

Date: November 15, 2017

To,
The General Manager
The Corporate Relation Department
BSE Limited
Phiroza Jeejeebhoy Towers
14th Floor, Dalal Street
Mumbai 400 001

Dear Sir,

Sub: OUTCOME OF THE BOARD MEETING HELD ON NOVEMBER 15, 2017

1. Please find enclosed herewith the Unaudited Financial Results for the quarter and half year ended September 30, 2017, Limited Review Report and the Press Release for Q2 & H1 FY2018 of CARE Ratings Limited (Formerly known as Credit Analysis and Research Limited) as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
2. The Board of Directors have declared 2nd Interim Dividend of Rs. 6/- per equity share of Rs.10/- each for financial year 2017-2018 and has fixed Wednesday, November 29, 2017 as a Record Date for the 2nd Interim Dividend.
3. The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. V. Chandrasekaran (DIN: 03126243) as an Additional Director (Non-Executive). Further, in terms of clause 7 of SEBI Circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 we would like to inform you that Mr. V. Chandrasekaran was the Executive Director (RMR) of LIC of India and his qualifications include FCA & B.Com. He has been appointed as an Additional Director (Non-Executive) w.e.f. November 15, 2017 and he is not related to any other director of the Company.



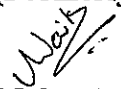
CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

4. The meeting of the Board of Directors of the Company commenced at 11.30 am and concluded at 5.15 pm.

Please take note of the above.

Thanking you,

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


Mahendra Naik
Company Secretary
ACS 20230

Encl.: As above

Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2017 (₹ in Lakhs)

SN	Particulars	Standalone					
		3 Months ended September 30, 2017	3 Months ended June 30, 2017	3 Months ended September 30, 2016	6 Months ended September 30, 2017	6 Months ended September 30, 2016	Year ended March 31, 2017
		Unaudited	Unaudited	Unaudited (Refer Note 5)	Unaudited	Unaudited (Refer Note 5)	Unaudited (Refer Note 5)
I	Revenue from Operations (Refer Note 6)	9,096.66	6,138.31	8,100.07	15,234.97	13,814.86	28,047.96
II	Other Income	625.27	649.79	1,080.97	1,275.06	2,072.77	3,370.12
III	TOTAL INCOME (I + II)	9,721.93	6,788.10	9,181.04	16,510.03	15,887.63	31,418.08
IV	EXPENSES						
	Employee Benefits Expense	1,914.57	1,640.31	1,587.56	3,554.88	3,335.05	6,693.82
	Depreciation and Amortisation Expense	79.72	79.80	76.65	159.52	162.07	314.19
	Other Expenses	552.16	577.48	506.51	1,129.64	932.28	2,725.14
	TOTAL EXPENSES (IV)	2,546.45	2,297.59	2,170.71	4,844.04	4,429.40	9,733.15
V	Profit before Exceptional Items and Tax (III)-(IV)	7,175.48	4,490.51	7,010.33	11,665.99	11,458.23	21,684.93
VI	Exceptional Items						
VII	Profit before Tax Expenses (V - VI)	7,175.48	4,490.51	7,010.33	11,665.99	11,458.23	21,684.93
VIII	Tax Expenses:						
	Current Tax	2,329.63	1,593.23	2,151.91	3,922.86	3,304.04	6,345.41
	Deferred Tax	12.20	(651.65)	123.04	(639.45)	370.82	132.69
	Total Tax Expense	2,341.83	941.58	2,274.95	3,283.41	3,674.86	6,478.10
IX	Net Profit for the period (VII - VIII)	4,833.65	3,548.93	4,735.37	8,382.58	7,783.37	15,206.83
X	Other Comprehensive Income						
	A (i) Items that will not be reclassified to profit & Loss	(27.35)	(14.96)	17.91	(42.31)	41.33	(145.75)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	9.46	5.18	3.85	14.64	(4.26)	33.02
	B (i) Items that will be reclassified to profit & Loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Other Comprehensive Income for the period	(17.89)	(9.78)	21.76	(27.67)	37.07	(112.73)
XI	Total Comprehensive Income for the period (IX + X)	4,815.76	3,539.15	4,757.13	8,354.91	7,820.44	15,094.10
	Paid up Equity Share Capital (Face Value ₹ 10 per share)	2,946.12	2,945.12	2,944.04	2,946.12	2,944.04	2,945.12
	Earnings Per Equity Share (Face Value ₹ 10 each) (Not Annualised)						
	Basic (₹)	16.41	12.05	16.09	28.38	26.46	51.67
	Diluted (₹)	16.11	12.05	16.08	28.38	26.44	51.64

Notes:

1 Standalone Statement of Assets and Liabilities are given below:

Particulars	(₹ in Lakhs)	
	As on September 30, 2017	As on March 31, 2017
	Unaudited	Unaudited (Refer Note 5)
ASSETS		
Non Current Assets		
Property Plant and Equipment	5,126.18	5,237.34
Intangible Assets	32.05	27.65
Capital Work in Progress	-	7.46
Financial Assets		
(i) Investments (Non Current)	12,527.75	10,365.86
(ii) Loans	163.44	155.38
(iii) Other Non Current Financial Assets	10.29	10.26
Other Non-Current Assets	14.54	19.59
Current Assets		
Financial Assets		
(i) Investments (Current)	33,960.41	38,921.68
(ii) Trade Receivables	5,955.25	2,319.08
(iii) Cash and Cash Equivalents	804.08	1,126.50
(iv) Bank Balances other than Cash and Cash Equivalents	57.47	54.41
(v) Loans	37.52	40.38
(vi) Other Current Financial Assets	1,318.43	115.33
Current Tax Assets (Net)	-	753.23
Other Current Assets	165.86	349.52
Total Assets	60,173.27	58,604.16
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	2,946.12	2,945.12
Other Equity	52,361.46	49,491.16
LIABILITIES		
Non-Current Liabilities		
Provisions	493.43	382.25
Deferred Tax Liabilities (Net)	504.57	1,156.66
Current Liabilities		
Financial Liabilities		
(i) Other Current Financial Liabilities	493.94	969.19
Other Current Liabilities	2,927.13	3,474.92
Provisions	293.65	182.86
Current Tax Liability (Net)	152.97	-
Total Equity and Liabilities	60,173.27	58,604.16

- 2 The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at its meeting held on November 15, 2017.
- 3 The Board of Directors of the Company have declared interim dividend of ₹ 6/- per share having a nominal value of ₹ 10 each.
- 4 The Company primarily operates in single business and geographical segment, hence, no additional disclosures required to be given as per Ind AS 108 - Operating Segments other than those already given in the financial results.
- 5 The Company adopted Indian Accounting Standards (Ind AS) from April 01, 2017. The figures for the quarter ended and half year ended September 30, 2016 and year ended March 31, 2017 are also Ind AS compliant. They have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.

Reconciliation between Net Profit as reported under Previous Indian GAAP and IND AS for the periods are as follows:

Particulars	(₹ in Lakhs)		
	3 Months ended September 30, 2016	6 Months ended September 30, 2016	Year ended March 31, 2017
Net Profit as per Previous Indian GAAP	4,323.26	6,790.59	15,150.98
Adjustments:			
Fair Value measurement of Investments through Profit and Loss A/c	568.95	1,246.33	68.85
Actuarial Gain / (Loss) on defined benefit plans transferred to Other Comprehensive Income	22.30	45.72	(5.25)
Derecognition of Lease Equalisation Reserve	1.95	(1.53)	(6.96)
Other Adjustments	0.01	0.60	0.68
Tax Impact on above adjustments	(121.10)	(298.34)	(1.47)
	412.11	992.78	55.85
Net Profit for the period under IND AS	4,735.37	7,783.37	15,206.83

- 6 The Company recognizes portion of surveillance fee income commensurate with the efforts involved based on percentage completion method. During the period, the Company has reviewed efforts required for completion of various activities in the surveillance process. Based on review, the Company has changed its effort estimates for surveillance and monitoring activities due to change in Regulations, Business-Mix and Technological Enhancements. Accordingly, the revenue recognized during the quarter and half year ended on September 30, 2017 is higher by ₹ 1807.32 Lakhs and ₹ 2499.41 Lakhs respectively.
- 7 The Company has granted 500,000 options on January 01, 2014, to the eligible employees as per the Company's Employees Stock Option Scheme (ESOS) 2013 - Tranche 1. During the quarter, eligible employees have exercised 10,013 options and accordingly the Company has allotted 10,013 equity shares of ₹ 10 each at a premium of ₹ 607/- per share.
- 8 The Company has granted 5,37,908 options on September 01, 2017, to the eligible employees as the Company's Employees Stock Option Scheme (ESOS) 2013 - Tranche 2. As per Ind AS 102 - Share Based Payment, total cost of ESOS 2013 - Tranche 2 will be charged over vesting period, accordingly ₹ 126.81 Lakhs has been charged to Statement of Profit and Loss during the quarter and six months ended September 30, 2017.
- 9 Previous year's/period's figures have been regrouped / rearranged wherever necessary to conform to the figures of the current period.

For and behalf of the Board of Directors
CARE Ratings Limited

Rajesh Mokashi
Managing Director & Chief Executive Officer
DIN:02781355
Mumbai, November 15, 2017



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Limited Review Report

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

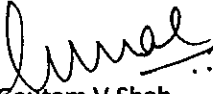
We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of CARE Ratings Limited (formerly known as 'Credit Analysis and Research Limited') ('the Company') for the quarter and six months ended September 30, 2017 attached herewith, being submitted by the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

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

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

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


Gautam V Shah
Partner (F-117348)



Mumbai
November 15, 2017

Mumbai, 15th November, 2017

Q2 FY18 and H1 FY18 Results

The Board of Directors of CARE Ratings approved the Q2 FY18 and H1 FY18 results in the Board Meeting held on Wednesday the 15th of November 2017.

Highlights: H1 FY18

- Rating Revenue increases by 10.9%
- Operating profit up by 10.7%, Operating profit margin improved from 67.9% to 68.2%
- Addition of 1,894 new clients in H1 FY18
- Total number of active client relationships at 16,188 as of September 30, 2017
- 2nd Interim dividend of Rs. 6/- per share declared
- 4,184 instruments rated during the quarter
- 6.70% increase in volume of fresh debt rated

Highlights: Q2 FY18

- Rating Revenue increases by 13.0%
- Operating profit up by 10.5%, Operating profit margin declined from 73.2% to 72.0% mainly on account of ESOP charge of Rs. 1.27 crore
- Addition of 1,077 new clients in Q2FY18
- 2,410 instruments rated during the quarter
- 11.0% increase in volume of fresh debt rated

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

Q2 FY18 has been characterized by moderate pick up in industrial growth and stable inflation which has caused RBI to lower the repo rate by 25 bps in August. While growth in bank credit remains weak, corporate bond issuances were slightly higher in the first half of the year though CP issuances were marginally lower. The two basic indicators of credit rating, MCR (Modified credit ratio) and CDQI (CARE Ratings' Debt Quality Index) remained stable in Q2. The results of CARE Ratings may be viewed against this background.

Rating income increased by 10.9% from Rs.137.19 crore in H1 FY17 to Rs.152.18 crore during H1 FY18 mainly due to new business and surveillance income. Total volume of fresh debt rated increased from Rs 6.70 lakh crore to Rs 7.14 lakh crore during this period with 4,184 instruments being rated. Other income decreased from Rs. 20.73 crore in H1 FY17 to Rs. 12.75 crores during H1 FY18 mainly due to Ind AS impact on accounting for fair value of investments.



Total expenses increased by 9.36% mainly on account of ESOP charge of Rs.1.27 crore, due to increase in SME marketing teams, brand building expenses.

Operating profit margin stood at 68.2% and Net Profit margin was 50.9%.

The Board has announced second interim dividend of Rs 6/- per share which when combined with the interim dividend of Rs.6 /- share for the first quarter cumulates to Rs 12/- share in the first half of the year.

Rating income increased by 13% from Rs.80.4 crore in Q2 FY17 to Rs. 90.9 crore during Q2 FY18 mainly due to new business and surveillance income.

Commenting on the results Rajesh Mokashi, MD & CEO, said, 'The macro economic conditions are largely stable presently and we do expect things to turn around in the second half, albeit gradually. While credit markets are still to pick-up momentum, the bond market and CP segments are relatively more active, which is good for the credit rating industry. We are hopeful that with industrial growth picking up, there will be commensurate increase in investment and funding demand which will make H2 FY18 more buoyant.'

Contact:

Rajesh Mokashi, MD & CEO 022-67543456

Chandresh Shah, CFO 022-67543456

ABOUT US

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

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

*** In terms of rating income FY17**

