (Rs)			
(Face value Rs 10/- each):			
1. Basic	33	40.12	35.00
2. Diluted	33	40.00	35.00
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

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Ajit Viswanath
Partner
Membership No. 067114

Najib Shah
Chairman
DIN No. - 08120210

Mehul Pandya
Managing Director & Group CEO
DIN No. - 07610232

Adesh Kumar Gupta
Independent Director
DIN No. - 00020403

Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

Mumbai
Date : May 09, 2024

Standalone Statement of Cash flow

for the Year ended March 31, 2024

(Rs in lakh)

Particulars	Note Number	For the Year ended March 31, 2024	For the Year ended March 31, 2023
(A) Cash flow from operating activities			
Profit before tax		**16,188.03**	**13,813.85**
Adjustments for			
Interest income	24	(3,886.41)	(3,012.40)
Dividend income from equity securities	24	(225.21)	(133.64)
Realized gain on sale of investments		(246.85)	(55.31)
Provision for bad debts	28	(77.00)	37.03
Bad debts written off	28	7.85	6.26
Loss on sale of property, plant and equipment		-	0.81
Share based payment expenses	25	234.49	14.73
Lease concession		-	(11.03)
Gain on termination of lease		-	(30.84)
Finance costs on lease liabilities	26	147.54	69.94
Impairment losses on property, plant and equipment, intangible assets & investments		350.00	571.55
Depreciation and amortization expenses	27	764.66	805.42
Operating cash flow before working capital changes		**13,257.10**	**12,076.37**
Movements in working capital			
Decrease/(Increase) in financial assets		(139.19)	(230.72)
Decrease/(Increase) in other assets non current		(7.00)	(5.06)
Decrease/(Increase) in other current assets		(106.02)	25.84
(Decrease)/Increase in financial liabilities		321.80	452.58
(Decrease)/Increase in other liabilities and provisions		1,324.31	172.46
Total movements in working capital		**1,393.90**	**415.11**
Taxes paid		(3,915.59)	(3,040.87)
Net cash generated from operating activities (A)		**10,735.41**	**9,450.61**
(B) Cash flow from investing activities			
Interest received		3,671.96	1,651.17
Dividend received	24	225.21	133.64
Net proceeds from/(investment in) fixed deposits"		(6,624.90)	2,082.50
Interest on loan to subsidiaries		60.12	36.84
Proceeds from sale of property plant and equipment		-	2.63
Acquisition of property, plant & equipment		(359.47)	(655.92)
Loan given to /(received back from) subsidiary		(1,140.00)	821.80
Investment in subsidary		(2,050.00)	(4,350.00)
Purchase of investments		(32,122.45)	(15,075.00)
Redemption of investments		32,378.19	15,130.31
Net cash generated /(used) from investing activities (B)		**(5,961.34)**	**(222.03)**
(C) Cash flow from financing activities			
Dividend and dividend tax paid		(6,546.68)	(5,933.88)

Standalone Statement of Cash flow

for the Year ended March 31, 2024

(Rs in lakh)

Particulars	Note Number	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Buyback related (expenses)/income		3.00	(163.40)
Premium paid on buy back of shares		3.15	-
ESOP Application Money Received		68.43	(21.20)
Redemption of share capital on account of buy back during the year		-	(0.42)
Proceeds from exercise of share options		752.58	242.38
Repayment of lease liability		(129.39)	(227.37)
Payment of interest on lease liability		(147.54)	(69.94)
Net cash used in financing activities (C)		**(5,996.45)**	**(6,173.83)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,222.38)**	**3,054.74**
Add: Cash and cash equivalents at the beginning of year		4,250.92	1,196.18
Cash and cash equivalents at the end of the year		**3,028.54**	**4,250.92**
Components of Cash and cash equivalents (refer note 8)			
Balances with Banks			
On current account	8	432.71	513.29
Deposit accounts	8	300.00	730.57
Cash on hand	8	0.63	0.65
Others			
Liquid Mutual fund	8	2,295.07	3,005.70
Prepaid cards	8	0.13	0.71
Cash and cash equivalents at the end of the year		**3,028.54**	**4,250.92**

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, 2024 and March 31, 2023.

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 09, 2024

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

Adesh Kumar Gupta
Independent Director
DIN No. - 00020403

Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

Standalone statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital

for the year ended March 31, 2024

(Rs in lakh)

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

for the year ended March 31, 2023

(Rs in lakh)

Balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
2,964.65	5.40	2,970.05

B. Other Equity

for the year ended March 31, 2024

(Rs in lakh)

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 lakh includes Rs 37.52 lakh relating to options issued to employees of subsidaries.**

Standalone statement of Changes in Equity

for the year ended March 31, 2024

for the year ended March 31, 2023

(Rs in lakh)

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, 2022	**786.67**	**22.50**	**7,369.56**	**22,150.74**	**30,701.65**	**1,027.17**	**62,058.29**
Profit for the year (1)	-	-	-	-	10,380.19	-	10,380.19
Other comprehensive income/ (loss), net of income tax (2)	-	-	-	-	(87.05)	-	(87.05)
Total comprehensive income/(loss) for the year (1+2)	**-**	**-**	**-**	**-**	**10,293.14**	**-**	**10,293.14**
Contribution by and distribution to owners							
Dividends	-	-	-	-	(5,932.96)	-	(5,932.96)
Nominal value of shares bought back transferred to CRR	-	0.42	-	(0.42)	-	-	-
Buyback related expenses	-	-	(163.40)	-	-	-	(163.40)
Premium paid on buy back of share	-	-	(21.20)	-	-	-	(21.20)
Employee stock option exercised	(153.31)	-	389.86	-	-	-	236.55
Employee stock option granted/charge for this period*	45.70	-	-	-	-	-	45.70
Employee stock option lapsed during the period	(34.06)	-	-	34.06	-	-	-
Balance as at March 31, 2022	**645.00**	**22.92**	**7,574.82**	**22,184.38**	**35,061.83**	**1,027.17**	**66,516.12**

*** Amount of Rs 45.70 lakh includes Rs 30.96 lakh relating to options issued to employees of subsidaries.**

Standalone statement of Changes in Equity

for the year ended March 31, 2024

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.

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.

d. General reserve

The Company has transferred a portion of the net profits of the Company before declaring dividends to general reserve. Mandatory transfer to general reserve is not required under the Act, 2013.

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 and on behalf of the Board of Directors of **CARE Ratings Limited**		
For **B S R & Co. LLP** Chartered Accountants Firm registration No.: 101248W/W-100022			
Ajit Viswanath Partner Membership No. 067114	**Najib Shah** Chairman DIN No. - 08120210	**Mehul Pandya** Managing Director & Group CEO DIN No. - 07610232	**Adesh Kumar Gupta** Independent Director DIN No. - 00020403
	Jinesh Shah Chief Financial Officer M No.- 117833	**Nehal Shah** Company Secretary M No.- A18077	
Mumbai Date : May 09, 2024	Mumbai Date : May 09, 2024		

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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, New Delhi 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 09, 2024. 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) Revenue

The Company recognizes the revenue measured at the fair value of consideration received or receivable.

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.

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 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

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.

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.

(v) 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.

(vi) 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

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.

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for the Year ended March 31, 2024

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 Rs , 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 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 42 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
- 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.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

- **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.

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

Notes Forming Part of the Standalone Financial Statement

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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.

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

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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 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.

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.

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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.

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 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.

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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-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.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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.

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

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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. 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 2: Property, Plant and Equipment**

(Rs in lakh)

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**

(Rs in lakh)

Description of Assets	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 01, 2022	For the year	On deletions/ disposals during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment*										
Furniture and fixtures	597.99	87.20	(17.26)	667.93	147.74	57.17	(13.88)	191.03	476.90	450.25
Office equipment	375.52	87.92	(18.43)	445.01	152.37	71.63	(18.37)	205.63	239.38	223.15
Computers	839.52	34.52	(17.12)	856.92	450.47	178.19	(17.12)	611.54	245.38	389.05
Vehicles	48.83	128.53	0.00	177.36	13.44	14.22	-	27.66	149.70	35.39
Electrical installations	176.31	18.80	0.00	195.11	48.72	17.43	-	66.15	128.96	127.59
Buildings	7238.78	60.69	0.00	7,299.47	669.89	134.80	-	804.69	6,494.78	6,568.89
Total Property, plant and equipment	**9,276.95**	**417.66**	**(52.80)**	**9,641.80**	**1,482.63**	**473.44**	**(49.36)**	**1,906.70**	**7,735.10**	**7,794.32**

Note:- *In relation to an ongoing litigation, the Company is required to seek permission of the Hon'ble Madras High Court prior to transfer, sale, disposal 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 Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note - 3

(a) Intangible assets**

(Rs in lakh)

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**

(Rs in lakh)

Description of Assets	Gross block				Accumulated amortisation				Net block	
	As at April 01, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 01, 2022	For the year	On deletions/ disposals during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer software	293.05	5.64	(2.84)	295.85	257.67	24.72	(2.84)	279.55	16.29	35.38
Total Intangible assets	**293.05**	**5.64**	**(2.84)**	**295.85**	**257.67**	**24.72**	**(2.84)**	**279.55**	**16.29**	**35.38**

** Note : There has been no revaluation of property, plant and equipments and intangible assets during the year.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(b) Intangible assets under development

(Rs in lakh)

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning	**285.64**	**652.02**
Additions	107.11	205.99
Capitalised during the year	(245.62)	(1.74)
Write off during the year	-	(570.63)
Balance at the end	**147.14**	**285.64**

(c) Intangible assets under development Ageing Schedule

(Rs in lakh)

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	-	34.20	40.00	147.14
Projects temporarily suspended					-
Total	**72.94**	**-**	**34.20**	**40.00**	**147.14**

(Rs in lakh)

As at March 31, 2023	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	205.99	79.65	-	-	285.64
Projects temporarily suspended	-	-	-	-	-
Total	**205.99**	**79.65**	**-**	**-**	**285.64**

(d) Details of overdue projects under development

(Rs in lakh)

Particulars	To be completed in (contract value)				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Product development	40.64	-	-	-	40.64
Total	**40.64**	**-**	**-**	**-**	**40.64**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 4

Investments

(Rs in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	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)		(173.26)
Total		**4,663.00**		**5,013.00**
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	2,050.00	-	-
Face value of Rs 10 each fully paid:				
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Ltd	1,40,95,450	1,450.00	1,40,95,450	1,450.00
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	205.15
Investment measured at Fair value through Other comprehensive income				
Face value of USD 22,600 each fully paid:				
ARC Ratings Holdings Limited	20	744.20	20	744.20
Face value of RM 1 each fully paid:				
Malaysian Rating Corporation Berhad	20,00,000	1,748.20	20,00,000	1,748.20
Investments in Association of Indian Rating Agencies	-	0.53	-	0.53
Total unquoted investments		**11,040.64**		**9,320.99**
Quoted:				
Investment measured at amortized cost				
Tax free bonds*	-	1,889.19	-	1,898.07
Total quoted investments		**1,889.19**		**1,898.07**
Total investments		**12,929.83**		**11,219.06**
Aggregate amount of quoted investments		**1,889.19**		**1,898.07**
Market value of quoted investments		**2,002.96**		**2,046.28**
Aggregate amount of unquoted investments		**11,040.64**		**9,320.99**
Aggregate amount of impairment in value of investment		**-**		**-**

*This includes accrued interest of Rs 63.92 lakh (Previous year: Rs 63.92 lakh)

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 9

Trade receivables

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
(a) Trade receivables - Considered good secured;	-	-
(b) Trade receivables - Considered good unsecured;	1,456.38	1,400.09
(c) Trade receivables which have significant increase in credit risk;	20.89	202.36
(d) Trade receivables – credit impaired	-	-
Total trade receivables	**1,477.27**	**1,602.45**
Less: Allowance for credit losses (refer Note 38 (B))	(6.50)	(83.50)
Net trade receivables	**1,470.77**	**1,518.95**

Trade receivables ageing schedule

(Rs in lakh)

Particulars	Outstanding for following periods from due date of payment					Total
As at March 31, 2024	Less than 6 months	6 months- 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1456.38	-	-	-	-	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 Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2023	**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	1400.10	-	-	-	-	1400.10
(ii) Undisputed Trade receivables – which have significant increase in credit risk	16.11	180.36	5.90	-	-	202.36
(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	**1416.21**	**180.36**	**5.90**	**-**	**-**	**1,602.46**
Less: Allowance for credit losses (refer Note 38 (B))	-	-	-	-	-	(83.50)
Net trade receivables	**-**	**-**	**-**	**-**	**-**	**1,518.96**

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 5

Loans

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
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 44)	1,250.60	110.60
Loans to employees#	33.85	33.85
Total	**1284.45**	**144.45**

This includes Rs 6.31 lakh accrued interest on loans to employees (Previous Year = Rs 2.05 lakh)

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Type of borrower	As at March 31, 2024	% of total Loans and Advances	As at March 31, 2023	% of total Loans and Advances
Type of borrower				
(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 Risk Solutions Private Limited formerly known as CARE Risk Solutions Private Limited (Wholly owned subsidiary)	1250.60	100%	110.60	100%
Total	**1250.60**	**100%**	**110.60**	**100%**

Note 6

Other financial assets

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with banks (with more than 12 months of original maturity)*	13.41	12.66
Security deposits	44.16	60.24
Total	**57.57**	**72.90**

*This includes accrued interest of Rs 1.41 lakh (Previous year: Rs 0.66 lakh)

Note 7

Other non - current assets

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	7.73	4.88
Others	37.54	30.54
Total	**45.27**	**35.42**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 8

Cash and cash equivalents

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
On current account	432.71	513.29
Deposit accounts (with original maturity of less than three months)*	300.00	730.57
Cash on hand	0.63	0.65
Others		
Prepaid cards	0.13	0.71
Liquid Mutual fund	2,295.07	3,005.70
Total	**3,028.54**	**4,250.92**

* - This includes accrued interest of Rs Nil lakh (Previous year – Rs 0.24 lakh)

Note 10

Bank Balances other than Cash and cash equivalents

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with banks		
Unclaimed dividend account	21.58	24.62
Total	**21.58**	**24.62**

Note 11

Loans

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured and considered good		
Loan to employees*	95.07	27.41
Total	**95.07**	**27.41**

* - This includes accrued interest of Rs 2.01 lakh (previous year – Rs 0.35 lakh)

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Type of borrower	As at March 31, 2024	% of total Loans and Advances	As at March 31, 2023	% 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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with banks (with more than 12 months of original maturity)#	55,861.24	49,102.88
Security deposits	56.71	55.27
Other receivables	197.74	56.24
Lienmarked Deposit	158.26	141.35
Total	**56,273.95**	**49,355.74**

- This includes accrued interest of Rs 1,543.61 lakh (previous year – Rs 1,396.93)

Note 13

Current tax assets (Net)

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance payment of taxes (Net of Provision for tax)	12.84	248.75
Total	**12.84**	**248.75**

Note 14

Other current assets

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Contract Assets	118.52	46.07
Prepaid expenses	281.85	243.89
Deposits with statutory authorities	25.00	25.00
Other advances	22.01	26.41
Total	**447.38**	**341.37**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 15

Equity share capital

(Rs in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorized	**3,50,00,000**	**3,500.00**	**3,50,00,000**	**3,500.00**
Equity shares of Rs 10/- each				
Issued, subscribed and fully paid up	**2,98,52,113**	**2,985.21**	**2,96,46,547**	**2,964.65**
Equity shares of Rs 10/- each				
Opening balance	2,97,00,612	2,970.05	2,96,46,547	2,964.65
Issued during the year for options	1,51,501	15.16	58,264	5.83
Buy back during the year	-	-	(4,199)	(0.42)
Total	**2,98,52,113**	**2,985.21**	**2,97,00,612**	**2,970.05**

15(a): List of shareholders holding more than 5% of Paid-Up equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Numbers	% Holding	Numbers	% Holding
CRISIL Limited	26,22,431	8.78%	26,22,431	8.83%
Life Insurance Corporation Of India And LIC P&Gs Fund	28,68,230	9.61%	28,68,230	9.66%
Pari Washington India Master Fund, Ltd.	15,66,456	5.25%	15,66,456	5.27%
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	25,26,099	8.46%	25,92,756	8.73%
Total	**95,83,216**	**32.10%**	**96,49,873**	**32.49%**

15(b): The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2024	As at March 31, 2023
	Numbers	Numbers
Equity shares at the beginning of the year	2,97,00,612	2,96,46,547
Add: Shares issued under employee stock options scheme (ESOS)	1,51,501	58,264
Buy back during the year	-	(4,199)
Equity Shares at the end of the year	**2,98,52,113**	**2,97,00,612**

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.

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.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital redemption reserve	22.92	22.92
Securities premium	8,753.65	7,574.82
Share options outstanding account	509.51	645.00
General reserve	22,184.38	22,184.38
Retained earnings	40,442.82	35,148.88
Equity instruments through other comprehensive income	1,027.17	940.12
Total Other Equity	**72,940.45**	**66,516.12**

Note – refer statement of changes in equity for description of the nature and purpose of each reserve.

Note 17

Provisions

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity (refer note 31)	464.38	387.59
Compensated Absence	672.83	603.10
Total	**1,137.21**	**990.69**

Note 18

Deferred tax liabilities (net)

(Rs in lakh)

Particulars	April 1, 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2024
Deferred tax liability				
Depreciation on property, plant and equipment	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)**	**547.12**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Particulars	April 1, 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2023
Deferred tax liability				
Depreciation on property, plant and equipment	892.25	285.10	-	1,177.35
Fair valuation of investments	137.71	(60.15)	-	77.56
Deferred tax asset				
Provisions for employee benefits	(305.85)	24.06	(29.27)	(311.06)
Others	(117.91)	(332.03)	-	(449.94)
Total	**606.20**	**(83.02)**	**(29.27)**	**493.91**

Note 19

Other financial liabilities

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Others	9.57	25.65
Unclaimed Dividend	21.58	24.62
Provision for Salary, Performance Related Pay and Commission	1,939.13	1,539.31
Total	**1,970.28**	**1,589.58**

Note 20

Other current liabilities

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	712.40	105.25
Contract Liabilities*	2,296.26	1,588.99
Total	**3,008.66**	**1,694.24**

*For contract liabilities (refer Note 23(c) and Note 23(d))

Note 21

Provisions

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absence	313.56	245.27
Gratuity	-	-
Provision for others		
Other provisions (refer note 29)	121.00	325.92
Total	**434.56**	**571.19**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 22

Trade Payables

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
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	419.25	419.34
Total	**419.25**	**419.34**

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables to Related Parties	-	-
Trade payables to Others	419.25	419.34
Total	**419.25**	**419.34**

Trade payables ageing schedule

(Rs in lakh)

Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
As at March 31, 2024		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**

Particulars	Accrued expenses	Outstanding for following periods from due date of payment				Total
As at March 31, 2023		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	412.03	7.31	-	-	-	419.34
(iii) Disputed Dues – MSME"	-	-	-	-	-	-
(iv) Disputed Dues – Others"	-	-	-	-	-	-
Total	**412.03**	**7.31**	**-**	**-**	**-**	**419.34**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 23

Revenue from operations

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Revenue from contracts with customers		
Sale of Services		
Rating Income (including Surveillance)*	28,306.57	24,883.91
Total revenue from contracts with customers (A)		
Other operating revenue (B)	-	-
Total revenue from operations (A+B)	**28,306.57**	**24,883.91**

*Rating Income (including Surveillance) includes Provision for discount/credit note of Rs 95.60 lakh (PY Rs 113.30 lakh)

(a) Revenue recognised in the current year

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rating services fees (including surveillance fees)	28,306.57	24,883.91
Total	**28,306.57**	**24,883.91**

(b) Revenue recognized from past performance obligations

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rating Income	123.93	57.89
Total	**123.93**	**57.89**

(c) Unearned revenue

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue to be recognised in:		
FY 24-25	977.43	-
FY 23-24	-	938.18
Total	**977.43**	**938.18**

(d) Revenue recognized that was included in contract liability balance at the beginning of the period:

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rating income	936.25	799.92
Total	**936.25**	**799.92**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(e) Transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Within one year	977.43	938.18
More than one year	-	-
Total	**977.43**	**938.18**

(f) Disaggregation of revenue

Timing of recognition of revenue

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
At a point in time	2,325.71	2,062.82
Over time	25,980.86	22,821.09
Total	**28,306.57**	**24,883.91**

Geographic revenue

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Within India	28,284.14	24,844.51
Outside India	22.43	39.40
Total	**28,306.57**	**24,883.91**

(g) The amount of revenue from contracts with customers recognised in the standalone statement of profit and loss is the contracted price.

(h) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables, which are included in ‘trade receivables	1,470.77	1,518.95
Contract assets	118.52	46.07
Contract liabilities	2,296.26	1,588.99

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 24

Other Income

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest income	3,880.18	3,001.21
Dividend income	225.21	133.64
Interest on Income Tax Refund	131.03	340.56
Gain on fair valuation of investments through profit and loss	261.55	61.01
Miscellaneous income	198.27	173.97
Total	**4,696.24**	**3,710.39**

Note 25

Employee benefits expense

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries and other allowances	11,324.26	9,562.99
Contribution to provident, gratuity and other funds (refer Note 31)	629.05	555.5
Employee shared-based payment expense (refer Note 35)	234.49	14.73
Staff welfare expenses	324.1	269.92
Total	**12,511.90**	**10,403.14**

Note 26

Finance costs

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Interest on lease liabilities (refer note 42)	147.54	69.94
Total Finance costs	**147.54**	**69.94**

Note 27

Depreciation and amortization expense

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Property, plant and equipment (refer note 2)	520.99	473.44
Right-of-use assets (refer note 42)	225.83	307.26
Intangible assets (refer note 3 (a))	17.84	24.72
Total depreciation and amortization expense	**764.66**	**805.42**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 28

Other expenses

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Electricity Charges	92.67	100.07
Postage and telephone charges	59.21	44.72
Rent	18.10	9.72
Travelling and conveyance expenses	263.91	202.75
Directors' sitting fees	80.50	103.50
Insurance premium	49.69	48.51
Legal expenses	90.83	182.23
Professional fees	342.50	364.27
Off-roll manpower cost	89.15	79.73
Rates and taxes	199.20	85.76
Repairs and maintenance		
- Buildings	86.53	136.38
- Others	48.32	25.69
Advertisement and sponsorship expenses	155.46	51.10
Security, housekeeping and office supplies	182.80	176.46
Membership and subscription	84.82	61.89
Provision for bad and doubtful debts	-	37.03
Bad debts written off	7.85	6.26
Auditors remuneration		
- Audit fees (including limited review fees)	35.39	36.30
- Tax audit fees	2.93	1.65
- Other services	2.85	3.30
- Reimbursement to auditors	5.42	2.34
Corporate social responsibility (refer note 43)	228.00	191.62
Technology Cost	583.93	757.49
Recruitment expenses	66.56	57.17
Miscellaneous expenses	264.06	164.46
Total	**3,040.68**	**2,930.40**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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).

(B) Provisions

The closing balance of provisions as of March 31, 2024 aggregates Rs 121.00 lakh. This includes provision of Rs 100.00 lakh 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 addition to this, provision of Rs 21.00 lakh has been recognised during the year on account of certain process related regulatory observations. During the year ended March 31, 2024 Rs 225.92 lakh provided in FY 22-23 relating to contract with a vendor providing technology services, have been paid towards termination of contract.

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**325.92**	**100.00**
Charge/(Reversal) for the year	21.00	225.92
Payment	(225.92)	-
Closing balance	**121.00**	**325.92**

C) Guarantees given by Bank on behalf of the subsidiary company in respect of lien marked Deposits placed by the Company for Rs 141.35 lakh (Previous Year Rs 141.35 lakh)

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 110.70 lakh (March 31, 2023 – Rs 21.22 lakh).

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 loss- es 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.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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 lakh)

Particulars	Gratuity (Funded)	
	As at March 31, 2024	As at March 31, 2023
i. Change in present value of obligations:		
Opening defined benefit obligation	**1,298.19**	**1,176.76**
Current service cost	117.03	122.76
Interest cost	84.98	76.09
Actuarial (gain)/loss on obligations due to change in financial assumptions	7.38	(2.09)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	37.21
Actuarial (gain)/loss on obligations due to experience	43.68	77.47
Benefits paid	(79.76)	(190.01)
Closing defined benefit obligations	**1,471.50**	**1,298.19**
ii. Change in fair value of plan assets:		
Opening fair value of the plan assets	910.60	831.34
Interest income	66.56	56.86
Expected return on plan assets	(10.78)	(3.73)
Contribution by the employer	120.50	216.13
Benefits paid	(79.76)	(190.01)
Closing fair value of the plan assets	**1,007.11**	**910.60**
iii. Net asset / (liability) recognized in the balance sheet		
Present value of the funded defined benefit obligation at the end of the period	(1,471.50)	(1,298.19)
Fair value of plan assets	1,007.11	910.60
Net asset / (liability)	**(464.38)**	**(387.59)**
iv. Expenses recognized in the statement of profit and loss		
Current service cost	117.03	122.76
Interest on defined benefit obligations	18.41	19.23
Past service cost	-	-
Amount recognized in statement of profit and loss	**135.44**	**141.99**
v. Re-measurements recognized in other comprehensive income (OCI):		
Actuarial (gains)/losses on obligation for the period	51.07	112.59
Expected return on plan assets	10.78	3.73
Amount recognized in other comprehensive income (OCI)	**61.85**	**116.32**
vi. Maturity profile of defined benefit obligation:		
Within the next 12 months	332.11	271.44
Between 1 and 5 years	846.91	760.36
Between 5 and 10 years	524.13	490.02
10 Years and above	350.03	313.27

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Particulars	Gratuity (Funded)	
	As at March 31, 2024	As at March 31, 2023
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.)	7.18%	7.31%
Expected return on plan assets (p.a.)	7.18%	7.31%
Turnover rate	For service 4 years and below 36.00% p.a. For service 5 years and above 19.00% 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.)	10.00% p.a	10.00% p.a
Retirement age	60 years	60 years
ix. Weighted average duration of defined benefit obligation	2.52 years	2.52 years
x. Sensitivity analysis for significant assumptions: *		
Increase present value of defined benefits obligation at the end of the year	1,471.50	1,298.19
1% increase in discount rate	(54.82)	(49.39)
1% decrease in discount rate	59.59	53.68
1% increase in salary escalation rate	33.88	30.57
1% decrease in salary escalation rate	(33.80)	(30.37)
1% increase in employee turnover rate	0.40	1.52
1% decrease in employee turnover rate	(0.69)	(1.83)

* 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 Rs 332.11 lakh.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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 301.93 lakh (March 31, 2023 - Rs 384.26 lakh).

C. Defined contribution plans:

Amount recognized as an expense and included in Note 28 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is Rs 390.00 lakh (March 31, 2023- Rs 327.84 lakh).

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 28 under the head "Contribution to Provident and other Funds" is Rs 43.22 lakh (March 31, 2023 – Rs 36.49 lakh).

E. Long term incentive:

The Company had introduced Long Term Incentive Plan (LTIP) in FY 22-23 for certain employees. The total cost of LTIP is recognized over the period of scheme.

During the year, the Company has recognized an expense in the statement of Profit and Loss amounting Rs 126.58 lakh (March 31, 2023 - Rs 12.41 lakh). The Company has paid first tranche of LTIP amounting Rs 62.00 lakh.

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, 2024	As at March 31, 2023
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 Ltd	Wholly Owned Subsidiary	100.00%	100.00%
CARE Ratings (Africa) Private Limited	Subsidiary	78.00%	78.00%
CARE Ratings (Nepal) Limited	Subsidiary	51.00%	51.00%
CARE Ratings South Africa (Pty) Ltd (incorporated from October 25, 2023)	Subsidiary	78.00%	-

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

B. Other Related Parties:

Name of Related Parties	Nature of Relationship
Key management personnel:	
Mr. Mehul Pandya	Managing Director & Group CEO
Mr Ajay Mahajan	Managing Director & CEO upto May 31, 2022
Mr. Najib Shah	Independent Director
Mr. V. 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. Ananth Narayan Gopalakrishanan	Independent Director (upto september 2022)
Mrs. Shubhangi Soman	Non-Executive Non-Independent Director (upto November 24, 2022)

C. Following transactions were carried out with the related parties in the ordinary course of business:

(Rs in lakh)

Name of the related party	Relationship	Nature of transactions	As at March 31, 2024	As at March 31, 2023
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	Wholly owned subsidiary	Loan given to CAAPL (Formerly known as CRSPL)	1,290.00	817.60
		Loan repaid by CAAPL (Formerly known as CRSPL)	150.00	1,639.40
		Investments in Preference shares	2,050.00	-
		Interest on loan given to CAAPL (Formerly known as CRSPL)	60.12	36.84
		Professional fees paid to CAAPL. Software development by CAAPL (Formely known as CRSPL) for company	10.75	1.25
		Expense related to ESOP granted to CAAPL (Formerly known as CRSPL) employees	22.03	18.72
		Income from laptop rent	-	1.65
		Investments in equity shares	-	3,350.00
		AMC of software	-	2.55
		Manpower cost recharge	48.65	21.47
		Capital work in progress	8.51	1.25
		Professionla fees for advisory service	11.50	-
		Rent income	28.75	2.52
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Ltd	Wholly owned subsidiary	Rent income of CARE	22.68	48.92
		Revenue Income of CARE	3.00	-

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Name of the related party	Relationship	Nature of transactions	As at March 31, 2024	As at March 31, 2023
		Reimbursement from CERL	4.78	-
		Investments in equity shares	-	1,000.00
		ESOP Income	14.57	9.53
		Manpower cost recharge - Income	69.37	20.93
		Personnel Cost- Income	12.00	-
		Rent income from laptop	-	1.28
		Professional fees paid to CERL	11.35	21.80
CARE Ratings (Africa) Private Limited (CRAF)	Subsidiary	Royalty income from CRAF	32.03	23.94
		Deemed investment	19.66	-
		IT Cost	7.10	-
		Expense related to ESOP granted to CRAF employee	1.62	2.72
		Dividend received	69.46	68.48
CARE Ratings Nepal Limited (CRNL)	Subsidiary	Dividend income from CRNL	121.01	33.55
		IT License Cost	3.86	-
		Sitting fees income	0.63	1.14
		Royalty income from CRNL	25.02	24.07
Mr. Mehul Pandya	Managing Director & Group CEO	Remuneration	300.00	271.32
Mr Ajay Mahajan	Managing Director & CEO upto May 31, 2022	Remuneration	-	116.78
Mr. Najib Shah	Independent Director	Director sitting fees	12.00	16.50
		Commssion expense	24.20	-
Mr. Adesh Kumar Gupta	Independent Director	Director sitting fees	13.00	16.50
		Commssion expense	12.10	-
Dr. M Mathisekaran	Independent Director	Director sitting fees	9.50	13.50
		Commssion expense	12.10	-
Mrs. Sonal Gunvant Desai	Independent Director	Director sitting fees	10.50	16.00
		Commssion expense	12.10	-
Mr. V. Chandrasekaran	Independent Director	Director sitting fees	13.50	17.00
		Commssion expense	12.10	-
Mr. Gurumoorthy Mahalingam	Independent Director	Director sitting fees	12.50	5.50
		Commssion expense	12.10	-
Mr. S.M.Jain	Non-Executive Non-Independent Director	Director sitting fees	9.50	1.50

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Name of the related party	Relationship	Nature of transactions	As at March 31, 2024	As at March 31, 2023
Mr. Ananth Narayan Gopalakrishanan	Independent Director	Director sitting fees	-	9.50
		Commssion expense	12.10	-
Mrs. Shubhangi Soman	Non-Executive Non-Independent Director	Director sitting fees	-	7.50

D. Outstanding balances:

(Rs in lakh)

Name of the related party	Relationship	Nature of transactions	As at March 31, 2024	As at March 31, 2023
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	Wholly owned subsidiary	Receivable related to ESOP granted to CAAPL (Formerly known as CRSPL) Employees	8.99	-
		Investments in preference share	2,050.00	-
		Loan	1,250.60	110.60
		Other receivables	10.75	-
		Interest on loan to CAAPL (Formerly known as CRSPL)	0.01	-
		Other liabilties	15.96	-
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Limited	Wholly owned subsidiary	Receivable related to manpower cost recharge	5.48	-
		Receivable towards ESOP recharge	1.58	2.35
		Receivable from CERL towards vehicle loan - accrued int	0.27	-
CARE Ratings (Africa) Private Limited (CRAF)	Subsidiary	Receivable related to ESOP granted to CRAF Employees	-	18.04
		Royalty Receivable	39.14	23.85
CARE Ratings Nepal Limited (CRNL)	Subsidiary	Sitting fees receivable	0.43	0.43
		Other receivables - IT cost	3.86	-
		Royalty Receivable	14.99	14.34

*During the year, the Company has recognized an impairment loss on non current assets i.e. investments in subsidiaries of Rs 350.00 lakh. (Previous year Rs 173.26 lakh).

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

E. Compensation of Key Management Personnel of the company:

(Rs in lakh)

Nature of Transaction/Relationship	As at March 31, 2024	As at March 31, 2023
Short term employee benefits	293.13	381.98
Other long terms benefits	6.87	6.12
Director's sitting fees	80.50	103.50
Director's commission	96.81	-
Total Compensation	**477.31**	**491.61**

Note 33: Earnings per equity share (EPS):

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A) Basic EPS		
(i) Net Profit attributable to Equity Shareholders	11,944.18	10,380.19
(ii) Weighted average number of Equity shares outstanding	2,97,69,638	2,96,55,883
Basic Earnings Per Share (i)/(ii)	**40.12**	**35.00**
B) Diluted EPS		
(i) Weighted average number of Equity shares outstanding	2,97,69,638	2,96,55,883
(ii) Add: Potential Equity Shares on exercise of option	88,183	-
(iii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS	2,98,57,821	2,96,55,883
Diluted EPS {(A)(i)/(B)(iii)}	**40.00**	**35.00**

Note 34: Income Taxes:

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Income tax expense recognized in Statement of Profit and Loss:		
Current tax		
Income Tax for Current Year	4,151.51	3,677.91
Tax Adjustment for earlier years	-	(161.22)
	4,151.51	3,516.69
Deferred tax		
Attributable to -		
Origination and reversal of temporary differences	92.34	(83.03)
	92.34	**(83.03)**
Total tax expense recognized in the standalone statement of profit and loss	**4,243.85**	**3,433.66**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

B. Income tax recognized in other comprehensive income:

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Remeasurements of defined benefit obligation	39.15	29.27
Income tax (charged) / credited to other comprehensive income	**39.15**	**29.27**

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.

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Accounting profit before tax	16,188.03	13,813.85
Tax using Comapany's domestic tax rate 25.168% (previous year 25.168%)	4,074.20	3,476.71
Effect of:		
Non-deductible expenses	145.47	193.28
Tax Adjustment for earlier years	-	(161.22)
Exempt Income	(93.93)	(70.88)
Effect of income taxed at lower rate	-	(4.23)
Others	118.10	-
Total tax expense	**4,243.85**	**3,433.66**

Note 35: Share based payments:

The company has granted 7,63,500 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	3,22,000 to others	1,23,500 to others	25,000 to others	1,00,000 to Mr. Mehul Pandya, MD	72,000 to others	10,000 to others	1,05,000 to others	6,000 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
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
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
Method of Settlement	Equity							

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

B. Movement of Options granted:

Particulars	As at March 31, 2024		As at March 31, 2023	
	ESOS (2020) (MD)	ESOS (2020) (Others)	ESOS (2020) (MD)	ESOS (2020) (Others)
Options outstanding at beginning of the year	**1,00,000**	**3,53,403**	**3,33,333**	**3,40,334**
Granted during the year	-	1,11,000	1,00,000	1,07,000
Exercised during the year	(7,000)	(1,60,302)	-	(58,264)
Lapsed during the year	-	(27,667)	(3,33,333)	(35,667)
Options outstanding at the end of the year	**93,000**	**2,76,434**	**1,00,000**	**3,53,403**
Options unvested at the end of year	**66,667**	**1,91,324**	**1,00,000**	**2,43,653**
Options exercisable at the end of the year	**26,333**	**85,110**	**-**	**1,09,750**
Weighted Average exercise price	Rs 427/-	Rs 416 - Rs 836	Rs 427/-	Rs 416 - Rs 682
Weighted average remaining contractual life (years)	2.33	1.17 to 3.50	3.33	1.68 to 3.61

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 234.49 lakh (Previous Year Rs 14.73 lakh) 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	
	MD	Other employees
Share price at grant date		
Risk free interest rate (%)	4.29%-6.93%	4.01%-7.59%
Option life (Years)	3 years to 5 years	3 years to 5 years
Expected volatility	42.36% - 54.36%	29.22% - 60.25%
Expected dividend yield (%)	0.95% - 3.83%	0.96% - 3.51%
Weighted average fair value per option	Rs 107.77 to Rs 151.59	Rs 187.89 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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Carrying Amount	509.51	645.00

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 36: Financial instruments: disclosure:

A. Classification of financial assets and liabilities:

(Rs In lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortized cost:		
Investment (non-current)	1,889.19	1,898.07
Loans (non-current)	1,284.45	144.45
Investment (current)	-	-
Loans (current)	95.07	27.41
Trade receivables	1,470.77	1,518.95
Cash and cash equivalents	3,028.54	4,250.92
Other bank balances	21.58	24.62
Other non-current financial assets	57.57	72.90
Other current financial assets	56,273.95	49,355.73
Financial assets at fair value through profit and loss:		
Investments (non-current)	-	-
Investment (current)	-	-
Financial assets at fair value through OCI:		
Investment (non-current)	2,492.93	2,492.93
Total	**66,614.04**	**59,785.98**
Financial liabilities at amortized cost:		
Lease liabilities (non current)	1,521.00	1,241.46
Lease liabilities (current)	148.17	123.56
Trade payables	419.25	419.34
Other current financial liabilities	1,970.28	1,589.58
Total	**4,058.70**	**3,373.94**

B. Investments in equity instruments designated at Fair Value through other comprehensive income

As on March 31, 2024 and March 31, 2023, The Company has investments in ARC Ratings holding Limited 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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at fair value through OCI:		
- Malaysian Rating Corporation Berhad	1,748.20	1,748.20
- ARC Ratings Holdings Limited	744.20	744.20
Total	**2,492.40**	**2,492.40**

The Company has received Rs 34.74 lakh (Previous Year Rs 34.91 lakh) as Dividend from Malaysian Rating Corporation Berhad and has recognized in the Statement of Profit and Loss under Note –24 - Other Income.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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.

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 Ratings Holdings Limited is classified under Level 3. The details are given in the table below:

(Rs In lakh)

Particulars	Level 1	Level 2	Level 3
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	-	-
As at March 31, 2023			
Investments measured at			
Fair Value through OCI	-	-	2,492.40
Fair Value through Profit and Loss	-	-	-
Amortised cost	1,898.07	-	-

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, 2024 and 2023.

The valuation of investments in Malaysian Rating Corporation Berhad and ARC Ratings Holding Limited has been done by registered valuer.

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.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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:

(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.

(B) 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.

(Rs in lakh)

Description	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in FC	Amount in Rs	Amount in FC	Amount in Rs
Other Receivable	MUR	17.88	40.34	13.62	41.89

Foreign Currency Sensitivity on unhedged exposure:

1% increase in foreign exchange rate will have the following impact on profit before tax:

(Rs In lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
MUR	0.40	0.42
USD	-	-

Note: If the rate is decreased by 100 bps profit will increase by an equal amount

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(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, 2024 is Rs 1,470.77 lakh (March 31, 2023 - Rs 1,518.95 lakh). 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.

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Provision	**83.50**	**46.47**
Add: Provided (utilized) during the Year	(77.00)	37.03
Closing Provision (refer note 9)	**6.50**	**83.50**

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.

(C) Liquidity 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 based on contractual undiscounted payments.

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for the Year ended March 31, 2024

(Rs in lakh)

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 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)	-	1,367.81	-	1,367.81
Total	**2,690.89**	**1,367.81**	**-**	**4,058.70**

(Rs in lakh)

As at March 31, 2023	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade payables	419.34	-	-	419.34
Other Liabilities	25.65	-	-	25.65
Unclaimed Dividend	24.62	-	-	24.62
Provision for Salary, Performance Related Pay and Commission	1,539.31	-	-	1,539.31
Lease liabilities. (refer Note 42)	245.56	-	-	245.56
Other non current financial liabilities				**-**
Lease liabilities (refer Note 42)	-	1,119.46	-	1,119.46
Total	**2,254.48**	**1,119.46**	**-**	**3,373.94**

Note 39: Distribution made and proposed:

(Rs In lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2023: Rs 15.00/- per share and Interim Dividend for the period ended till March 31,2024 Rs 7/- per share (March 31, 2023: Interim Rs 10.00/- per share)	6,543.64	5,932.96
Total Dividend paid	**6,543.64**	**5,932.96**
Proposed dividends on equity shares are subject to approval at the AGM (not recognized as a liability):		
Final dividend for the year ended on March 31, 2024: Rs 11 /- Per share, (March 31, 2023: Rs 15.00/-per share)	3,283.73	4,455.09
Total dividend proposed	**3,283.73**	**4,455.09**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2024:

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the year	**1,333.53**	**365.12**
Additions made during the year	462.68	1,411.96
Reversal during the year	-	(136.29)
Depreciation charged	(225.83)	(307.26)
Balance as at end of the year	**1,570.38**	**1,333.53**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Amounts recognized in profit and loss:

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation expense on Right-of-use assets	225.83	307.26
Interest expense on Lease liabilities	147.54	69.94
Expense relating to short-term leases	18.10	9.72
Total	**391.47**	**386.92**

The following is the break-up of current and non-current Lease liabilities as at March 31, 2024

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Current lease liabilities	148.17	123.56
Non-current lease liabilities	1,521.00	1,241.46
Total	**1,669.17**	**1,365.02**

The following is the movement in Lease liabilities during the year ended March 31, 2024:

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Balance at the beginning of the year	**1,365.01**	**422.01**
Additions made during the year	433.55	1,348.53
Reversal during the year	-	(178.15)
Finance costs accrued during the period	147.54	69.94
Payment of lease liabilities	(276.93)	(297.32)
Balance at the end of the year	**1,669.17**	**1,365.01**

The table below provides details regarding the contractual maturities of Lease liabilities on an undiscounted basis:

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Not later than one year	301.36	245.56
Later than one year but not later than five years	1,485.93	869.95
Later than five years	632.59	894.76

The total cash outflow for leases is Rs 295.03 lakh for the Year ended March 31, 2024, including cash outflow for short term and low value leases.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 43: Corporate social responsibility

Gross amount required to be spent by the Company during the year is Rs 228.00 lakh (Previous Year Rs 191.62 lakh)

Amount spent during the year on the following:

(Rs in lakh)

Particulars	As at March 31, 2024
Prashanti Trust	22.00
Juvenile Diabetes Foundation	18.50
LeapForward	5.00
Kamarajar	25.76
Seva Sahayog	15.00
Sri Sathya Sai Health & Education Trust	10.50
Mahindra Education Trust & Nandi Foundation	24.72
LAFTI	18.00
Golden Hour	20.00
Paraplegic Rehab Centre	22.18
Little More	19.82
Apex Kidney Foundation	15.00
Fine Arts	11.52
Total	**228.00**

Particulars	As at March 31, 2024	As at March 31, 2023
Amount required to be spent during the year	228.00	191.62
Amount of expenditure incurred during the year	228.00	191.62
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.
Details of related party transactions in CSR	N.A.	N.A.
Whether provision is created for contractual obligation	N.A.	N.A.

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:

In November 2023, the company had granted unsecured loan amounting to Rs 1,290 lakh 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 company has repaid amount of Rs 150 lakh. (previous year = Rs 817.6 lakh) The rate of interest was to be determined with reference to specific benchmark rates. There are no specified repayment dates for these loans.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

B. Details of Investment made during the year as below:

(Rs In lakh)

Name of the Company	Holding / Subsidiary / Associate	Year Ended March 31, 2024	Year Ended March 31, 2023
CARE Ratings (Nepal) Limited	Subsidiary	-	-
CARE Ratings (Africa) Private Limited	Subsidiary	-	-
CARE Analytics and Advisory Private Limited formerly known as CARE Risk Solutions Private Limited	Wholly owned subsidiary	2,050.00	3,350.00
CARE ESG Ratings Limited, formely known as CARE Advisory Research and Training Limited	Wholly owned subsidiary	-	1,000.00

Note 45 Ratio Analysis

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change	Reasons for major variance
Current Ratio	Total current assets	Total current liabilities	10.26	12.39	(17.21%)	This is due to increased in contact liabilities.
Debt-Equity Ratio	Borrowings and lease liabilities	Total equity	0.02	0.02	(9.47%)	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	46.42	37.86	22.62%	This is due to improved in cash flow
Return on Equity Ratio	Profit for the year less preference dividend (if any)	Average total equity	0.16	0.15	6.44%	Due to increased in profits
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	18.94	16.63	13.87%	The increase is due to increase in revenue from operation & decrease in trade receivables
Trade payables turnover ratio	Net Credit Purchases/ Other expenses	Average trade payables	40.10	41.87	(4.22%)	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)	0.29	0.48	(39.09%)	This is due to increased in working capital
Net profit ratio	Profit for the year	Revenue from operations	0.42	0.42	0.47%	This is due to increased in profit
Return on Capital employed	EBIT	Capital Employed= Net worth+ Lease Liabilities+ Deferred tax iabilities	0.21	0.20	4.52%	This is due increased in profit
Return on investment	Income generated from invested funds	Average invested funds in tresaury investments	0.34	0.28	20.62%	The increase is primarily on account of increase in interest income

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

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, 2024, the Company has recognized an impairment loss in relation to investments in subsidiaries of Rs 350.00 lakh.

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 lakh which is based on fair value less cost of disposal and recorded an impairment loss of Rs 350.00 lakh (FY 2023: Rs 173.26) 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 lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Items that will not be reclassified to profit or loss		
(i) Remeasurement gain/(loss) on defined benefit liability / (asset)	(61.85)	(116.32)
(ii) Income tax relating to items that will not be reclassified to profit or loss	39.15	29.27
Other comprehensive income/ (loss), net of income tax	**(22.70)**	**(87.04)**

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

Note 50 Audit trail

For the year ended March 31, 2024, the following matters relating to the requirements of audit trail were relevant:

- Audit trail was not enabled in case of an accounting software used for maintaining general ledger for the period April 1, 2023 to December 31, 2023.
- The independent auditor's reports for accounting softwares, used for maintaining general ledger (operated from 1 January 2024 to March 31, 2024) and maintaining payroll records which are operated by respective third- party software providers were not available.
- • For an accounting software used for maintaining revenue related records, the Company has implemented an access management tool w.e.f. June 6, 2023 which has a feature of recording audit trail (edit log) facility.

However, the management has appropriate controls in place with respect to Internal financial controls for these respective processes.

Note 51 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) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

Notes Forming Part of the Standalone Financial Statement

for the Year ended March 31, 2024

(ix) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013

(xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

The accompanying notes are an integral part of the standalone financial statements.

As per our attached report of even date	For and on behalf of the Board of Directors of **CARE Ratings Limited**		
For **B S R & Co. LLP**			
Chartered Accountants			
Firm registration No.:			
101248W/W-100022			
Ajit Viswanath	**Najib Shah**	**Mehul Pandya**	**Adesh Kumar Gupta**
Partner	Chairman	Managing Director & Group CEO	Independent Director
Membership No. 067114	DIN No. - 08120210	DIN No. - 07610232	DIN No. - 00020403
	Jinesh Shah	**Nehal Shah**	
	Chief Financial Officer	Company Secretary	
	M No.- 117833	M No.- A18077	
Mumbai	Mumbai		
Date : May 09, 2024	Date : May 09, 2024		

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 2024, 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 2024, 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 and based on the consideration of reports of other auditors on separate financial statements of components audited by them, 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.

<table>
<tr><th colspan="2">Key audit matter</th></tr>
<tr><td colspan="2">See Note 25 to consolidated financial statements</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Holding Company's revenue from operations primarily comprises of income from providing rating services to customers. Refer note 28 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.</td><td>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.
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.</td></tr>
</table>

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 and based on the audit reports of other auditors, 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 of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 of such entities or business 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 of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits 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. 2,513.68 lakhs as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 1,696.95 lakhs and net cash outflow (before consolidation adjustments) amounting to Rs. 274.72 lakhs 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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, 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 reports of the other auditors 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 as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modifications 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) and paragraph 2B(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 and based on the consideration of the reports of the other auditors

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 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 2024.

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 2024.

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 48 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 performed 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 41 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 and that performed by the respective auditor of the subsidiary companies which are Companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies have used accounting softwares for maintaining its books of account which, along with access management tools (as applicable) have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- In respect of the Holding Company and its two subsidiary companies incorporated in India, in the absence of independent auditor's reports in relation to controls at the respective service organizations for an accounting software used for maintaining the books of accounts including general ledger (operated from 1 January 2024 to 31 March 2024) and accounting software used for maintaining the books of accounts relating to payroll, which are operated by third-party software service providers, we are unable to comment whether audit trail feature for the said softwares was enabled and operated throughout the year for all relevant transactions recorded in the softwares.

- In respect of the Holding Company and its two subsidiary companies incorporated in India , in case of an accounting software used for maintaining the books of account including general ledger (operated from 1 April 2023 to 31 December 2023), the feature of recording audit trail (edit log) facility has not been enabled during this period.

- In respect of the Holding Company, in case of an accounting software used for maintaining the books of accounts relating to revenue, in the absence of an access management tool (implemented from 6 June 2023), the feature of recording audit trail (edit log) facility was not enabled for the period from 1st April 2023 to June 5, 2023.

Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

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 give to us and based on the reports of the statutory auditors of such components incorporated in India which were not 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 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:24067114BKFFVL3376

Place: Mumbai
Date: May 09, 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of CARE Ratings Limited for the year ended 31 March 2024

(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 company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its respective auditor in his report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	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 (formerly known as CARE Risk Solutions Private Limited)	U74210MH1999PTC118349	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:24067114BKFFVL3376

Place: Mumbai
Date: May 09, 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of CARE Ratings Limited for the year ended 31 March 2024

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 2024, 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 2024, 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:24067114BKFFVL3376

Place: Mumbai
Date: May 09, 2024

CareEdge
Ratings • Analytics • Consulting • Sustainability

Consolidated Balance Sheet

as at March 31, 2024

(Rs in lakh)

Particulars	Note Number	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
(1) Non-current assets			
a. Property plant and equipment	2	7,944.33	8,023.13
b. Right-of-use assets	45	1,840.50	1,712.07
c. Goodwill	3 (d)	795.03	795.03
d. Other intangible assets	3 (a)	302.10	198.13
e. Intangible assets under development	3 (b)	598.62	423.03
f. Financial Assets			
(i) Investments	4	4,382.11	4,391.00
(ii) Loans	5	33.85	33.85
(iii) Other financial assets	6	760.52	1,171.42
g. Deferred tax assets (net)	7	-	-
h. Other non-current assets	8	64.19	35.42
Total Non-current Assets		**16,721.25**	**16,783.09**
(2) Current assets			
a. Financial assets			
(i) Trade receivables	10	2,248.51	2,038.08
(ii) Cash and cash equivalents	9	3,828.56	4,942.47
(iii) Bank balances other than cash and cash equivalents	11	2,009.15	702.84
(iv) Loans	12	95.27	29.05
(v) Other financial assets	13	57,432.11	50,831.44
b. Current tax asset (Net)	14	456.66	421.93
c. Other current assets	15	1,384.24	1,212.92
Total current assets		**67,454.50**	**60,178.74**
Total assets		**84,175.75**	**76,961.84**
II EQUITY AND LIABILITIES			
(1) Equity			
a. Equity share capital	16	2,985.21	2,970.05
b. Other equity	17	68,727.59	64,250.74
Equity attributable to equity holders of the parent		**71,712.80**	**67,220.79**
Non-controlling interests	16 (h)	745.64	683.33
Total equity		**72,458.44**	**67,904.12**
Liabilities			
(2) Non-current liabilities			
a. Financial liabilities			
(i) Lease liabilities	45	1,714.65	1,527.69
b. Provisions	19	1,586.78	1,255.13
c. Deferred tax liabilities (net)	20	548.19	493.91
Total Non-Current Liabilities		**3,849.62**	**3,276.73**
(3) Current liabilities			
a. Financial liabilities			
(i) Lease liabilities	45	240.75	220.12
(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		1,332.29	1,027.00
(iii) Other financial liabilities	21	2,025.40	1,629.82
b. Other current liabilities	22	3,516.82	2,182.40
c. Provisions	23	608.44	721.65
d. Current tax liability (Net)	14	143.99	-
Total current liabilities		**7,867.69**	**5,780.99**
Total liabilities		**11,717.31**	**9,057.72**
Total equity and liabilities		**84,175.75**	**76,961.84**
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 09, 2024

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

Adesh Kumar Gupta
Independent Director
DIN No. - 00020403

Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(Rs in lakh)

Particulars	Note	Year Ended March 31, 2024	Year Ended March 31, 2023
Income			
I. Revenue from operations	25	33,168.48	27,899.30
II. Other income	26	4,669.02	3,793.65
III. Total income (I + II)		**37,837.50**	**31,692.95**
Expenses			
IV. Employee benefit expenses	27	16,458.31	13,394.37
V. Finance costs	28	171.21	100.16
VI. Depreciation and amortisation expense	29	1,048.29	1,052.94
VII. Impairment of non current assets	3 (a)	-	570.62
VIII. Other expenses	30	5,496.74	4,000.20
IX. Total expenses (IV TO VIII)		**23,174.55**	**19,118.31**
X. Profit before exceptional item and tax		**14,662.95**	**12,574.65**
XI. Exceptional items		-	-
XII. Profit before tax expense (X- XI)		**14,662.95**	**12,574.65**
Tax expenses			
Current tax	35 (A)	4,312.56	3,830.43
Adjustment of tax relating to earlier periods	35 (A)	-	49.36
Deferred tax	35 (A)	94.01	149.06
XIII. Total tax expense		**4,406.57**	**4,028.85**
XIV. Profit for the year (XII -XIII)		**10,256.38**	**8,545.80**
XV. Profit for the year attributable to:			
(i) Non-controlling interest		203.89	192.86
(ii) Owners of the parent		10,052.49	8,352.94
Other Comprehensive Income/(Expense)			
A. (i) Items that will not be reclassified to profit or loss	49	(67.30)	(121.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss	49	39.15	29.27
B. (i) Items that will be reclassified to profit or loss	49	3.85	9.38
(ii) Income tax relating to items that will be reclassified to profit or loss	49	-	(2.36)
XVI. Other comprehensive income/(Expense) for the year		**(24.30)**	**(85.30)**
XVII. Other comprehensive income for the year attributable to:			
(i) Non-controlling interest		0.85	1.54
(ii) Owners of the parent		(25.15)	(86.84)
XVIII. Total Comprehensive Income for the year		**10,232.08**	**8,460.50**
XIX. Total Comprehensive Income for the year attributable to:			
(i) Non-controlling interest		204.74	194.41
(ii) Owners of the parent		10,027.34	8,266.10
XX. Earnings per equity share (Face Value Rs10/- each)	36		
- Basic		33.77	28.17
- Diluted		33.67	28.17
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
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For and on behalf of the Board of Directors of **CARE Ratings Limited**

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DIN No. - 00020403

Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(Rs in lakh)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Cash flow from operating activities			
Profit before tax		14,662.95	12,574.65
Adjustments for			
Interest income	26	(4,124.03)	(3,175.58)
Dividend received	26	(34.74)	(31.60)
Realized gain on sale of investments		(246.85)	(55.31)
Provision for doubtful debts/(Reversal)	30	145.42	40.30
Bad debts written off	30	108.83	11.78
Loss on sale of fixed assets		-	0.81
Share based payment expenses	27	271.49	48.28
Impairment losses on property, plant and equipment and intangible assets		-	570.62
Lease concession		-	(11.03)
Gain on termination of lease		-	(30.84)
Unrealised foreign exchange gain	26	(15.75)	(111.73)
Finance Cost on lease liabilities	28	171.20	100.16
Depreciation and amortization expenses	29	1,048.29	1,052.94
Operating cash flow before working capital changes		**11,986.81**	**10,983.45**
Movements in working capital			
Increase in trade receivables		(448.93)	(427.64)
Decrease/(Increase) in financial Assets		(235.15)	94.14
Increase in other current assets		(178.32)	(124.31)
Decrease in non-current financial assets		8.56	2.30
Increase in financial liabilities		398.62	408.94
Increase in other liabilities & provisions		1,791.54	458.67
Total Movements in working capital		**1,336.31**	**412.10**
Taxes paid		(4,234.96)	(3,171.31)
Net cash generated from operating activities (A)		**9,088.16**	**8,224.24**
(B)Cash flow from investing activities			
Interest received		3,963.27	1,841.04
Dividend received	26	34.74	31.60
Net proceeds from/(investment in) fixed deposits		(7,243.19)	508.09
Proceeds from sales of property plant & equipment		-	2.63
Acquisition of property plant and equipment		(917.12)	(1,150.64)
Purchase of Investments		(32,122.45)	(15,075.00)
Redemption of Investments		32,378.19	15,130.31
Net cash generated /(used) from investing activities (B)		**(3,906.56)**	**1,288.03**
(C)Cash flow from financing activities			
Dividend and dividend tax paid		(6,688.51)	(5,976.37)
Buyback related (expenses)/reversed		3.00	(163.40)
Premium paid on buy back of share		-	(21.20)
Nominal value of shares bought back transferred to CRR		3.15	-
Redemption of share capital on account of buy back during the year		-	(0.42)

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(Rs in lakh)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Proceeds from exercise of share options		784.01	242.38
Repayment of lease liability		(225.97)	(313.89)
Payment of interest on lease liability	28	(171.20)	(100.16)
Net cash used in financing activities (C)		**(6,295.52)**	**(6,333.06)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,113.92)**	**3,179.21**
Add: Cash and cash equivalents at the beginning of year		4,942.47	1,763.26
Cash and cash equivalents at the end of the year		**3,828.56**	**4,942.47**
Components of Cash and cash equivalents (Refer note 9)			
Balances with Banks			
-On Current Account	9	824.62	725.05
-Deposit Accounts	9	705.57	1,210.07
-Liquid Mutual fund	9	2,295.07	3,005.70
Cash on hand	9	3.17	0.94
Others			
-Prepaid Cards	9	0.13	0.71
Total		**3,828.56**	**4,942.47**

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, 2024 and March 31, 2023.

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 09, 2024

For and on behalf of the Board of Directors of **CARE Ratings Limited**

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Chairman
DIN No. - 08120210

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Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital

For the year ended March 31, 2024

(Rs in lakh)

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

For the year ended March 31, 2023

(Rs in lakh)

Balance as at April 01, 2022	Changes in Equity Share Capital during the year	Balance as at March 31, 2023
2,964.65	5.40	2,970.05

B. Other Equity

For the year ended March 31, 2024

(Rs in lakh)

Particulars	Reserves and Surplus						Other comprehensive income		
	Share options outstanding account	Capital redemption reserve	Securities premium	General reserve	Foreign currency translation reserve	Retained earnings	Equity instruments through other comprehensive income	Total equity	Non-controlling interest
Balance as at April 01, 2023	**644.99**	**22.92**	**7,574.82**	**22,182.12**	**(20.95)**	**32,773.41**	**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	-	-	-	-	3.00	(28.15)	-	(25.15)	0.85
Total comprehensive income/ (loss) for the year	**644.99**	**22.92**	**7,574.82**	**22,182.12**	**(17.95)**	**42,797.75**	**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	-
Other adjustments	-	-	-	-	-	(53.35)	-	(53.35)	(0.60)
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**	**(17.95)**	**36,203.91**	**1,073.44**	**68,727.59**	**745.64**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

For the year ended March 31, 2023

(Rs in lakh)

Particulars	Reserves and Surplus						Other comprehensive income	Total equity	Non-controlling interest
	Share options outstanding account	Capital redemption reserve	Securities premium	General reserve	Foreign currency translation reserve	Retained earnings	Equity instruments through other comprehensive income		
Balance as at April 01, 2022	**786.66**	**22.50**	**7,369.56**	**22,148.48**	**(26.43)**	**30,410.61**	**1,073.44**	**61,784.81**	**531.42**
Profit after tax for the year	-	-	-	-	-	8,352.94	-	8,352.94	192.86
Other comprehensive income/ (loss), net of tax	-	-	-	-	5.48	(92.32)	-	(86.84)	1.54
Total comprehensive income/ (loss) for the year	**786.66**	**22.50**	**7,369.56**	**22,148.48**	**(20.95)**	**38,671.23**	**1,073.44**	**70,050.91**	**725.82**
Contribution by and Distribution to owners									
Dividends	-	-	-	-	-	(5,932.96)	-	(5,932.96)	(42.49)
Nominal value of shares bought back transferred to CRR	-	0.42	-	(0.42)	-	-	-	-	-
Buyback related expenses	-	-	(163.40)	-	-	-	-	(163.40)	-
Premium paid on buy back of share	-	-	(21.20)	-	-	-	-	(21.20)	-
Other adjustments	-	-	-	-	-	35.14	-	35.14	-
ESOP Exercised During the period	(153.31)	-	389.86	-	-	-	-	236.55	-
Employee stock option granted/charge for the period*	45.70	-	-	-	-	-	-	45.70	-
Employee stock option lapsed during the period	(34.06)	-	-	34.06	-	-	-	-	-
Balance as at March 31, 2023	**644.99**	**22.92**	**7,574.82**	**22,182.12**	**(20.95)**	**32,773.41**	**1,073.44**	**64,250.74**	**683.33**

* Amount of Rs 45.70 lakh includes Rs 30.96 lakh relating to options issued to employees of subsidaries.

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

The description of the nature and purpose of each reserve within equity is as follows:

a. **Share options outstanding account**

The Group has Share Options Scheme under which option to subscribe for the Company's shares have been granted to selected employees. Refer Note 37 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.

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.

d. **General reserve**

In earlier years, the Company has transferred a portion of the net profits of the Company before declaring dividends to General Reserve. Mandatory transfer to General reserve is not required under the Companies Act, 2013

e. **Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

f. **Retained earnings**

Retained earnings are the profits that the Company has earned till date after appropriation of profits.

g. **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 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 09, 2024

For and on behalf of the Board of Directors of **CARE Ratings Limited**

Najib Shah
Chairman
DIN No. - 08120210

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Managing Director & Group CEO
DIN No. - 07610232

Adesh Kumar Gupta
Independent Director
DIN No. - 00020403

Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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, New Delhi 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") previously 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:	**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 (Africa) Pte Limited ("CREF") (New Subsidiary)**
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 Nepal Ltd ("CRNL")**
Country of Incorporation:	**Nepal**
Ownership in % either directly or through Subsidiaries:	**51%**
The Financial year for the above subsidiary company is 16^{th} July to 15^{th} July, however the accounts for the purpose of consolidation are prepared from April 2023 to March 2024.	
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 09, 2024. There are no subsequent events that impacts the consolidated financial statement.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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:

- 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 2023. 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) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (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.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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.

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 Company recognizes the revenue measured at the fair value of consideration received or receivable.

The Company 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 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 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.

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for the Year ended March 31, 2024

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 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.

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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.

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 Rs, 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 the fair value measurement as a whole (Note 42 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

Notes Forming Part of the Consolidated Financial Statement

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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 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, 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.

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Depreciation on sale or disposal is provided on a pro rata basis till the date of such sale or disposal.

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 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 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 Group.

The Group has determined the useful life for software as 3 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 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.

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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:

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 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

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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 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.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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 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.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 2: Property, Plant and Equipment**

(Rs in lakh)

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**

(Rs in lakh)

Description of Assets	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 01, 2022	For the year	On deletions/ disposals during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment*										
Furniture and fixtures	624.57	87.71	(17.26)	695.03	162.99	62.00	(13.88)	211.12	483.91	462.45
Office Equipment	395.66	88.06	(18.43)	465.29	152.36	79.22	(18.37)	213.21	252.08	244.20
Computers	942.12	264.30	(17.12)	1,189.31	503.91	258.85	(17.12)	745.65	443.66	435.47
Vehicles	48.83	198.03	-	246.86	13.44	25.79	-	39.23	207.62	35.40
Electrical Installations	176.31	18.80	-	195.11	48.72	17.43	-	66.15	128.96	127.60
Buildings	7,238.78	60.69	-	7,299.47	669.89	134.80	-	804.69	6,494.78	6568.90
Leasehold improvements	12.92	12.94	(3.57)	22.28	7.44	6.23	(3.51)	10.16	12.12	5.48
Total Property, plant and equipment	**9,439.19**	**730.53**	**(56.37)**	**10,113.34**	**1,558.75**	**584.32**	**(52.87)**	**2,090.21**	**8,023.13**	**7,879.60**

Note:- *In relation to an ongoing litigation, the Holding Company is required to seek permission of the Hon'ble Madras High Court prior to transfer, sale, disposal 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.

Note - 3: (a) Other Intangible Assets**

(Rs in lakh)

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**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Description of Assets	Gross block				Accumulated amortisation				Net block	
	As at April 01, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 01, 2022	For the year	On deletions/ disposals during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer software	358.38	213.55	(2.84)	569.09	320.70	53.08	(2.84)	370.94	198.13	37.66
Software development	18.64	-	-	18.64	18.64	-	-	18.64	-	-
Total Intangible assets	**377.02**	**213.55**	**(2.84)**	**587.73**	**339.34**	**53.08**	**(2.84)**	**389.58**	**198.13**	**37.66**

** Note : There has been no revaluation of property, plant and equipments and intangible assets during the year.

(b) Intangible assets under development *

(Rs in lakh)

Description	As at March 31, 2024	Year Ended March 31, 2023
Balance at the beginning	424.28	818.66
Additions	540.99	341.93
Capitalised during the year	(366.64)	(166.94)
Write off during the year	-	(570.63)
Balance at the end	**598.63**	**423.03**

*This includes impairment of intangible assets under development pertaining to parent company for Rs 570.63 lakh

(c) Intangible assets under development ageing Schedule

(Rs in lakh)

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**

(Rs in lakh)

As at March 31, 2023	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	283.43	139.60	-	-	423.03
Projects temporarily suspended	-	-	-	-	-
Total	**283.43**	**139.60**	**-**	**-**	**423.03**

(d) Details of overdue projects under development

(Rs in lakh)

Particulars	To be completed in (contract value)				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Product development	405.64	-	-	-	405.64
Total	**405.64**	**-**	**-**	**-**	**405.64**

(e) Goodwill

Goodwill arising from consolidation as of 31 March 2024 and 31 March 2023 aggregated Rs795.03 lakh. 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

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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 lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos	Amount	Nos	Amount
Unquoted:				
Investment measured at Fair value through other comprehensive income				
Face value of USD 22,600 each fully paid:				
ARC Ratings Holdings Limited	20	744.20	20	744.20
Face value of RM 1 each fully paid:				
Malaysian Rating Corporation Berhad	20,00,000	1,748.20	20,00,000	1,748.20
Investments in Association of Indian Rating Agencies	-	0.53	-	0.53
Total unquoted investments		**2,492.93**		**2,492.93**
Quoted:				
Investment measured at amortized cost:				
Tax free bonds*		1,889.19		1,898.07
Total quoted investments		**1,889.19**		**1,898.07**
Total investments		**4,382.12**		**4,391.00**
Aggregate amount of quoted investments		**1,889.19**		**1,898.07**
Market value of quoted investments		**2,002.96**		**2,046.28**
Aggregate amount of unquoted investments		**2,492.93**		**2,492.93**
Aggregate amount of impairment in value of Investment		**-**		**-**

***This includes accrued interest of Rs 63.92 lakh (Previous year: Rs 63.92 lakh)**

Note 5: Loans – Non-current

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured and Considered Good		
Loans to employees*	33.85	33.85
Total	**33.85**	**33.85**

*This includes Rs 6.31 lakh accrued interest on loans to employees (Previous Year = Rs 2.05 lakh)

(Rs in lakh)

Type of borrower	As at March 31, 2024	% of total Loans and Advances	As at March 31, 2023	% 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	**-**	**-**	**-**	**-**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 6: Other financial assets

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with banks (with more than 12 months of original maturity)*	654.04	1,056.37
Security Deposits	88.73	104.53
Earnest Money Deposit	5.20	2.60
Other Receivable	12.56	7.92
Total	**760.52**	**1,171.42**

*This includes accrued interest of Rs7.62 lakh (Previous year: Rs 7.33 lakh)

Note 8: Other non-current assets

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	26.64	4.88
Prepaid expenses	37.54	30.54
Total	**64.18**	**35.42**

Note 9: Cash and cash equivalents

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
On current account	824.62	725.05
Deposit accounts (with original maturity of less than three months)*	705.57	1,210.07
Cash on hand	3.17	0.94
Others		
Prepaid cards	0.13	0.71
Liquid Mutual fund	2,295.07	3,005.70
Total	**3,828.56**	**4,942.47**

* - This includes accrued interest of Rs0.15 lakh (Previous year – Rs 4.16 lakh)

Note 10: Trade receivables

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
(a) Trade receivables - Considered good secured;	-	-
(b) Trade receivables - Considered good unsecured;	2,134.09	1,995.10
(c) Trade receivables which have significant increase in credit risk;	418.40	337.28
(d) Trade receivables – credit impaired	-	-
Total trade receivables	**2,552.49**	**2,332.38**
Less: Allowance for credit losses (Refer Note 43 (B))	(303.98)	(294.30)
Net Trade receivable	**2,248.51**	**2,038.08**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

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**

(Rs in lakh)

Particulars	Outstanding for following periods from due date of payment					
As at March 31, 2023	**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	1,505.09	292.25	11.51	-	-	1,808.84
(ii) Undisputed Trade receivables – which have significant increase in credit risk	16.11	243.33	22.52	13.24	228.35	523.54
(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	**1,521.19**	**535.58**	**34.02**	**-**	**-**	**2,332.38**
Allowance for bad and doubtful debts	-	-	-	-	-	(294.30)
Net trade receivables	**-**	**-**	**-**	**-**	**-**	**2,038.08**

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 Company does not have any trade receivables relating to related parties.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 11: Bank Balances other than Cash and cash equivalents

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
Fixed deposits*	280.15	505.81
Deposits with banks (with more than 3 but less than 12 months of original maturity)**	1,390.84	-
Earmarked balances with banks		
Unclaimed dividend account	21.58	24.62
Lienmarked deposit#	316.58	172.41
Total	**2,009.15**	**702.84**

* - This includes accrued interest of Rs 1.26 lakh (previous year – Rs 4.63 lakh)

This includes accrued interest of Rs 30.14 lakh (previous year – Rs 17.33 lakh)

**Deposits with banks includes accrued interest of Rs37.72 lakhs (previous year Rs 23.70 Lakhs) on fixed deposits

Note 12: Loans

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured and considered good)		
Loan to employees*	95.27	29.05
Total	**95.27**	**29.05**

* - This includes accrued interest of Rs 2.01 lakh (previous year – Rs 0.54 lakh)

(Rs in lakh)

Type of borrower	As at March 31, 2024	% of total Loans and Advances	As at March 31, 2023	% 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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with banks (with more than 12 months of original maturity)*	57,103.15	50,626.32
Security deposits	61.37	55.27
Other Receivable	109.33	7.70
Lienmarked Deposit	158.26	141.35
Earnest Money Deposit	-	0.80
Total	**57,432.11**	**50,831.44**

* This includes accrued interest Rs 1,578.41 lakh (previous year – Rs 1,423.88 lakh)

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 14: Current tax assets/(Liabilities) (Net)

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance payment of taxes (Net of provision for tax)	456.66	421.92
Total	**456.66**	**421.92**

Note 15: Other current assets

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Contract asset	773.63	654.38
Prepaid expenses	343.03	322.93
Deposits with statutory authorities	125.94	25.01
Other advances	141.34	87.52
GST, other taxes and statutory deposits	-	114.19
Advances to suppliers	0.30	8.90
Total	**1,384.23**	**1,212.92**

Note 16: Equity share capital

(Rs in lakh)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Numbers	Amount (Rs in lakh)	Numbers	Amount (Rs in lakh)
Authorized	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Equity shares of Rs10/- each				
Issued, subscribed and fully paid up				
Equity shares of Rs10/- each				
Opening balance	2,97,00,612	2,970.05	2,96,46,547	2,964.65
Issued during the year	1,51,501	15.16	58,264	5.83
Buy back during the year	-	-	(4,199)	(0.42)
Total	**2,98,52,113**	**2,985.21**	**2,97,00,612**	**2,970.05**

16(a): List of shareholders holding more than 5% of Paid-Up equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Numbers	% Holding	Numbers	% Holding
CRISIL Limited	26,22,431	8.78%	26,22,431	8.83%
Life Insurance Corporation Of India And Lic P&Gs Fund	28,68,230	9.61%	28,68,230	9.66%
Pari Washington India Master Fund, Ltd.	15,66,456	5.25%	15,66,456	5.27%
Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	25,26,099	8.46%	25,92,756	8.73%
Total	**95,83,216**	**32.10%**	**96,49,873**	**32.49%**

16(b): The reconciliation of the number of shares outstanding is set out below:

Particulars	As at March 31, 2024	As at March 31, 2023
	Numbers	Numbers
Equity shares at the beginning of the year	2,97,00,612	2,96,46,547
Add: Shares issued under employee stock options scheme (ESOS)	1,51,501	58,264
Buy back during the year	-	(4,199)
Equity Shares at the end of the year	**2,98,52,113**	**2,97,00,612**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
CARE Ratings Africa Limited		
Share in equity capital	57.86	57.86
Share in Reserves and Surplus	204.17	157.64
Share in Other Comprehensive Income (if any)	-	-
Total (A)	**262.03**	**215.50**
CARE Ratings Nepal Limited		
Share in equity capital	153.13	153.12
Share in Reserves and Surplus	330.49	314.70
Share in Other Comprehensive Income (if any)	-	-
Total (B)	**483.62**	**467.82**
Total Non-controlling interests (A+B)	**745.64**	**683.32**

Note 17: Other Equity

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital redemption reserve	22.92	22.92
Securities premium	8,753.65	7,574.82
Share options outstanding account	509.50	644.99
General reserve	22,182.12	22,182.12
Retained earnings	36,203.91	32,773.41
Foreign currency translation reserve	(17.95)	(20.95)
Other comprehensive income	1,073.44	1,073.44
Total Other Equity	**68,727.59**	**64,250.75**

Note – Refer statement of changes in equity for description of the nature and purpose of each reserve.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 18: Trade Payables

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note no 43)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,332.29	1,027.00
Total	**1332.29**	**1027.00**

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables to Related Parties	47.69	-
Trade payables to Others	1,284.60	1,027.00
Total	**1,332.29**	**1027.00**

Trade payables ageing schedule

(Rs in lakh)

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**

(Rs in lakh)

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, 2023						
(i) MSME	-	-	-	-	-	-
(ii) Others	761.17	238.75	26.58	0.50	-	1,027.00
(iii) Disputed Dues – MSME	-	-	-	-	-	-
(iv) Disputed Dues – Others	-	-	-	-	-	-
Total	**761.17**	**238.75**	**26.58**	**0.50**	**-**	**1,027.00**

Note 19: Provisions

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefit		
Gratuity (refer note 33)	520.71	440.00
Compensated absences	769.99	665.06
Provision for others		
Other Provision	296.08	150.07
Total	**1,586.78**	**1,255.13**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 20: Deferred tax liabilities (net)

(Rs in lakh)

Particulars	As at April 1, 2023	Deferred tax Impact of earlier years	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	1,177.35	-	89.13	-	1,266.48
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**

(Rs in lakh)

Particulars	As at April 1, 2022	Deferred tax Impact of earlier years	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at March 31, 2023
Deferred tax liability					
Depreciation on property, plant and equipment	892.25	-	285.10	-	1,177.35
Fair valuation of investments	137.71	-	(60.15)	-	77.56
Deferred tax asset					
Provisions for employee benefits	(305.85)	-	24.06	(29.27)	(311.06)
Others	(117.91)	-	(332.03)	-	(449.94)
Total	**606.20**	**-**	**(83.02)**	**(29.27)**	**493.91**

Note 21: Other financial liabilities

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Liabilities	(5.35)	32.42
Unclaimed Dividend	21.58	24.62
Provision for Salary, Performance Related Pay and Commission	2,009.17	1,572.78
Total	**2,025.40**	**1,629.82**

Note 22: Other current liabilities

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	820.33	872.80
Contract liability*	2,696.50	1,309.59
Total	**3516.82**	**2182.38**

*For contract liabilities (refer Note 23(c) and Note 23(d))

Note 23: Provisions

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefit		
Compensated absence	61.25	281.52
Gratuity (refer note 33)	31.24	27.07
Provision for others		
Other provisions	515.95	413.06
Total	**608.44**	**721.65**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 24: Current tax liability (net)

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for income tax (net of advance tax and TDS)	143.99	-
Total	**143.99**	**-**

Note 25: Revenue from operations

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customer		
Sale of services		
Rating income (including surveillance)*	29,837.70	26,148.78
Fee for consultancy services	-	1,070.12
Fees for license and implementation fees	921.26	680.40
Advisory Services	2,409.52	-
Total revenue from contracts with customers (A)	**33,168.48**	**27,899.30**
Other operating revenue (B)	-	-
Total revenue from operations (A+B)	**33,168.48**	**27,899.30**

*Rating Income (including Surveillance) includes Provision for discount/credit note of Rs 95.56 lakh (previous year Rs 113.30 lakh) pertaining to parent company.

(a) Revenue recognised in the current year

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Rating services fees (including surveillance fees)	29,837.70	26,148.77
Sale of Services	3,330.78	1,750.53
Total	**33,168.48**	**27,899.30**

(b) Revenue recognized from past performance obligations

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rating Income	123.93	461.77
Sale of Licenses and services	192.31	-
Advisory Services	55.17	-
Total	**371.41**	**461.77**

(c) Unearned revenue

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue to be recognised in:		
FY 24-25	1,252.38	-
FY 23-24	-	1,280.24
Total	**1,252.38**	**1,280.24**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

(d) Revenue recognized that was included in contract liability balance at the beginning of the period:

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rating income	936.25	799.92
Total	**936.25**	**799.92**

(e) Transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Within one year	977.43	938.18
More than one year	-	-
Total	**977.43**	**938.18**

(f) Disaggregation of revenue

Timing of recognition of revenue

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
At a point in time	4,346.51	-
Over time	27,350.19	-
Total	**31,696.71**	**-**

Geographic revenue

(Rs in lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Within India	30,872.55	24,883.91
Outside India	824.16	-
Total	**31,696.71**	**24,883.91**

(g) The amount of revenue from contracts with customers recognised in the standalone statement of profit and loss is the contracted price.

(h) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Receivables, which are included in 'trade receivables	2,248.51	2,038.08
Contract assets	773.63	654.38
Contract liabilities	2,696.50	1,309.59

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 26: Other Income

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income	4,117.80	3,164.39
Dividend income	34.74	31.60
Interest on call deposits	0.80	-
Interest on Income Tax Refund	136.14	340.56
Gain on fair valuation of investments through profit and loss	264.27	61.01
Miscellaneous income	99.36	84.36
Foreign Exchange Gain	15.91	111.73
Total	**4,669.02**	**3,793.65**

Note 27: Employee benefits expense

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and other allowances	14,984.07	12,303.83
Contribution to provident, gratuity and other funds (refer note 33)	807.71	681.47
Expense share – based payment expenses (refer note 37)	271.49	48.28
Staff welfare expenses	395.04	360.79
Total	**16,458.31**	**13,394.37**

Note 28: Finance costs

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Finance cost on lease liabilities (refer note 45)	171.21	100.16
Total Finance costs	**171.21**	**100.16**

Note 29: Depreciation and amortization expense

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Property, plant and equipment (refer note 2)	639.86	584.24
Right-of-use assets (refer note 45)	334.58	415.62
Intangible assets - Amortization (refer note 3 (a))	73.85	53.08
Total depreciation and amortization expense	**1,048.29**	**1,052.94**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 30: Other expenses

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Electricity charges	116.67	114.98
Postage and telephone charges	64.33	49.73
Rent	28.65	20.53
Travelling and conveyance expenses	475.97	311.06
Directors' sitting fees	103.28	104.93
Insurance premium	98.15	82.30
Legal expenses	115.11	196.46
Professional fees	908.27	692.16
Off-roll manpower cost	89.15	130.33
Rates and taxes	259.74	124.05
Repairs and maintenance		
- Buildings	87.72	136.38
- Others	53.14	29.57
Advertisement and sponsorship expenses	294.56	102.15
Security, housekeeping and office supplies	201.81	193.42
Membership and subscription	122.33	96.77
Provision for bad and doubtful debts	145.42	40.30
Bad debts written off	108.83	11.78
Auditors remuneration		
- Audit Fees (Including Limited Review Fees)	46.93	48.82
- Tax Audit Fees	4.02	3.15
- Other Services	2.85	3.30
- Reimbursements to Auditors	5.42	2.62
Corporate social responsibility	230.83	194.35
Technology Cost	795.59	845.87
Recruitment expenses	108.59	84.63
Miscellaneous expenses	392.41	272.43
Corporate training expenses	-	0.90
Foreign exchange losses	0.11	-
Commission	13.64	107.27
Sub Contracting Charges	623.24	-
Total	**5,496.74**	**4,000.20**

Note 31: Provisions and Contingent Liabilities

(A) Contingent Liabilities

There are no claims against the Company not acknowledged as debts (to the extent not provided for).

(B) Provisions

The closing balance of provisions as of 31 March 2024 aggregates Rs 161.00 lakh. This includes provision of Rs 100.00 lakh 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 addition to this, we have created a provision of Rs 21.00 lakh during the year on account of regulatory matters and Rs 40 lakh is created during the year towards expected cost of cancellation of a long term contract for procurement of services is related to subsidiary company CAAPL. During the year ended March 31, 2024 Rs 225.92 lakh provided in FY 22-23 relating to contract with Tresata, have been paid towards termination of contract.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**325.92**	**100.00**
Charge/(Reversal) for the year	61.00	225.92
Payment	(225.92)	-
Closing balance	**161.00**	**325.92**

(C) Guarantees given by Bank on behalf of the Group in respect of lien marked Deposits for Rs 425.81 lakh (Previous Year Rs295.97 lakh)

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 Rs369.95 lakh (March 31, 2023 – 580.72 lakh).

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 lakh)

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Change in present value of obligations:		
Opening defined benefit obligation	**1,373.47**	**1,239.75**
Current service cost	144.94	134.21
Interest cost	98.85	78.98
Actuarial (gain)/loss on obligations due to change in financial assumptions	11.25	3.42
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	29.65
Actuarial (gain)/loss on obligations due to experience	43.68	77.47
Benefits paid	(100.57)	(190.01)
Closing defined benefit obligations	**1571.62**	**1,373.47**
Change in fair value of plan assets:		
Opening fair value of the plan assets	920.60	835.63
Interest income	66.56	57.10
Expected return on plan assets	(10.31)	(3.73)
Contribution by the employer	122.50	228.70
Benefits paid	(79.76)	(197.57)
Return on plan assets, excluding interest income	0.08	0.24

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Closing fair value of the plan assets	**1019.67**	**920.37**
Net asset / (liability) recognized in the balance sheet		
Present value of the funded defined benefit obligation at the end of the period	(1392.64)	(1226.60)
Fair value of plan assets	994.55	920.36
Funded Status (Surplus / Deficit)	-	7.92
Net asset / (liability)	**(398.09)**	**(298.32)**
Expenses recognized in the statement of profit and loss		
Current service cost	144.94	134.21
Interest on defined benefit obligations	31.53	21.88
Past service cost	-	-
Amount recognized in statement of profit and loss	**176.47**	**156.09**
Re-measurements recognized in other comprehensive income (OCI):		
Actuarial (gains)/losses on obligation for the period	56.22	111.08
Changes in financial assumptions	-	(3.48)
Changes in demographic assumptions	-	-
Experience adjustments	-	10.50
Expected return on plan assets	10.30	3.49
Amount recognized in other comprehensive income (OCI)	**66.52**	**121.59**
Maturity profile of defined benefit obligation:		
Within the next 12 months	353.37	294.18
Between 1 and 5 years	900.76	809.27
Between 5 and 10 years	543.89	508.45
10 Years and above	353.23	316.13
Sensitivity analysis for significant assumptions: *		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
1% increase in discount rate	21.90	23.97
1% decrease in discount rate	140.72	130.99
1% increase in salary escalation rate	115.08	108.06
1% decrease in salary escalation rate	42.79	42.76
1% increase in employee turnover rate	78.43	76.23
1% decrease in employee turnover rate	79.02	74.04
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%	7.30% - 7.31%
Expected return on plan assets (p.a.)	7.18% - 7.30%	7.30% - 7.31%
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 – 2.85 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 and CAAPL 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 332.11 lakh.

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 426.55 lakh (March 31, 2023 - Rs 481.43 lakh).

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 558.41 lakh (March 31, 2023- Rs 446.43 lakh).

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 30 under the head "Contribution to Provident and other Funds" is Rs 43.22 lakh (March 31, 2023 – Rs 36.49 lakh).

E. Long term incentive plans:

The Company 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, the Company has recognized an expense in the statement of Profit and Loss amounting Rs 126.58 lakh (March 31, 2023 - Rs 12.41 lakh). The Company has paid first tranche of LTIP amounting Rs 62.00 lakh

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. Ajay Mahajan	Managing Director & CEO upto May 31, 2022
Mr. V. Chandrasekaran	Independent Director
Mr. Najib Shah	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. Ananth Narayan Gopalakrishanan	Independent Director (upto september 2022)
Mrs. Shubhangi Soman	Non-Executive Non-Independent Director (upto November 24,2022)

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

B. Following transactions were carried out with the related parties in the ordinary course of business:

(Rs in lakh)

Name of the related party	Relationship	Nature of transactions	As at March 31, 2024	As at March 31, 2023
Mr. Mehul Pandya	Managing Director & Group CEO	Remuneration	300.00	271.32
Mr. Ajay Mahajan	Managing Director & CEO upto May 31, 2022	Remuneration	-	116.78
Mr. Najib Shah	Independent Director	Director sitting fees	12.00	16.50
		Commssion expense	24.20	-
Mr. Adesh Kumar Gupta	Independent Director	Director sitting fees	13.00	16.50
		Commssion expense	12.10	-
Dr. M Mathisekaran	Independent Director	Director sitting fees	9.50	13.50
		Commssion expense	12.10	-
Mrs. Sonal Gunvant Desai	Independent Director	Director sitting fees	10.50	16.00
		Commssion expense	12.10	-
Mr. V. Chandrasekaran	Independent Director	Director sitting fees	13.50	17.00
		Commssion expense	12.10	-
Mr. Gurumoorthy Mahalingam	Independent Director	Director sitting fees	12.50	5.50
		Commssion expense	12.10	-
Mr. S.M.Jain	Non-Executive Non-Independent Director	Director sitting fees	9.50	1.50
Mr. Ananth Narayan Gopalakrishanan	Independent Director	Director sitting fees	-	9.50
		Commssion expense	12.10	-
Mrs. Shubhangi Soman	Non-Executive Non-Independent Director	Director sitting fees	-	7.50

C. Compensation of Key Management Personnel of the Group:

(Rs in lakh)

Nature of Transaction/Relationship	As at March 31, 2024	As at March 31, 2023
Short term employee benefits	293.13	381.98
Other long terms benefits	6.87	6.12
Directors' sitting fees	80.50	103.50
Director's Commission	96.81	-
Total Compensation	**477.31**	**491.61**

Note 35: Income Taxes:

The major components of income tax expense for the years ended March 31, 2024 and March 31,2023 are:

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Income tax expense recognized in Statement of Profit and Loss:		
Income Tax for Current Year	4,312.56	3,830.43
Tax Adjustment for earlier years	-	49.36
	4,312.56	**3,879.79**
Deferred tax		
Attributable to -		
Origination and reversal of temporary differences	94.01	149.06
	94.01	**149.06**
Total tax expense recognized in the consolidated statement of profit and loss	**4,406.57**	**4,028.85**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

B. Income tax recognized in Other comprehensive income:

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Remeasurements of defined benefit obligation	(39.15)	(29.27)
Income tax (charged) / credited to other comprehensive income	**(39.15)**	**(29.27)**

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 lakh)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Accounting profit before tax	14,662.95	12,574.65
Tax of consolidated entities	3,594.80	3,620.48
Effect of:		
Non-deductible expenses	85.38	437.35
Tax Adjustment for earlier years	-	49.36
Exempt Income	(93.93)	(70.88)
Capital Allowance	-	(3.20)
Effect of income taxed at lower rate	-	(4.26)
DTA not recognised in subsidiaries	759.88	-
Effect of inter group restructuring	71.98	-
Others	(11.54)	-
Total tax expense	**4,406.57**	**4,028.85**

Note 36: Earnings per equity share (EPS):

(Rs in lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A) Basic EPS		
(i) Net Profit attributable to Equity Shareholders	10,052.49	8,352.94
(ii) Weighted average number of Equity shares outstanding	2,97,69,638	2,96,55,883
Basic Earnings Per equity Share (i)/(ii)	**33.77**	**28.17**
B) Diluted EPS		
(i) Weighted average number of Equity shares outstanding	**2,97,69,638**	**2,96,55,883**
(ii) Add: Potential Equity Shares on exercise of option	88,183	-
(iii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS	2,98,57,821	2,96,55,883
Diluted EPS {(A)(i)/(B)(iii)}	**33.67**	**28.17**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 37: Share based payments:

The Group has granted 7,63,500 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	3,22,000 to others	1,23,500 to others	25,000 to others	1,00,000 to Mr. Mehul Pandya, MD	72,000 to others	10,000 to others	1,05,000 to others	6,000 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
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
Fair value on the date of grant of option (Per share)	Rs249.24/ share Rs282.97/ share Rs310.18/ 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
Method of Settlement	Equity							

B Movement of Options granted:

Particulars	As at March 31, 2024		As at March 31, 2023	
	ESOS (2020) (MD)	ESOS (2020) (Others)	ESOS (2020) (MD)	ESOS (2020) (Others)
Options outstanding at beginning of the year	**1,00,000**	**3,53,403**	**3,33,333**	**3,40,334**
Granted during the year	-	1,11,000	1,00,000	1,07,000
Exercised during the year	(7,000)	(1,60,302)	-	(58,264)
Lapsed during the year	-	(27,667)	(3,33,333)	(35,667)
Options outstanding at the end of the year	**93,000**	**2,76,434**	**1,00,000**	**3,53,403**
Options unvested at the end of year	**66,667**	**1,91,324**	**1,00,000**	**2,43,653**
Options exercisable at the end of the year	**26,333**	**85,110**	**-**	**1,09,750**
Weighted Average exercise price	Rs 427/-	Rs 416 - Rs 836	Rs 427/-	Rs 416 - Rs 682
Weighted average remaining contractual life (years)	**2.33**	**1.17 to 3.50**	**3.33**	**1.68 to 3.61**

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 271.49 lakh (Previous Year Rs 48.28 lakh) 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:

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Particular	ESOS 2020	
	MD	Other employees
Share price at grant date		
Risk free interest rate (%)	4.29%-6.93%	4.01%-7.59%
Option life (Years)	3 years to 5 years	3 years to 5 years
Expected volatility	42.36% - 54.36%	36.91% - 60.25%
Expected dividend yield (%)	0.95% - 3.83%	0.96% - 3.51%
Weighted average fair value per option	Rs 107.77 to Rs 151.59	Rs 187.89 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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Carrying Amount	509.50	645.00

Note 38: Financial instruments: disclosure:

A. Classification of financial assets and liabilities:

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortized cost:		
Investment (non-current)	1,889.19	1,898.07
Investment (current)	-	-
Loans (non-current)	33.85	33.85
Loans (current)	95.27	29.05
Trade receivables	2,248.51	2,038.08
Cash and cash equivalents	3,828.56	4,942.47
Other bank balances	2,009.15	702.84
Other non-current financial assets	760.52	1,171.43
Other current financial assets	57,432.11	50,831.44
Financial assets at fair value through OCI:		
Investment (non-current)	2,492.93	2,492.93
Total	**70,790.09**	**64,140.15**
Financial liabilities at amortized cost:		
Lease liabilities (non current)	1714.65	1527.69
Lease liabilities (current)	240.75	220.12
Trade payables	1332.29	1,027.00
Other current financial liabilities	2,025.40	1,629.83
Total	**5,313.09**	**4,404.64**

B. Investments in equity instruments designated at Fair Value through other comprehensive income

As on March 31, 2024 and March 31, 2023, The Company has investments in ARC Ratings holding Limited 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.

Notes Forming Part of the Consolidated Financial Statement

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The fair value of each of these investments are as below:

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at fair value through OCI:		
- Malaysian Rating Corporation Berhad	1,748.20	1,748.20
- ARC Ratings Holdings Limited	744.20	744.20
Total	**2,492.40**	**2,492.40**

The Company has received Rs 34.74 lakh (Previous Year Rs 31.60 lakh) 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.

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 Ratings Holdings Limited is classified under Level 3. The details are given in the table below:

(Rs In lakh)

Particulars	Level 1	Level 2	Level 3
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	-	-
As at March 31, 2023			
Investments measured at			
Fair Value through OCI	-	-	2,492.40
Fair Value through Profit and Loss	-	-	-
Amortised cost	1,898.07	-	-

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, 2024 and 2023.

The Group has utilized the expertise of the in-house team to value the investments in Malaysian Rating Corporation Berhad and ARC Ratings Holdings Limited. For investment in Preference Shares of CARE Risk Solutions Private Limited, the Group has availed services of in-house valuation team.

Notes Forming Part of the Consolidated Financial Statement

for the Year ended 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 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:

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.

(Rs in lakh)

Description	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in FC	Amount in Rs	Amount in FC	Amount in Rs
Trade receivables	USD	3.62	301.87	3.19	262.13
Trade receivables	LKR	104.21	28.75	104.21	25.98
Trade receivables	BHD	-	-	0.17	36.20
Unbilled revenue	USD	6.94	578.39	9.29	763.16
Unbilled revenue	BHD	-	-	0.33	71.93
Other receivable	MUR	17.88	40.34	13.62	41.89

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Description	Currency	As at March 31, 2024		As at March 31, 2023	
		Amount in FC	Amount in Rs	Amount in FC	Amount in Rs
Financial Assets	USD	3.41	284.49	3.22	264.62
Bank Balances					
Bank Balance in current account	USD	0.17	14.13	0.13	11.02

Foreign Currency Sensitivity on unhedged exposure:

1% increase in foreign exchange rate will have the following impact on profit before tax:

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
USD	11.79	13.01
MUR	0.40	0.42
LKR	0.29	0.26
BHD	-	1.08

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, 2024 is Rs 2,245.28 lakh (March 31, 2023 is Rs 2,038.08 lakh). The Group does not have higher concentration of credit risks to a single customer.

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Provision	294.30	227.10
Add: Provided/(Utilised) during the Year (Refer Note 10)	9.68	67.20
Closing Provision	**303.98**	**294.30**

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.

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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 lakh)

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	2009.17	-	-	2,009.17
Lease liabilities. (Refer Note 45)	240.75	-	-	240.75
Other non current financial liabilities				-
Lease liabilities. (Refer Note 45)	-	1,082.06	632.59	1,714.65
Total	**3,598.44**	**1,082.06**	**632.59**	**5,313.09**

(Rs In lakh)

As at March 31, 2023	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Trade payables	1,027.00	-	-	1,027.00
Other current financial liabilities				-
Other Liabilities	32.42	-	-	32.42
Unclaimed Dividend	24.62	-	-	24.62
Provision for Salary, Performance Related Pay and Commission	1,572.78	-	-	1,572.78
Lease liabilities. (Refer Note 45)	220.13	-	-	220.13
Other non current financial liabilities				-
Lease liabilities. (Refer Note 45)		632.93	894.76	1,527.69
Total	**2,876.95**	**632.93**	**894.76**	**4,404.64**

Note 41: Distribution made and proposed:

(Rs in lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2023: Rs 15.00/- per share and Interim Dividend for the period ended till March 31,2024 Rs 7/- per share (March 31, 2023: Interim Rs10.00/- per share)	6,543.64	5,932.96
Total Dividend paid	**6,543.64**	**5,932.96**
Proposed dividends on equity shares are subject to approval at the AGM (not recognized as a liability):		
Final dividend for the year ended on March 31, 2024: Rs 11 /- Per share, (March 31, 2023: Rs15.00/-per share)	3,283.73	4,455.09
Total dividend proposed	**3,283.73**	**4,455.09**

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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.

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 lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
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 lakh)

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**

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for the Year ended March 31, 2024

(Rs in lakh)

Particulars	For the year Ended March 31, 2024			
	Ratings and related services	Others	Unallocable	Total
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**

(Rs in lakh)

Particulars	For the year Ended March 31, 2023			
	Ratings and related services	Others	Unallocable	Total
Segment Revenue				
Revenue from Services	26,148.77	1,791.49	-	27,940.26
Total Revenue (A)	**26,148.77**	**1,791.49**	**-**	**27,940.26**
Less: Inter Segment Revenue if any (B)	-	(40.97)	-	(40.97)
Total Segment Revenue (C = A-B)	**26,148.77**	**1,750.53**	**-**	**27,899.29**
Segment Results (Profit Before Interest, Depreciation & Tax)	**12,241.91**	**(1,737.18)**	**-**	**10,504.73**
Less: Depreciation & Amortization	1,241.88	381.69	-	1,623.57
Total Segment Result (D)	**11,000.03**	**(2,118.86)**	**-**	**8,881.17**
Less: Finance Costs	(72.46)	(27.71)	-	(100.17)
Less : Other unallocable corporate expenses	-	-	-	-
Add: Other Income	-	-	3,793.65	3,793.65
Profit Before Exceptional Item & Tax	**10,927.57**	**(2,146.57)**	**3,793.65**	**12,574.65**
Exceptional Items - Income/Expenses	-	-	-	-
Profit Before Tax	**10,927.57**	**(2,146.57)**	**3,793.65**	**12,574.65**
Tax Expenses				
- Current Tax	3,830.43	-	-	3,830.43
- Deferred Tax Charge/(Credit)	(85.15)	234.21	-	149.06

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(Rs in lakh)

Particulars	For the year Ended March 31, 2023			
	Ratings and related services	Others	Unallocable	Total
Add /(Less) : Income tax adjustment for earlier years	(161.22)	210.58	-	49.36
Profit for the year	**7,343.51**	**(2,591.36)**	**3,793.65**	**8,545.80**
Segment Assets	68,395.52	3,521.59	-	71,917.11
Unallocable Assets	-	-	5,186.03	5,186.03
Total Assets	**68,395.52**	**3,521.59**	**5,186.03**	**77,103.14**
Segment Liabilities	7,534.33	1,664.69	-	9,199.02
Unallocable Liabilities	-	-	-	-
Total Liabilities	**7,534.33**	**1,664.69**	**-**	**9,199.02**
Capital Employed	**60,861.19**	**1,856.90**	**5,186.03**	**67,904.12**

* Notes:

1. For revenue from multiple geographical locations refer note 25.
2. There are no major customers of the Company from which the Company has recognized revenue of 10 percent or more of the entity's revenues.

Note 45: Leases

Following are the changes in the carrying value of right -of-use assets for the year ended March 31, 2024:

(Rs in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Balance at the beginning of the year	**1,712.07**	**849.52**
Additions made during the year	462.68	1,411.96
Reversal during the year	-	(136.29)
Depreciation charged	(334.25)	(413.11)
Balance as at end of the year	**1,840.50**	**1,712.07**

Amounts recognized in profit and loss:

(Rs in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation expense on Right-of-use assets	334.58	415.62
Interest expense on Lease liabilities	171.20	100.16
Expense relating to short-term leases	28.65	20.53
Total	**534.44**	**536.31**

The following is the break-up of current and non-current Lease liabilities as at March 31, 2024

(Rs in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Current lease liabilities	240.75	220.12
Non-current lease liabilities	1,714.65	1,527.69
Total	**1,955.40**	**1,747.82**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

The following is the movement in Lease liabilities during the year ended March 31, 2024:

(Rs in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Balance at the beginning of the year	**1,747.82**	**891.32**
Additions made during the year	433.55	1,348.53
Reversal during the year	-	(178.15)
Finance costs accrued during the period	171.20	100.16
Payment of lease liabilities	(397.12)	(414.07)
Balance at the end of the year	**1,955.40**	**1,747.82**

The table below provides details regarding the contractual maturities of Lease liabilities as at March 31, 2024:

(Rs in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Less than one year	388.52	342.12
One to five years	1,679.59	1,156.18
More than five years	632.59	894.76
Total	**2,700.70**	**2,393.06**

The total cash outflow for leases is Rs 425.77 lakh for the year ended March 31, 2024, including cash outflow for short term and low value leases.

Note 46: Corporate social responsibility

Gross amount required to be spent by the Company during the year is Rs 228.00 lakh (Previous Year Rs 191.62 lakh)

Amount spent during the year on the following:

(Rs in lakh)

Particulars	As at March 31, 2024
Prashanti Trust	22.00
Juvenile Diabetes Foundation	18.50
LeapForward	5.00
Kamarajar	25.76
Seva Sahayog	15.00
Sri Sathya Sai Health & Education Trust	10.50
Mahindra Education Trust & Nandi Foundation	24.72
LAFTI	18.00
Golden Hour	20.00
Paraplegic Rehab Centre	22.18
Little More	19.82
Apex Kidney Foundation	15.00
Fine Arts	11.52
Total	**228.00**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

(Rs in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Amount required to be spent during the year	228.00	191.62
Amount of expenditure incurred during the year	228.00	191.62
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.

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 Company has incurred research related expenditure for products developed internally amounting Rs170.41 lakh March 31, 2024 (March 31, 2023 – Rs 313.39 lakh).

Note 49

(Rs in lakh)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Other Comprehensive Income/(Expense)		
A. Items that will not be reclassified to profit or loss		
(i) Remeasurements of defined benefit liability (asset)	(67.30)	(121.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss	39.15	29.27
B. Items that will be reclassified to profit or loss		
(i) Foreign currency translation adjustments	3.85	9.38
(ii) Income tax relating to items that will be reclassified to profit or loss	-	(2.36)
Total other comprehensive income/(Expense) for the year	**(24.30)**	**(85.30)**

Notes Forming Part of the Consolidated Financial Statement

for the Year ended March 31, 2024

Note 50 : Audit trail

For the year ended 31 March 2024, the following matters relating to the requirements of audit trail were relevant:

- In case of holding company and its 2 subsidiaries incorporated in India, audit trail was not enabled in case of an accounting software used for maintaining general ledger for the period 1 April 2023 to 31 December 2023.
- In case of holding company and its 2 subsidiaries incorporated in India, the independent auditor's reports for accounting softwares, used for maintaining general ledger (operated from 1 January 2024 to 31 March 2024) and maintaining payroll records which are operated by respective third- party software providers were not available.
- In case of holding company, for an accounting software used for maintaining revenue related records, the Company has implemented an access management tool w.e.f. 6th June 2023 which has a feature of recording audit trail (edit log) facility. However, the management has appropriate controls in place with respect to Internal financial controls for these respective processes.

Note 51: Disclosure in terms of Schedule III of the Companies Act, 2013

(Rs in lakh)

Particulars	Net Assets (i.e. Total Assets minusTotal Liabilities)		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consoli-dated Net Assets	Amount	As a % of Consoli-dated Profit / Loss	Amount	As a % of Other Compre-hensive Income	Amount	As a % of Total Compre-hensive Income	Amount
Holding:								
CARE Ratings Limited	104.78%	75,925.66	118.82%	11,944.09	93.41%	(22.70)	116.51%	11,921.48
Subsidiaries:								
Indian:								
CARE Analytics and Advisory Private Limited (CAAPL) formerly known as CARE Risk Solutions Private Limited(CRSPL)	1.09%	792.65	(28.71%)	(2,307.75)	17.49%	(4.25)	(29.10%)	(2,312.00)
CARE ESG Ratings Limited (CERL), formerly known as CARE Advisory Research and Training Ltd (CART)	1.82%	1,318.36	(0.57%)	(116.08)	(2.01%)	(1.20)	(0.56%)	(117.28)
Foreign:								
CARE Ratings (Africa) Private Limited (CRAF)	1.64%	1,187.46	3.05%	306.50	-	-	3.00%	306.50
CARE Ratings Nepal Limited (CRNL)	1.36%	986.97	2.77%	278.50	-	-	2.72%	278.50
Non-Controlling Interests included in respective subsidiaries	(1.03%)	(745.64)	(2.03%)	(203.89)	(3.49%)	0.85	(2.35%)	0.85
Eliminations	(9.67%)	(7,007.02)	1.50%	151.22	(8.08%)	3.00	1.51%	154.03
Total	**100.00%**	**72,458.44**	**100.00%**	**10,052.60**	**100.00%**	**(24.30)**	**100.00%**	**10,232.08**

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 09, 2024

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

Adesh Kumar Gupta
Independent Director
DIN No. - 00020403

Jinesh Shah
Chief Financial Officer
M No.- 117833

Nehal Shah
Company Secretary
M No.- A18077

Mumbai
Date : May 09, 2024

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 First (31st) Annual General Meeting ("AGM") of the Members of CARE Ratings Limited (the "Company") will be held on Tuesday, July 9, 2024 at 3:30 P.M., Indian Standard Time ("IST"), through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") facility to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement (including the Consolidated Financial Statement) for the financial year ended March 31, 2024 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 2023-24.

3. To appoint a director in place of Mr. Sobhag Mal Jain (DIN: 08770020), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of Mr. Manoj Chugh (DIN: 02640995) 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. Manoj Chugh (DIN: 02640995), 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 9, 2024, 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."

By the Order of Board of Directors

Sd/-
Nehal Shah
Company Secretary & Compliance Officer
ACS:18077

Date: May 9, 2024
Place: Mumbai

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated September 25, 2023 and all other relevant circulars issued by the Ministry of Corporate Affairs from time to time (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/163 dated October 7, 2023, have permitted Companies to conduct Annual General Meeting ("AGM") through Video Conferencing ("VC") and Other Audio Visual Means ("OAVM") without the physical presence of the Members at a Common Venue and has granted relaxation in respect of sending physical copies of the annual report to members. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Thirty First (31^{st}) AGM of the Company is being held through VC/OAVM. The Registered Office of the Company i.e. 4^{th} Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai- 400 022 shall be deemed to be the venue for the AGM.

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. 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 Director who retires by rotation and being eligible, offers himself for re-appointment at this AGM are also annexed to this Notice.

6. The Notice of the AGM 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 2023-24 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company or the Depositories/ Depository Participant(s). Annual Report can also be downloaded from Company's website on www.careedge.in.

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 Tuesday, July 2, 2024 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 to the Final Dividend for the financial year ended March 31, 2024 is Friday, June 21, 2024, and such dividend, if approved at the AGM, will be paid on or before Wednesday, August 7, 2024 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 Registrar and Share Transfer Agent, KFintech 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 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. The Board of Directors has appointed Mr. Ashish Kumar Jain (Membership No. 6058 and CP No. 6124) of A. K. Jain & Co. to act as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner.

19. 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 declaration of dividend, 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:-

20. 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 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.

21. The remote e-voting period begins on Friday, July 5, 2024 (9:00 a.m. IST) and ends on Monday, July 8, 2024 (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 Tuesday, July 2, 2024 i.e. the cut-off date, may cast their vote electronically. The voting right 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.

22. 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. 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. ii. 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 iii. 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. iv. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. App Store Google Play

CareEdge
Ratings • Analytics • Consulting • Sustainability

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 22 55 33

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 101456 then user ID is 101456001***

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 General 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 akjaincs@gmail.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 022-4886 7000 or send a request to evoting@nsdl.com

23. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email 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.

24. 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 casted 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.

25. 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 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.

26. 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@careedge.in **from Wednesday, July 3, 2024 (9:00 a.m. IST) to Sunday, July 7, 2024 (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:

27. 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.

28. 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 022-4886 7000 or send a request to evoting@nsdl.com.

29. 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.

30. 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.

31. The Securities and Exchange Board of India 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.

32. 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.

33. The Board of Directors has appointed Mr. Ashish Kumar Jain (Membership No. 6058 and CP No. 6124) Proprietor of A.K. Jain & Co., Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

34. 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 or a person authorised by him, who shall countersign the same.

35. 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.

36. **NOTE TO SHAREHOLDERS**:

We hereby inform that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and subsequent Circulars issued in this regard, 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 October 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 had approved appointment of Mr. Manoj Chugh (DIN: 02640995) as an Additional Director (designated as Non-Executive Independent Director) of the Company effective from May 9, 2024.

Considering the knowledge, expertise, experience and skillsets of Mr. Chugh, pursuant to the recommendation of the NRC, the Board of Directors approved appointment of Mr. Chugh as Non-Executive Independent Director of the Company for the period of Three (3) years with effect from May 9, 2024.

The Company has received a declaration from Mr. Chugh 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. Chugh for the office of Independent Director of the Company.

The brief profile and areas of expertise of Mr. Chugh 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 re-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. Chugh fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Chugh is independent of the management.

Accordingly, it is proposed to appoint him 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 9, 2024.

Except Mr. Chugh being the appointee and/or his relatives, none of the other Directors / Key Managerial Personnels 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.

By the Order of Board of Directors

Sd/-
Nehal Shah
Company Secretary & Compliance Officer
ACS:18077

Date: May 9, 2024
Place: Mumbai

ANNEXURE

Name of Director & DIN	Mr. Sobhag Mal Jain (DIN: 08770020)	Mr. Manoj Chugh (DIN:02640995)
Age	61 years	63 years
Qualification	B.Com, FCA	IIT Kharagpur
Date of first appointment on the Board	January 28, 2023	May 9, 2024
Brief Resume and Expertise in specific functional area	Mr. Sobhag Mal Jain is a qualified Chartered Accountant (CA) and was Executive Director (Finance & Accounts) of LIC India. He joined LIC in the year 1987 as Direct Recruit, Assistant Administrative Officer from a batch of Chartered Accountants. He has also completed graduation from University of Rajasthan. He also worked as Director & Chief Executive Officer at LIC Care Homes and Chief Risk Officer of LIC Pension Fund. Also worked as RM (F&A) in Bhopal Zone and Secretary in Central Office. He has won many marketing competitions at All India level, Zonal Level and Divisional level. He also worked as Member of Investment Committee and as Member in Advisory Board of Alternate Investment Funds viz.: a) Advisory Panel of Spring Healthcare India Fund b) Supervisory Board of Bio Technology Fund (Biotechnology Venture Fund), and c) Supervisory Board of India Advantage Fund II He also worked as industry nominee for IFRS17 for joint front forum of ICAI, IRDAI, industry nominees and expert professional of Accounting and Actuaries & Nominated as member of Sub-committee of Expenses of Management for IRDAI.	Mr. Manoj Chugh is a Distinguished Alumnus of IIT Kharagpur. He is an Information and Communications Technology Industry expert, with a pioneering career spanning over 41 years, he catalyzed the building of the Internet and Information Infrastructure of India. Recently, he has been named in a seminal book, to be amongst the "100 Great IITians" who stayed back in India and contributed significantly to the Country's progress. He played a leading role in bringing together key building blocks of the technology infrastructure which serve as the foundation that has enabled India to leapfrog and leverage Digital Transformation for Public Good. He has managed and led businesses to achieve pole position, across Technology & Services domains with both Indian and Global Majors. He worked at various leadership positions in the past with Mahindra Group, EMC Corp, CISCO Systems India etc. He is currently the Chairperson of Manoj Chugh Advisory LLP.
Terms and conditions of appointment or re-appointment/variation of Remuneration	NA	Appointment as a Non-Executive Independent Director for a period of 3 years with effect from May 9, 2024.
Details of remuneration sought to be paid	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.

Name of Director & DIN	Mr. Sobhag Mal Jain (DIN: 08770020)	Mr. Manoj Chugh (DIN:02640995)
Remuneration last drawn	During the financial year, sitting fees of Rs. 9,50,000 was paid for attending Board and Committee meetings. Further, Commission of Rs. 15,69,041 will be paid to public financial institution represented by him.	NA
Shareholding in the Company (including shareholding as a beneficial owner)	None	None
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any Director or Key Managerial Personnel of the Company	He is not related to any Director or Key Managerial Personnel of the Company
The number of meetings of the Board attended during the last financial year	6/6	NA
Directorships held in other Companies	• Choice International Limited • CARE Ratings Nepal Limited • RKEC Projects Limited • The Byke Hospitality Limited • Vardhaman Trusteeship Private Limited	None
Chairmanship/ Membership in Committees of the Board of Directors of other Company in which he/ she is a Director	None	None
Name of the listed entities from which Director has resigned in the past three years	None	None
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 among the skills required: • Leadership and Board Experience • Global Business Perspective • Technology • Business Strategy • Governance • People and Talent Understanding

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CARE Ratings Limited

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