CareEdge

Ratings • Analytics • Consulting • Sustainability



# CLARITY. CONVICTION. CareEdge.

2025-26 | ANNUAL REPORT

# CONTENT

## Corporate Overview


**02** Company at a Glance
**04** Structure and Offerings
**08** Journey
**10** Geographical Presence
**12** Chairman's Message
**14** MD & Group CEO's Message
**18** Performance
**20** Operating Environment and Strategy
**22** Technology & Innovation
**24** Stakeholder Engagement
**26** Knowledge Leadership & Industry Influence
**31** In the Media Spotlight
**34** People
**36** Corporate Social Responsibility/Communities
**39** Governance


## Statutory Reports

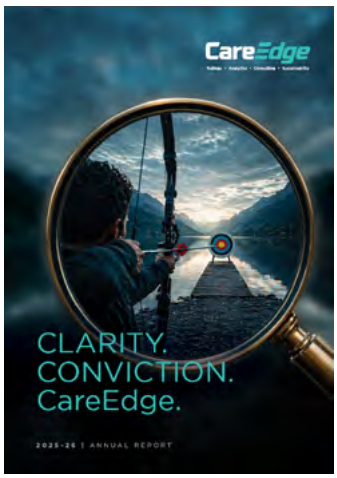

**42** Directors' Report
**70** Management Discussion and Analysis
**85** Business Responsibility and Sustainability Reporting
**129** Corporate Governance Report


## Financial Statements


**159** **Standalone Financial Statements**
- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to the Financial Statements

**231** **Consolidated Financial Statements**
- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to the Financial Statements

**301** **Notice**


Visit our website at:
**https://www.careedge.in/**

## FY 2025-26 CareEdge Highlights

Rs. 473.07 crore
Revenue from Operations
↗ **18%**

Rs. 197.40 crore
EBITDA
↗ **27%**

Rs. 173.70 crore
PAT
↗ **24%**

Rs. 57.06
EPS

42%
EBITDA Margin

33%
PAT Margin

IT WAS A YEAR THE WORLD DID NOT QUITE SEE COMING. GEOPOLITICAL TENSIONS ESCALATED FASTER THAN MOST ANTICIPATED. TRADE RULES THAT HAD HELD FOR DECADES WERE REWRITTEN ALMOST OVERNIGHT. INTEREST RATES MOVED IN WAYS THAT CAUGHT EVEN THE SHARPEST MINDS OFF GUARD. BUSINESSES THAT HAD BUILT CAREFUL PLANS FOUND THEMSELVES REVISITING ASSUMPTIONS THEY THOUGHT WERE SETTLED.

IN MOMENTS LIKE THESE, THE TEMPTATION IS ALWAYS THE SAME, WAIT. WAIT FOR THE PICTURE TO GET CLEARER. WAIT FOR THE NOISE TO DIE DOWN. BUT THE WORLD DOES NOT PAUSE FOR ANYONE. AND THOSE WHO WAITED FOUND THAT CLARITY DOES NOT COME ON ITS OWN. IT HAS TO BE BUILT. DECISION BY DECISION. INSIGHT BY INSIGHT.

THIS IS PRECISELY THE ENVIRONMENT WE BUILT TO NAVIGATE AND LEAD THROUGH.

### Clarity

For us, clarity is not a passive outcome, it is an active discipline. It is what we produce when rigorous analysis meets deep domain expertise. Across every rating assigned, every risk assessed, every advisory engagement delivered, we worked to cut through complexity and give our stakeholders something they could act on. In a year when the signal was often buried beneath the noise, we remained committed to being the signal.

### Conviction

Clarity alone, however, is not enough. It must be backed by conviction, the willingness to stand by an assessment, to invest in a direction, and to build for the long term even when short-term pressures push otherwise. This year, we expanded our global footprint, deepened our non-ratings capabilities, and accelerated our investments in technology and talent, not because conditions were perfect, but because our conviction in where we are headed never wavered. Consistent performance across the year was not an accident; it was the result of choices made with purpose.

### CareEdge

And this is where the two converge, in us. CareEdge is where clarity is created, and conviction is earned. As we step into the pages of this Annual Report, we invite our stakeholders to see not just a year of numbers, but a year of intent, of a group that remained anchored in its purpose while expanding its possibilities. A year that, in many ways, defined what CareEdge is becoming.

# CLARITY. CONVICTION. CareEdge.

CareEdge
Ratings • Analytics • Consulting • Sustainability

COMPANY AT A GLANCE

# Delivering Clarity Across the Financial Ecosystem

We are a knowledge-led financial intelligence group focussed on enabling informed and confident decision-making across the financial ecosystem. From credit risk assessment and capital raising to sustainability evaluation, institutions rely on us for independent perspectives backed by rigorous analysis.

Established in 1993 as a credit rating agency, we have played a meaningful role in strengthening transparency and analytical depth within India's debt markets. Today, we are the second-largest credit rating agency in India, licensed by SEBI and accredited by the RBI.

Over the years, we have evolved into a diversified platform spanning credit ratings, analytics and advisory, ESG assessments and global rating solutions. Through our specialised businesses across India and international markets, we serve corporates, financial institutions, investors and regulators with deep domain expertise and credible insights.

## Vision



TO BE 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

## Our Values



COMMITMENT

PURSUIT OF EXCELLENCE

FAIRNESS

INTEGRITY

# Numbers That Define Us

CareEdge RATINGS

**33 years**
of Experience

**India's 2nd largest**
Credit Rating Agency

**Over 1,01,111**
Rating Assignments

**Over Rs. 258 lakh crore**
of Debt Rated

**6 Subsidiaries**
Across ratings, analytics, ESG, and global markets

**4 Continents**
Geographic presence

CareEdge GLOBAL RATINGS

**45 Sovereigns**
Rated

**4th**
Global Rank by Country Coverage

**Over USD 8 billion**
Of Debt Rated Across Multiple Sectors

CareEdge ESG RATINGS
A subsidiary of CARE Ratings Limited

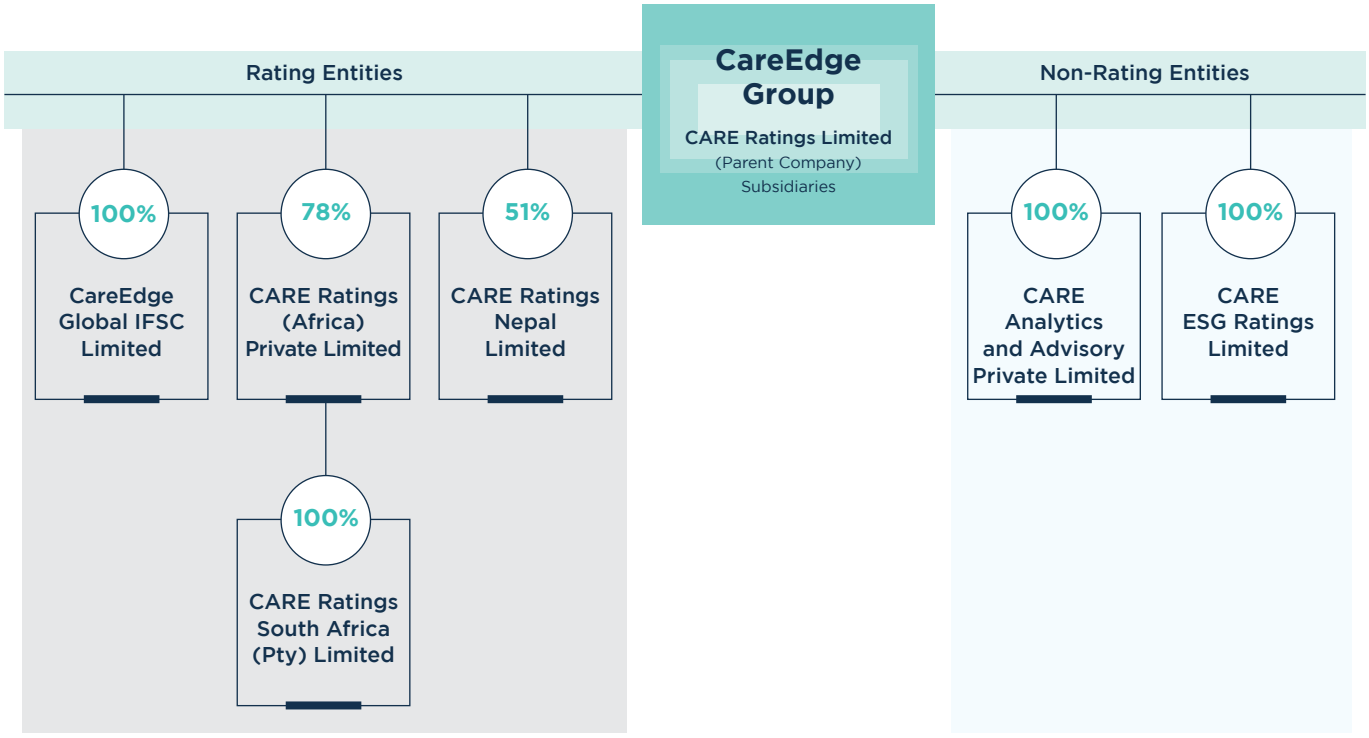
**58%**
Market share in ESG ratings (Category 1, Issuer-pays)



STRUCTURE AND OFFERINGS

# Building Strength Through Specialisation

Our diversified business structure reflects a strategic blend of domestic leadership, global expansion, analytical expertise and emerging ESG capabilities. Our subsidiaries and specialised entities strengthen our ability to deliver comprehensive rating, risk, analytics and advisory solutions across geographies and sectors.



# Our Businesses

## CARE Ratings Limited

India's second-largest credit rating agency, established in 1993. Licensed by SEBI and accredited by the RBI, we have spent over three decades building a reputation for analytical rigour and credibility across India's financial ecosystem.

### What we do

- Bank Loan Ratings
- Capital Market Instruments, Including NCDs/ Bonds/ Hybrids/ CPs/CDs, etc
- Structured Finance Ratings
- Monitoring Agency Services for Equity Capital
- Rating of REITs /InvITs
- Resolution Plan Ratings
- Recovery Ratings
- Issuer Ratings

## CareEdge Global IFSC Limited

A full-service global credit rating agency operating from IFSC GIFT City. The first CRA registered with IFSCA and accredited by the RBI as an eligible International Credit Rating Agency.

### What we do

- Sovereign Ratings
- Bank Loan Ratings
- Capital Market Instruments Including NCDs/ Bonds/ Hybrids/ CPs/CDs etc
- Structured Finance Ratings
- Issuer Ratings
- ESG Ratings
- SPO Services For ESG Bonds
- Bond Valuation

## CARE Ratings Nepal Limited

Our South Asian presence, holding the highest market share in Nepal based on the number of instruments rated. Licensed by SEBON.

### What we do

- Bank and Financial Institution Ratings
- Corporate Credit Ratings
- Instrument Ratings

CareEdge ESG RATINGS
A subsidiary of CARE Ratings Limited

## CARE ESG Ratings Limited

India's market leader in ESG ratings with 58% market share under the Issuer Pays Model. SEBI-registered Category I ESG Rating Provider, enlisted with ICMA for Third Party Review services.

### What we do

- ESG Ratings
- Third Party Reviews
- Green Bond and Sustainable Finance Evaluations
- ESG Risk and Governance Assessments

CareEdge ANALYTICS & ADVISORY
A subsidiary of CARE Ratings Limited

## CARE Analytics and Advisory Private Limited

Our integrated analytics, risk solutions and advisory platform, delivering data-driven insights and customised solutions to institutions and enterprises.

### What we do

**CareEdge Analytics**

- Consulting: Risk, AI
- Products: CredEdge, IntellEdge, Kalypto
- Solutions: AI Engineering
- Platforms: EdgeAvira.AI, ReInvitsEdge

**CareEdge Advisory**

- Advisory & Consultancy Practices
- Sustainability Practice
- Research Services
- Grading Services

CareEdge RATINGS AFRICA
A subsidiary of CARE Ratings Ltd., India

## CARE Ratings (Africa) Private Limited

Incorporated in 2014, our Africa business has built a credible and growing presence across the continent, backed by institutional shareholders including the African Development Bank.

### What we do

- Corporate Credit Ratings
- Financial Institution Ratings
- Debt Ratings

CareEdge RATINGS SOUTH AFRICA
A CareEdge Ratings India Group Company

## CARE Ratings South Africa (Pty) Ltd

Our step-down subsidiary under the Africa business, licensed by South Africa's FSCA, marking a significant expansion into one of the continent's most important financial markets.

### What we do

- Corporate Credit Ratings
- Financial Institution Ratings
- Debt Ratings
- Sovereign Ratings



JOURNEY

# Milestones that Reflect the Clarity and Conviction We Have Lived By

## 1993

CARE Ratings commenced operations as a credit rating agency in India

## 2012

Marked a defining milestone with a highly successful IPO, subscribed over 34 times, followed by listing on Indian stock exchanges

## 2014

Expanded global presence with the establishment of a ratings subsidiary in Mauritius, Africa

## 2018

Further strengthened international operations through the launch of a ratings subsidiary in Nepal

## 2021

Rebranded as CareEdge Group, reflecting a sharper, future-ready and diversified identity

## 2022

Integrated CARE Advisory Research & Training with CARE Analytics and Advisory Private Limited

Strengthened offerings across real-time risk solutions, advisory capabilities and ESG-focussed services



## 2023

Celebrated 30 years of trust and credibility through high octane 'CareEdge Conversations' engagement series

## 2024

Incorporated CareEdge Global IFSC Limited, India's first credit rating agency to deliver sovereign rating solutions from IFSC GIFT City

CARE ESG Ratings Limited received SEBI registration as a Category I ESG Rating Provider

Secured regulatory approval to commence rating operations in South Africa

## 2025

In collaboration with the National Stock Exchange of India Limited (NSE), CareEdge Ratings launched PaRRVA (Past Risk and Return Verification Agency), a first-of-its-kind SEBI-supported global initiative

CareEdge Global received RBI accreditation as an eligible International Credit Rating Agency

CareEdge Global expands sovereign rating coverage from 39 to 45 countries, representing over 85% of global GDP

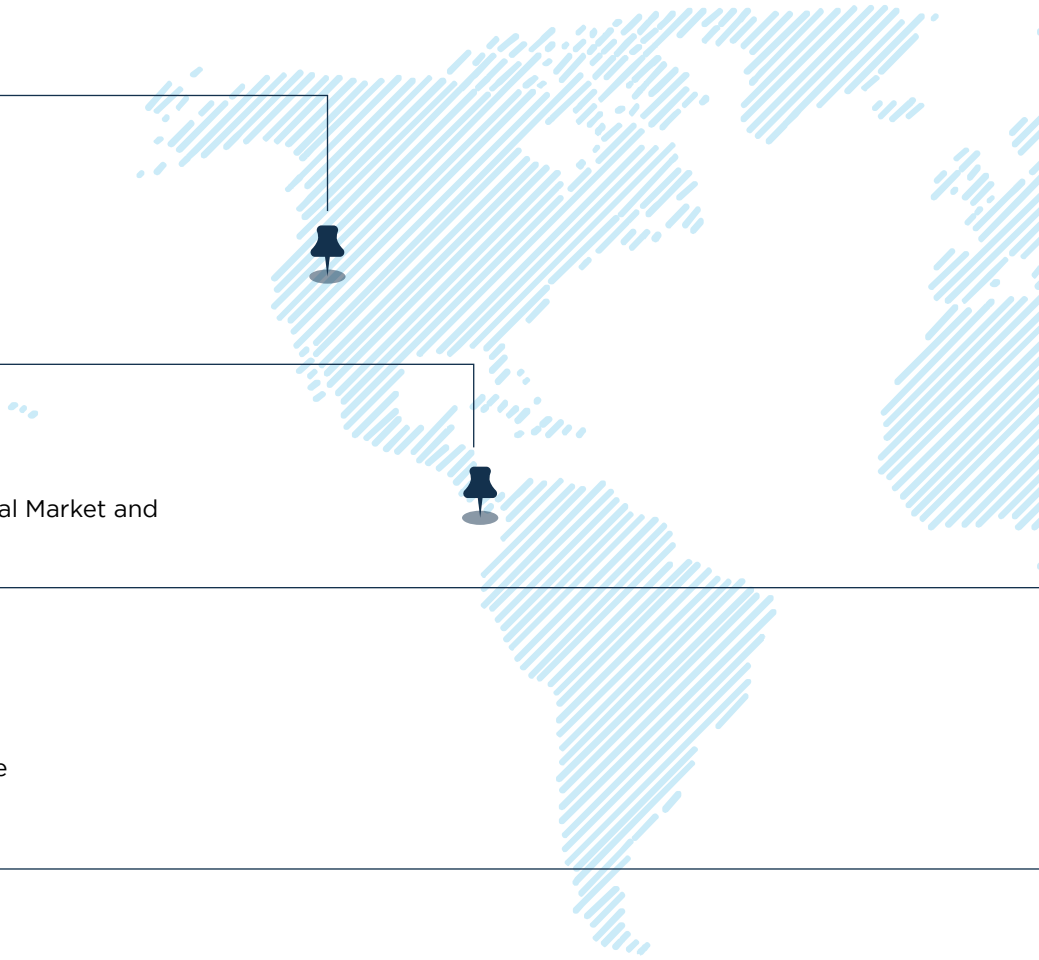
CareEdge Global ranks among the four largest credit rating agencies globally by sovereign coverage (excluding Chinese domestic rating agencies)

CareEdge Analytics launched RelnvitEdge under SEBI guidance, supporting the evolving infrastructure investment ecosystem

CareEdge Nepal emerged as the leading rating agency in Nepal by number of instruments rated

GEOGRAPHICAL PRESENCE

# Taking Indian Insight to Global Markets



**Mexico**

Provided technical assistance

**Ecuador**

Provided technical assistance

**Tanzania**

CareEdge Africa licensed by Capital Market and Securities Authority of Tanzania

**South Africa**

Stepdown subsidiary as full service CRA in South Africa

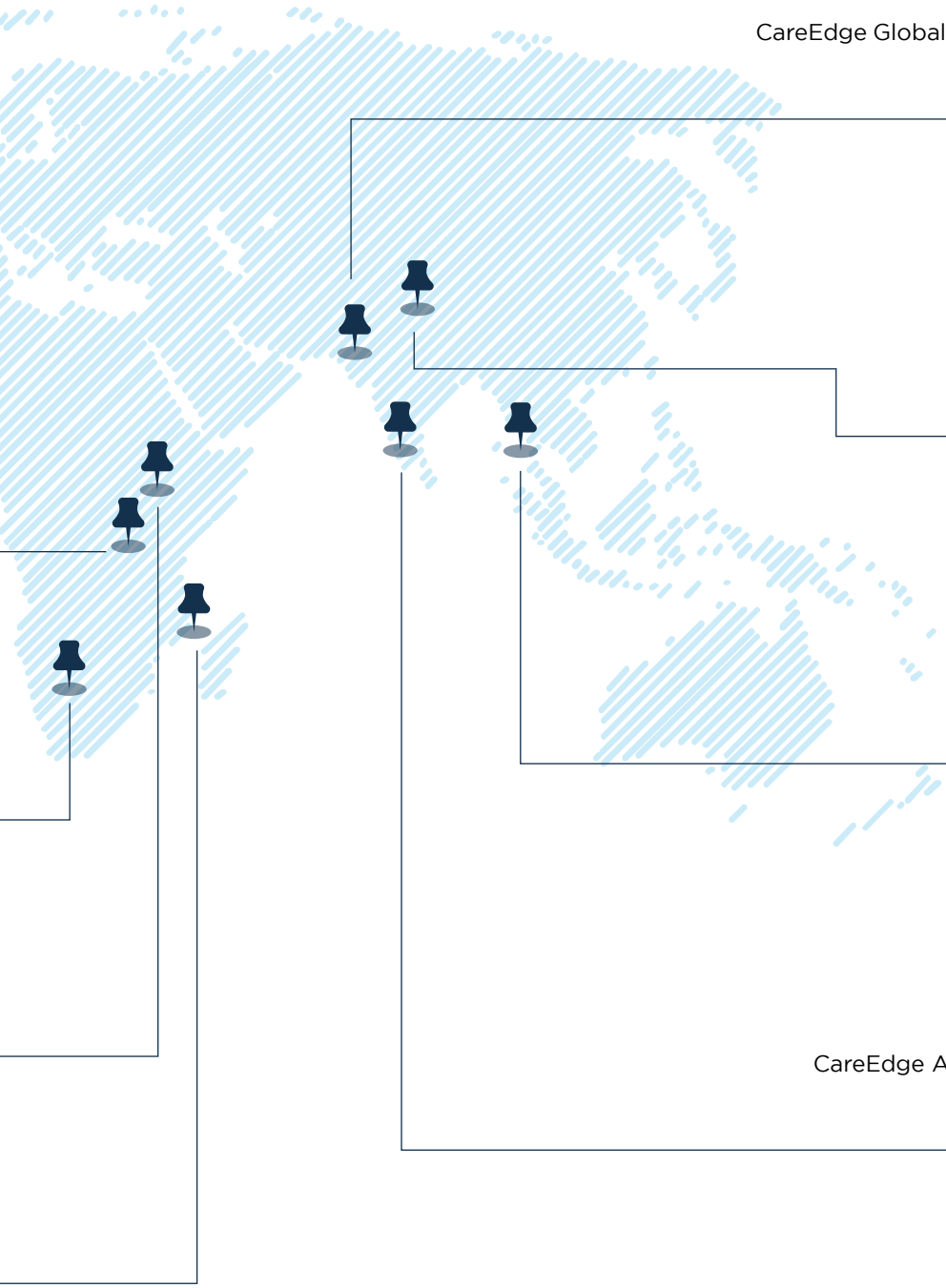
**Kenya**

Recognition to CareEdge Africa from Kenyan Capital Market Authority

**Mauritius**

Subsidiary as a full service CRA in Mauritius, (CareEdge Africa) with African Development Bank as a shareholder

What began as an institution rooted in India's financial markets has evolved into a group with a growing international presence. Today, we operate across multiple geographies, expanding selectively with a long-term perspective and a focus on relevance. Across every market, we bring the same analytical rigour, independent thinking and credible insights that continue to define us in India.



### GIFT IFSC - India

CareEdge Global – Subsidiary to undertake ratings on Global Scale, Sovereign Ratings etc.

### Nepal

Subsidiary in Nepal operating as CRA

### Malaysia

Shareholding in Malaysian Rating Corporation Berhad (MARC)

### Sri Lanka

CareEdge Analytics provides Risk Solutions and Rating models to various banks

CHAIRMAN'S MESSAGE

# When the World Wavered, We Did Not



*Dear Shareholders,*

There are years that test you, and then there are years that define you. FY 2025–26 was, without question, both.

The world we navigated this year was a demanding one. Geopolitical fault lines deepened. Trade architectures that once felt permanent were redrawn almost overnight. The spectre of US tariffs cast a long shadow over Indian corporates in the second half of the year, and the escalation of conflict in the Middle East sent ripples of uncertainty through industries exposed to global energy markets. Credit conditions tightened. Bond issuances moderated. And yet, India's economy remained resilient. GDP growth is estimated at 7.6% for the year, supported by improving consumption, income tax relief, and steady investment activity. It is with this context in mind that I present to you the CareEdge Group's Annual Report for FY 2025–26.

Turbulent conditions demanded speed and precision. As tariff shocks, commodity swings, and sectoral stress emerged, our rating actions remained timely and grounded. The credit ratio moderated in the second half, reflecting the environment. Our investment-grade default performance remained industry-leading, highlighting the strength of our judgement.

If there is one development in FY 2025-26 that I believe future chapters will look back on as genuinely consequential, it is the continued ascent of CareEdge Global IFSC Limited on the world stage. In just 18 months of operations, the company has established a meaningful presence in global credit assessment. Sovereign ratings now cover 45 countries representing approximately 85% of global GDP. Aggregate rated debt exceeds USD 8 billion across corporates, financial institutions, and infrastructure. CareEdge Global has entered the ranks of the world's top ten sovereign rating agencies by coverage. Two developments this year further strengthened this position. Our sovereign rating methodology was independently validated by a reputable academic institution for its analytical robustness. And the State Bank of India and NSE IX each announced intention to acquire approximately 10% equity

stakes in the company, a vote of confidence from two of India's most respected financial institutions.

What began as a conviction that India deserved a credible voice in global credit assessment is steadily becoming a reality.

For decades, global credit ratings have been dominated by a few Western agencies. CareEdge Global marks India's entry into this space, offering a credible, independent, and rigorous alternative for global issuers and investors. Built on experience from one of the world's largest and most complex credit markets, this reflects India's growing capability in global credit assessment, something we are proud to contribute to.

Our international presence extends meaningfully beyond GIFT City. CareEdge Africa, now operating across Mauritius, Kenya, Tanzania, and South Africa, rated USD 4 billion in debt during FY 2025-26, a 30% increase over the previous year. It also marked a milestone by rating the first Sustainability-Linked local currency bond issued in Mauritius, reflecting both market development and our growing capabilities in sustainable finance. CareEdge Nepal, despite disruptions from civil unrest in September 2025 and a national election in March 2026, retained its position as the country's undisputed market leader in credit ratings.

Advisory, Analytics, and ESG are the core of a knowledge institution that takes seriously its responsibility to inform and enable better decisions across the financial ecosystem.

At home, our knowledge verticals deepened their relevance meaningfully. Advisory, Analytics, and ESG are the core of a knowledge institution that takes seriously its responsibility to inform and enable better decisions across the financial ecosystem. CareEdge ESG Ratings has consolidated its position as India's market leader, commanding a 58% significant share in the Category 1 ESG Rating Provider segment, and earning recognition from the International Capital Markets Association for third-party review services. At a time when sustainability disclosures are moving decisively from aspiration to obligation, this positioning is not incidental; it is strategic.

Technology has moved from being a support function to a genuine differentiator, with adoption across the organisation now exceeding 70%. New products like PaRRVA and ReInvitEdge reflect an institution that is not waiting for the future, but actively building it.

Our growing institutional voice, through CareEdge Conversations, The Dialogue, Charcha, our InsightEdge podcast series, and over 315 senior leadership engagements during the year, reflect a deliberate effort to be more than a ratings agency. We want to be a trusted contributor to India's financial discourse. The calibre of policymakers, economists, and industry leaders engaging in these conversations reflects their growing relevance.

None of this, of course, is possible without the people who power the CareEdge Group. Declining attrition and improving employee engagement scores over two consecutive years reflect a culture that genuinely values its human capital as its most enduring competitive advantage.

As I look ahead, I do so with both sobriety and optimism. Trade tensions may persist. Geopolitical uncertainty has become structural, not episodic. But India's long-term trajectory, shaped by Viksit Bharat 2047, the Net Zero commitment of 2070, and a financial ecosystem maturing rapidly in depth and sophistication, gives us a foundation that few institutions in our space can match. CareEdge is aligned with this trajectory, not by coincidence, but by design.

My sincere thanks to our clients, regulators, investors, employees, and partners for their continued support and trust. It remains our greatest motivation to keep doing better.

Regards,

**V Chandrasekaran**
Chairman, CareEdge Ratings

MD & GROUP CEO'S MESSAGE

# Clarity that Drives Conviction and Delivers Results



*Dear Shareholders,*

To our valued stakeholders – shareholders, clients, employees, regulators, and partners – thank you for the trust you continue to place in CareEdge. It is a trust we do not take lightly.

## A YEAR THAT TESTED CLARITY

FY 2025-26 was not a year of smooth tailwinds. It was a year that demanded clarity of purpose, agility of execution, and the courage to stay the course on a long-term vision even as the world around us shifted in unexpected ways.

Global trade policy disruptions – particularly US tariff actions earlier during the year and later, the West Asia War – created new layers of uncertainty for capital flows, supply chains, and corporate investment decisions. Net FPI outflows, elevated bond yields, and a tempered private capex environment meant that India's financial markets navigated a more complex terrain in FY 2025-26 than the year before.

In this environment – part opportunity, part turbulence – CareEdge delivered its strongest performance yet.

The ratings industry in India is at an inflection point. Corporate bond issuances, NBFC capital market borrowings, and infrastructure debt instruments are all growing in scale and complexity.

## FY 2025-26: OUR NUMBERS, OUR STORY

I am pleased to report that CareEdge continued its strong growth trajectory in FY 2025-26. We crossed an annualised consolidated revenue run-rate that reflects the broad-based acceleration across every business line. Our standalone revenue in FY 2025-26 alone grew 15% year-on-year to Rs. 387.72 crore, while consolidated revenue grew 18% to Rs. 473.07 crore – achieving this with standalone EBITDA margins of 48% and PAT margins of 39%, reflecting both disciplined cost management and operating leverage. Our ratings business – the core of our franchise – grew 17% year-on-year in FY 2025-26, while non-ratings services grew an impressive 19%, underscoring the diversification of our revenue architecture. CareEdge Global IFSC, our international ratings subsidiary, received its formal RBI accreditation as an international credit rating agency during FY 2025-26 – a milestone that opens a new chapter in our global ambitions.

These numbers matter. But what matters more is what they represent: a deepening of market trust, a widening of capability, and an expanding footprint of relevance.

## QUALITY-LED GROWTH: NOT JUST A TAGLINE

Our strategy has remained consistent and unambiguous – Quality-Led Growth. In an industry where reputational capital is everything, we have chosen to compete not on speed or price, but on analytical rigour, independence of judgement, and the depth of our client relationships.

This year, we celebrated over 9,500 media mentions and high-profile collaborations, including partnerships with ORF, CII, Invest India, Nairobi Stock Exchange, and many more. CareEdge's analytical frameworks gained external validation through the publication of EdgeSphere — Sovereign Credit Outlook 2026, which was commended by market participants for its analytical rigour and the depth of its cross-country research. When the world's investors want a perspective on sovereign credit that is untethered from geopolitical bias, they increasingly look to CareEdge Global. On the domestic ratings front, our publication – Foresights, continued to get the preference of professionals seeking to get a clear insight covering the macroeconomy and risk assessment across the sectors every single month.

The ratings industry in India is at an inflection point. Corporate bond issuances, NBFC capital market borrowings, and infrastructure debt instruments are all growing in scale and complexity. Bank credit growth ran at a robust 16.1% through FY 2025-26, and while some moderation in near-term lending sentiment has emerged from the West Asia crisis, underlying financial stability indicators remain strong. This is precisely the environment where credible, independent, and analytically sophisticated credit assessment creates the most value.

## TECHNOLOGY: FROM ENABLER TO DIFFERENTIATOR

If FY 2024-25 was the year we declared our technology ambition, FY 2025-26 was the year we began proving it. Across CareEdge Ratings, Analytics, and Global, we have meaningfully deepened our investment in Artificial Intelligence, machine learning, and cloud-native platforms.

Our subsidiary, CareEdge Analytics, continued to scale EdgeAvira.AI – its generative AI-powered credit underwriting and risk monitoring platform – with over 100 implementations across financial institutions in India, Sri Lanka, Bhutan, and expanding deployments in the Middle East and Africa. Within our ratings operations, intelligent document processing and ML-enhanced financial spreading are reducing manual effort while improving accuracy and turnaround times. Our next-generation ratings platform – cloud-native, API-enabled, and built for the workflows of the future – continued its development journey, with early modules now live in production.

The larger lesson of this year is that AI is not a single project; it is a permanent transformation in how analytical organisations work. The firms that will define the next decade of credit intelligence – globally – are those investing today in building institutional AI capability, not just using AI tools. CareEdge is firmly in the former category.

## THE GROUP: BREADTH AS STRENGTH

What distinguishes CareEdge today from the company we were four years ago is not just our size – it is our shape. We are a genuinely multi-business, multi-geography, multi-product financial intelligence group.

- **CareEdge Ratings** remains the foundation – India's second-largest credit rating agency, SEBI-registered and RBI-accredited, with the deepest issuer relationships and admirably consistent analytical track record.
- **CareEdge Global IFSC** – now RBI-accredited as an international CRA – is progressing steadily in its mission to become the credible alternative for sovereign and cross-border credit assessments, with sovereign ratings now covering a broad spectrum of emerging and frontier market economies.
- **CareEdge Analytics and Advisory** is the fastest-growing pillar, scaling its FinTech, ESG advisory, industry research, and private credit assessment capabilities. Its UPI ecosystem analysis, digital payments intelligence, and BFSI risk products are gaining wide traction.
- **CareEdge Africa** and **CareEdge Nepal** continue to expand market leadership in their respective geographies, with strong YoY growth.
- **CareEdge ESG** is positioning itself as a credible voice in India's rapidly growing sustainability assessment ecosystem, contributing to the mobilisation of green and social capital.

Together, these businesses create a portfolio that is resilient to any single market cycle and positioned to benefit from India's long journey toward becoming a USD 7 trillion economy by 2030.

## NAVIGATING THE GEOPOLITICAL DIMENSION

FY 2025-26 demanded that we, as a financial intelligence institution, take the geopolitical dimension more seriously than ever before. US trade policy reversals, the West Asia crisis, and the shifting architecture of global supply chains are no longer peripheral risks to India's credit landscape – they are central inputs to sector-level and issuer-level risk assessment.

CareEdge has responded by deepening its macroeconomic research capability, publishing forward-looking scenario analyses, and embedding geopolitical stress testing into our sectoral outlooks. Our economic research team tracked, modelled, and communicated the implications of these events – from crude oil price volatility to export disruption risks – with the speed and precision that our clients and the markets expect. Being a credible voice in times of uncertainty is not a secondary function of a rating agency. It is a core responsibility.

## OUR PEOPLE: THE SOURCE OF EVERY ADVANTAGE

I want to say clearly: every margin point, every new rating mandate, every technology milestone – none of it happens without our people.

In FY 2025-26, we continued to invest in the depth of our talent pool, the quality of our

workplace, and the pipeline of our leadership. We strengthened our formal engagement frameworks between employees and senior management, expanded our recognition and long-service programmes, and deepened our commitment to gender diversity in leadership. The opportunities created by CareEdge Global – including international exposure and cross-border projects – have energised our teams and made CareEdge an even more compelling career destination for the best analytical talent in the country.

Our Employee Engagement initiative is not a compliance exercise. It is a strategic investment in the one competitive advantage that cannot be replicated: the commitment and judgement of people who believe in what they are building.

CareEdge has responded by deepening its macroeconomic research capability, publishing forward-looking scenario analyses, and embedding geopolitical stress testing into our sectoral outlooks.

## LOOKING AHEAD: FY 2026-27 AND THE DECADE OF OPPORTUNITY

As I write this, India stands at the threshold of a remarkable decade. The Government's Union Budget consistently laid out a high capex-to-GDP commitment, the bond market is deepening with index inclusion driving structural inflows, and the private sector – though cautious – is slowly beginning to invest again.

For CareEdge, the decade ahead is defined by three structural opportunities:

- The deepening of India's bond market – as more issuers access capital markets and investors demand independent, high-quality credit assessment, CareEdge's role as a trusted intermediary grows in importance.
- The globalisation of the Indian credit brand – through CareEdge Global, we are building the institutional capability and market credibility to be the world's alternative ratings voice for sovereign and corporate credit.
- The AI-led transformation of financial intelligence – the convergence of machine learning, alternative data, and cloud platforms will fundamentally change how credit risk is assessed, monitored, and communicated. CareEdge intends to unleash that transformation in India and across the markets we serve.

We enter FY 2026-27 with momentum, with clarity, and with deep gratitude to every stakeholder who has chosen to be part of this journey.

**To our clients:** thank you for trusting us with partnership decisions.

**To our shareholders:** we remain absolutely committed to compounding value — in financial returns and in the institutional reputation that is our most durable asset.

**To our teams:** your integrity, intellectual capability, and sense of shared purpose are what make CareEdge's story worth telling. I am proud to lead this organisation, and prouder still to lead it with you.

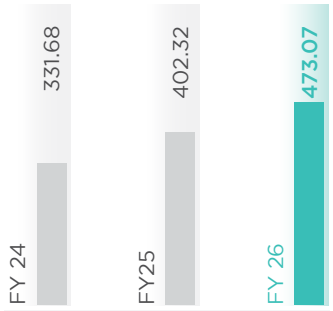
**Our conviction:** India's and CareEdge's time is now.

**Mehul Pandya**

Managing Director & Group CEO,
CareEdge Group

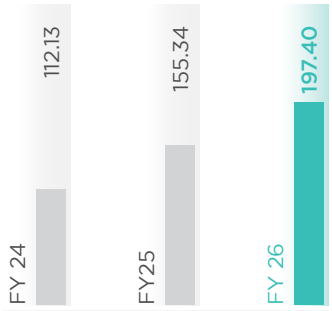
PERFORMANCE

# Driving Growth Across Every Metric



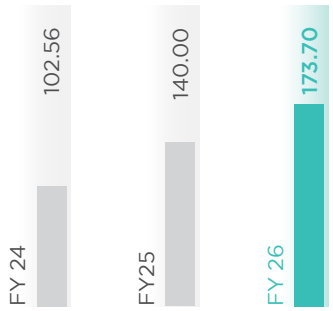

Revenue from Operations
(Rs. in Crores)

18%
↑ YoY (FY 2025-26)



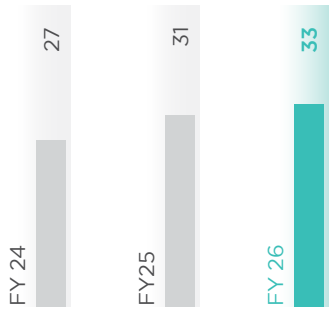

EBITDA
(Rs. in Crores)

27%
↑ YoY (FY 2025-26)

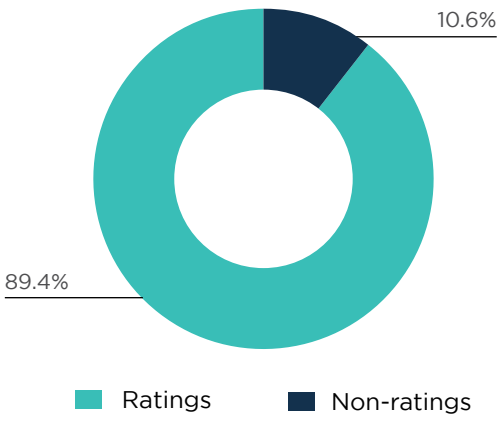



Profit After TaX
(Rs. in Crores)

24%
↑ YoY (FY 2025-26)

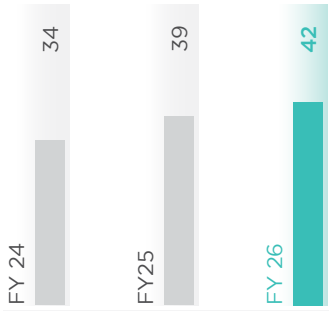



PAT Margin
(in %)

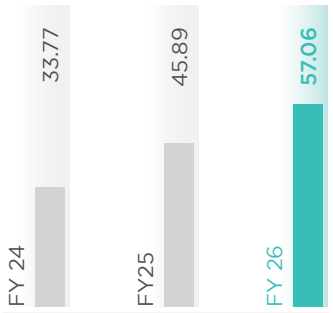



Note: No YoY for FY24 - FY25

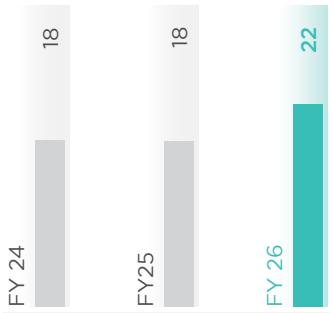





EBITDA Margin
(in %)




EPS
(Rs.)




Dividend
(Rs./Share)

# Understanding the Markets Around Us

The global economy in FY 2025-26 remained shaped by geopolitical tensions, changing trade relationships, inflationary pressures and diverging interest rate cycles across major economies. Despite this backdrop, India continued to demonstrate resilience.

## KEY ECONOMIC INDICATORS

**7.6%**
Estimated India GDP growth in FY 2025-26

**3.1%**
Capex-to-GDP ratio budgeted by the Government of India

**16.1%**
Bank credit growth in FY 2025-26

Domestic consumption remained supported by easing inflation, tax rationalisation measures and improving economic activity. At the same time, the Government's sustained focus on infrastructure and capital expenditure continued to support investment momentum across sectors.

India's credit and capital markets also remained active through much of the year. Corporate bond issuances and commercial paper activity witnessed healthy momentum during the first half, while bank credit growth accelerated meaningfully by the third quarter, supported by broad-based demand across industries and services.

While global uncertainty led to some moderation in fundraising activity during the second half, the overall market environment continued to reflect long-term structural growth in India's financial ecosystem.



## KEY TRENDS SHAPING OUR OPERATING ENVIRONMENT

### Increasing Complexity in Credit Markets

As India's financial markets deepen, the need for credible and independent credit assessment continues to rise across issuers, instruments and sectors.

### Growing Focus on ESG

ESG considerations are increasingly influencing capital allocation and investment decisions, creating stronger demand for credible ESG ratings and sustainability assessments.

### Rising Demand for Global Ratings

As Indian businesses expand globally and international investors deepen their focus on emerging markets, the need for globally relevant rating capabilities continues to grow.

### Technology-Led Financial Intelligence

Advancements in data analytics, AI-enabled tools and digital platforms are reshaping the financial intelligence ecosystem and enhancing analytical capabilities.

### Evolving Regulatory Landscape

Regulatory developments across ratings, disclosures and governance standards continue to raise expectations around transparency, rigour and institutional credibility.

## OUR STRATEGIC RESPONSE

As we enter FY 2026-27, we do so on the back of strong foundations built through innovation, disciplined execution, and our persistent commitment to the core values of independence, credibility, and stakeholder trust. FY 2025-26 was a year of purposeful progress for us, marked by balanced performance, portfolio diversification, and the successful deployment of future-ready solutions despite persistent global uncertainty and macroeconomic volatility.

The external environment continues to evolve amid geopolitical tensions, shifting trade dynamics, and potential volatility in energy prices and funding conditions. These developments call for prudence and heightened vigilance. At the same time, they reinforce the importance of institutions that enable transparent risk assessment, informed decision-making, and resilient financial ecosystems. We remain well-positioned to play this role while continuing to create long-term value for all our stakeholders.

TECHNOLOGY & INNOVATION

# Building Smarter Financial Intelligence Platforms

Over the past year, we have made deliberate investments in building and deploying AI-enabled analytical platforms that make our work faster, sharper and more impactful for our clients. At the centre of this effort is EdgeAvira.ai, our AI and machine learning-powered platform that is redefining how we approach the analytical process.

## OUR PLATFORMS

### EdgeAvira.ai

Driving Growth, Managing Risk

We developed EdgeAvira.ai as an AI-enabled platform designed to support banks and NBFCs across the financial risk and decision-making lifecycle. All our products - CredEdge, IntelEdge, and Kalypto are powered by EdgeAvira.AI capabilities. Combining automation, analytics and scalable AI capabilities, EdgeAvira.ai helps institutions improve efficiency, consistency and the quality of risk assessment.

#### WHAT IT ENABLES

- AI-led risk assessment
- Intelligent workflow automation
- Decision-support analytics
- Configurable LLM deployment
- Real-time monitoring and insights

#### WHY IT MATTERS

As financial institutions navigate increasing data complexity and faster decision cycles, EdgeAvira.ai helps reduce manual dependency while improving analytical speed and scalability.

**ReInvitEdge**

We launched ReInvitEdge to provide deeper visibility into India's growing REIT and InvIT ecosystem. The platform offers structured insights on participants, projects and underlying infrastructure and real estate assets.

### WHAT IT COVERS

- Infrastructure Investment Trusts (InvITs)
- Real Estate Investment Trusts (REITs)
- Asset-level intelligence
- Sector and participant analytics

### WHY IT MATTERS

As interest in real asset investments continues to grow, ReInvitEdge helps investors access credible and analytical insights across an otherwise fragmented ecosystem.

**CarePaRRVA**

Powered by CareEdge

In collaboration with NSE, we launched PaRRVA (Past Risk and Return Verification Agency) to independently verify risk-return metrics for investment advisors, research analysts, and trading members in line with SEBI requirements.

### WHAT IT ENABLES

- Investor Protection
- Regulatory Compliance
- Market Integrity
- Data-Driven Decisions

### WHY IT MATTERS

PaRRVA is the comprehensive financial advisory platform designed for professionals in the investment and research industry.

## THE ROAD AHEAD

The risk ecosystem is experiencing a fundamental transformation, moving away from manual, fragmented, and reactive approaches toward intelligent, real-time, data-led decision-making. Our strategy is designed to lead this shift, with AI embedded as a core enabler across the entire value chain.

STAKEHOLDER ENGAGEMENT

# Every Decision We Make Has an Audience

Our business is built on the trust that stakeholders place in our ratings, insights and judgement. Whether it is investors relying on our analysis, regulators engaging with our frameworks or clients seeking credible assessments, each interaction plays an important role in strengthening our relevance and credibility.

We therefore engage with our stakeholders through consistent, transparent and meaningful communication, ensuring that we remain responsive to their evolving expectations and the environment we operate in.



## HOW WE ENGAGE WITH OUR STAKEHOLDERS

| Stakeholder Group | Why They Matter | Mode of Engagement | Frequency |
|---|---|---|---|
| SHAREHOLDERS | Provide long-term capital support and play a key role in strengthening market confidence and governance accountability | Annual General Meeting, investor presentations, earnings calls, stock exchange disclosures, annual report, one-on-one meetings and investor interactions | Quarterly / Annual / Ongoing |
| CLIENTS | Form the foundation of our business ecosystem and rely on us for credible, independent and timely assessments | Rating reviews, client meetings, management discussions, analytical interactions, feedback mechanisms and service engagements | Ongoing |
| REGULATORS | Provide the regulatory framework that governs our operations and reinforces market integrity and accountability | Regulatory filings, consultations, industry discussions, compliance reviews and periodic submissions | Ongoing/ As required |
| EMPLOYEES | Drive organisational capability, analytical excellence and long-term business growth | Learning and development programmes, engagement initiatives, performance reviews, leadership interactions and internal communication platforms | Ongoing |
| LENDERS, INVESTORS BANKING & FINANCIAL INSTITUTIONS | Represent a key stakeholder group within the financial ecosystem and actively utilise our ratings, research and analytical insights | Industry meetings, lender interactions, sector discussions, conferences, analytical engagements and knowledge forums | Ongoing |
| INDUSTRY BODIES, MEDIA & KNOWLEDGE COMMUNITY | Help strengthen industry dialogue, thought-leadership visibility and broader market engagement | Industry forums, conferences, media interactions, podcasts, roundtables, knowledge partnerships and research publications | Ongoing |

KNOWLEDGE LEADERSHIP & INDUSTRY INFLUENCE

# Driving Industry Dialogue and Institutional Engagement

We actively engage with industry leaders, regulators, policymakers and market participants through forums, strategic partnerships and thought-leadership platforms that contribute to meaningful industry dialogue.

We strengthened our engagement across India and international markets through flagship conversations, roundtables, strategic collaborations and industry forums focussed on the evolving financial and economic landscape.

## CareEdge Conversations

Our flagship thought-leadership platform, CareEdge Conversations, brought together policymakers, economists, investors, regulators and industry leaders to deliberate on macroeconomic trends, capital markets and sectoral developments shaping India's growth journey.

**Key Editions During FY 2025-26**

- CareEdge Conversations hosted in Delhi on October 8, 2025, Chief Guest Dr. V. Anantha Nageswaran, Chief Economic Advisor (CEA) to the Government of India
- Kochi edition of CareEdge Conversations hosted on July 25, 2025






# The Dialogue

Curated by CareEdge Global, The Dialogue served as a strategic platform focussed on sovereign ratings, trust, transparency, global capital markets and cross-border investment frameworks. These forums were organised in collaboration with regulators, sovereign authorities and exchanges across international markets.

### Key Engagements

- The Dialogue hosted in Delhi on November 11, 2025, Chief Guest Shri Piyush Goyal, Union Minister of Commerce & Industry, Government of India
- The Dialogue - Sovereign & Global Ratings: Trust and Transparency hosted in collaboration with the Royal Monetary Authority of Bhutan and the Royal Securities Exchange of Bhutan in Thimphu, Bhutan, January 8, 2026
- The Dialogue on Credit and Capital organised in Colombo, Sri Lanka in association with IFSCA, NSE IX and the High Commission of India, June 6, 2025






CareEdge

# Charcha

Our Charcha roundtable series enabled focussed discussions on emerging sectoral developments, financing trends, ESG integration and evolving regulatory frameworks across industries.

### Key Themes Covered During FY 2025-26

- Specialty Chemicals and ESG in hard-to-abate sectors
- Securitisation markets
- Real estate financing
- InvITs and infrastructure financing trends
- Indian pharmaceutical sector outlook
- BFSI growth and risk landscape

### Cities Covered

**Mumbai | Bengaluru | Pune | Jaipur | Vadodara | Colombo**





## LEADERSHIP VOICES DRIVING INDUSTRY INFLUENCE

Senior leadership across the CareEdge Group actively contributed to public discourse through keynote addresses, panel discussions, institutional roundtables, podcasts, global forums and media engagements.

### Key Areas of Influence

- Global capital markets and sovereign ratings
- Infrastructure financing and InvITs
- ESG and sustainable finance
- Corporate governance and risk management
- Green energy transition
- Geopolitics and economic outlook
- Manufacturing resilience and trade dynamics
- Financial sector transformation

### Featured Leadership Engagements

- Mehul Pandya participated in Raisina Dialogue 2026 and international policy discussions across Washington DC, Nairobi and Abu Dhabi
- Revati Kasture represented CareEdge Global across IFSCA-led international investment discussions in New York, Toronto and Singapore
- Sachin Gupta engaged across leading media and industry platforms to share insights on global private credit risks, infrastructure and green energy financing
- Swati Agrawal contributed to forums focussed on sustainability, governance and risk management
- Saikat Roy, Abhishek Vishwakarma, Ananda Jha, Saurav Chatterjee, Rajani Sinha, Rajashree Murkute, Ranjan Sharma and Sanjay Agarwal participated across leading policy, infrastructure, climate finance and economic forums.








## INSIGHTEDGE PODCAST

Our flagship podcast series, InsightEdge, continued to strengthen CareEdge's digital thought-leadership presence through conversations with leading voices from banking, economics, industry and policymaking.

### Featured Guests During FY 2025-26

- V. Anantha Nageswaran
- Sanjeev Sanyal
- Neelkanth Mishra
- Jugshinder Robby Singh
- Rama Mohan Rao Amara
- Manoj Kumar Gyawali, Nepal








## KNOWLEDGE-SHARING AND INDUSTRY PARTICIPATION

We participated extensively across industry forums, conferences, summits, media interactions and institutional discussions spanning capital markets, infrastructure, ESG, governance, sustainability and macroeconomics.

### 315+ Knowledge-Sharing Forums Participated In During FY 2025-26

Our leadership team, domain experts and economists represented CareEdge across marquee national and international platforms including:

- Raisina Dialogue 2026
- India Africa Entrepreneurship and Investment Summit
- ET Infra Financing Summit
- India International Exchange (India INX) Industry Forums
- Clean Energy Summit 2026
- Financial Inclusion & Fintech Summit
- Bharat Electricity Summit 2026
- India State Climate Investment Forum
- ET Edge Sustainability Platforms
- FICCI and CII Industry Forums
- Global Sustainability, Infrastructure and Governance Conferences




## STRATEGIC PARTNERSHIPS AND MoUs

During the year, we strengthened our institutional engagement through strategic partnerships and Memoranda of Understanding (MoUs) with regulators, exchanges, chambers of commerce and international institutions.

### Key Strategic Collaborations

- MoU with Invest India
- MoU with Nairobi Securities Exchange (NSE)
- MoU with Mauritius Chamber of Commerce and Industry (MCCI)
- MoU with Royal Securities Exchange of Bhutan Limited (RSEBL)
- Tripartite MoU with Government of Gujarat and Consumer Education and Research Centre (CERC) for developing a Consumer Responsibility Index framework

These collaborations further strengthened our presence across sovereign ratings, international financial services, cross-border capital markets and knowledge-driven institutional frameworks.





## KNOWLEDGE AND RESEARCH PARTNERSHIPS

We continued to serve as a Knowledge, Research and Evaluation Partner across marquee industry platforms, reinforcing our role as a trusted knowledge institution.

### Key Partnerships

- ET MSME Awards 2025
- Business Today India's Most Sustainable Companies Awards 2025
- Institutional Investor Advisory Services (IiAS) – Raising the Bar
- Bharat Electricity Summit 2026
- India ESG Conclave with ASSOCHAM
- Global Real Estate Brand Awards 2025
- ET Edge Global Sustainability Alliance
- MSME Banking Excellence Awards
- IFGE Awards
- India Steel Summit 2025







## EXECUTIVE AND INSTITUTIONAL ENGAGEMENTS

Our leadership strengthened engagement with government bodies, regulators, development institutions, global financial entities and diplomatic representatives across India and international markets.

### These engagements included interactions with:

- Government ministries and regulators
- Global exchanges and financial institutions
- Development finance institutions
- Foreign delegations and diplomatic representatives
- International banking and investment institutions

The year's engagements further reinforced CareEdge's growing role in supporting institutional dialogue, policy engagement and global financial connectivity.







IN THE MEDIA SPOTLIGHT

# Amplifying Trusted Perspectives Across Platforms

We continued to strengthen our presence across print, television, digital and social media platforms through research-led insights, expert commentary, authored articles and leadership interactions. Our perspectives on the economy, capital markets, sustainability, infrastructure, banking and policy developments found wide visibility across leading media platforms, further establishing our position as a trusted voice within the financial ecosystem.

**MEDIA PRESENCE**

Our insights, sectoral outlooks and leadership perspectives were featured extensively across national and international media platforms through:

- RESEARCH AND REPORT COVERAGES
- AUTHORED OPINION PIECES
- EXPERT QUOTES AND MARKET COMMENTARY
- TELEVISION INTERACTIONS AND PANEL DISCUSSIONS
- LEADERSHIP INTERVIEWS AND DISCUSSIONS
- PODCASTS AND DIGITAL MEDIA ENGAGEMENTS

## Key Highlights

**9,500+**
Total Media Coverages

**2,265+**
Individual expert quotes featured across media platforms

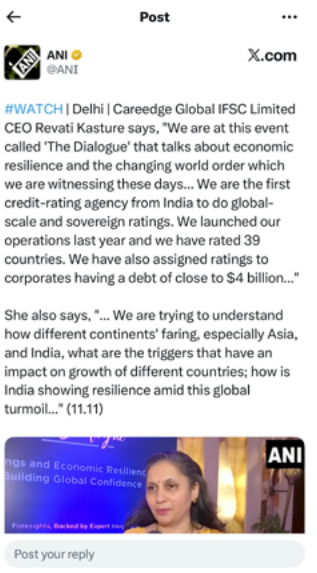
**6**
Podcast engagements featuring CareEdge leadership and experts

**34**
Authored articles published during the year

**34**
Television interactions across leading business and news platforms

# Strengthening Digital Reach and Engagement

We continued to deepen our digital engagement across platforms, expanding audience reach and strengthening stakeholder interaction through timely insights, thought leadership and market commentary.





Good New Story, But...

*Changes in GDP calculation methodology reinforce India's robust growth narrative. The one worry is white-collar job loss, like in IT, and its impact on consumption*

2011-12
2022-23


Care scores early win in sovereign push

MUMBAI

When global rating agencies revised their sovereign debt ratings for France and Portugal earlier this year, aligning them with those of Care Ratings, they "vindicated" the stance of the Indian rating agency that launched its fledgling sovereign rating business just over a year ago, a top official at Care Ratings said.

Care Ratings assigned an A+ rating to Portugal in February and to France in September. Meanwhile, S&P Global Ratings raised its Portugal rating to A- in August and lowered France to A- in October. The management at Care Ratings sees this as a win for the company's new business and a solid start to its global ambitions.

"This is a vindication of the robustness of our model and I give full credit to our team, which prepared for over three years before we launched our commercial operations," said Mehul Pandya, managing director and group chief executive officer, CareEdge Group (the group-level brand identity of the company).

"It takes a bit of courage to stand out because one of the criticisms of rating agencies is convergence bias - everybody gives the same rating, so if anything falls everybody is to be blamed equally," added Pandya, who was then said to chief executive of India's second-largest rating agency in 2022.

He said the company's global ratings are backed by experts who have worked on similar assignments elsewhere and that its ratings committee has external members from Europe, Africa, Australia and Singapore, among other places.

This, Pandya said, was meant to ensure that no home-country bias seeps in. Paul Coughlin, who chairs the ratings committee, spent 26 years at S&P, where he was the executive managing director and global head of the credit ratings group. Care Ratings rates India at BBB-, a notch above S&P's rating after the recent upgrade.

"Within a year of operations, we have seen a greater receptivity across developed and emerging economies towards our rating," said Pandya. "More and more countries have started engaging with us."

He added, "We always had this predicament that whenever clients wanted to go for an overseas bond issuance, they were compelled to deal with somebody else because we could not offer that service." Now that CareEdge's global ratings, he said, it could lead to increased revenue for the rating business, too, as clients tap other services of the group.

Care Ratings assigned an A+ rating to Portugal in February and to France in September

Care Ratings created a subsidiary at GIFT City to rate overseas and sovereign debt in 2023. So far, it has assigned ratings to domestic companies for $4 billion of overseas debt issuances. Pandya said the company plans to reach out to issuers in emerging economies in Asia and Africa to rate their debt issuances from these countries.

Sovereign ratings are unsolicited, meaning that economies do not pay for these, unlike companies, which seek to be rated and pay a fee for it. Care currently rates 39 countries spanning Asia, the Americas, Australia and Europe, and aims to increase this to 45 soon.

Care Ratings reported a consolidated net profit of ₹85.7 crore over April-September 2025, up 23% from the same period last year, and ₹230.3 crore of revenue. Its ratings business accounted for 80% of revenue for the April-September period of FY26. At ₹203.8 crore, it was 16% higher than in the same period of FY25. The non-ratings business in sales advisory, analytics and environment, social and governance (ESG) assessments.

Analysts are quite bullish about the company's prospects. Yes Securities (India) said it continues to believe Ebitda (earnings before interest, taxes, depreciation and amortization) margin could expand by 300-400 basis points (bps) between FY25 and FY27, driven by improvements in domestic and global ratings. Care Ratings' Ebitda margin was 38.5% in FY25, according to data from the Yes Securities note from September.

"Care continues to evaluate meaningful inorganic growth opportunities in non-ratings space which can offer synergies of new market addition or new products addition and are available at palatable valuation," the note added.

Pandya also said the company was open to acquisitions, should a good opportunity present itself at the right valuation. "It has to be a bolt-on or value addition in terms of our strategic initiative for the future, potentially giving us access to new geographies and new products," he added.




LinkedIn

**14%+**
YoY growth in followers

**34%+**
YoY increase in overall reach across the CareEdge Group handle

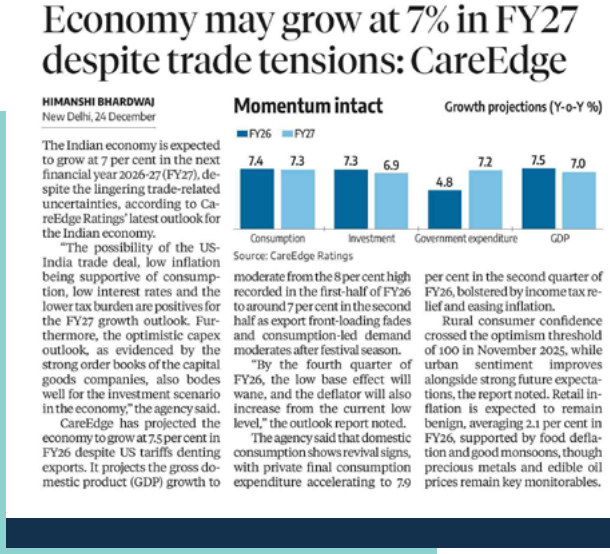



YouTube

Our industry-first podcast series InsightEdge significantly strengthened audience engagement during the year.

**98%**

**Surge in total watch hours, crossing 5,500+ watch hours during FY 2025-26**



# Economy may grow at 7% in FY27 despite trade tensions: CareEdge

HIMANSHI BHARDWAJ
New Delhi, 24 December




The Indian economy is expected to grow at 7 per cent in the next financial year 2026-27 (FY27), despite the lingering trade-related uncertainties, according to CareEdge Ratings' latest outlook for the Indian economy.

"The possibility of the US-India trade deal, low inflation being supportive of consumption, low interest rates and the lower tax burden are positives for the FY27 growth outlook. Furthermore, the optimistic capex outlook, as evidenced by the strong order books of the capital goods companies, also bodes well for the investment scenario in the economy," the agency said.

CareEdge has projected the economy to grow at 7.5 per cent in FY26 despite US tariffs denting exports. It projects the gross domestic product (GDP) growth to moderate from the 8 per cent high recorded in the first-half of FY26 to around 7 per cent in the second half as export front-loading fades and consumption-led demand moderates after festival season.

"By the fourth quarter of FY26, the low base effect will wane, and the deflator will also increase from the current low level," the outlook report noted.

The agency said that domestic consumption shows revival signs, with private final consumption expenditure accelerating to 7.9 per cent in the second quarter of FY26, bolstered by income tax relief and easing inflation.

Rural consumer confidence crossed the optimism threshold of 100 in November 2025, while urban sentiment improves alongside strong future expectations, the report noted. Retail inflation is expected to remain benign, averaging 2.1 per cent in FY26, supported by food deflation and good monsoons, though precious metals and edible oil prices remain key monitorables.

# Capex cycle stages strong revival in FY26: CareEdge

FE BUREAU
New Delhi, November 24

**KEY INDICATORS**

- The Centre's capital expenditure surged **40%** year-on-year in the first half of FY26
- It was driven by heavy allocations to food and public distribution, roads and railways
- Aggregate capex by 19 major states rose **13%** year-on-year
- Aggregate capex of **1,899** listed non-financial firms jumped **11%** to **₹9.4 lakh cr** in FY25

**INDIA'S CAPITAL EXPENDITURE** landscape is witnessing a broad-based revival, with improvements across the public and private sectors, setting the stage for sustained economic momentum in FY26 and beyond, CareEdge Ratings said in a report.

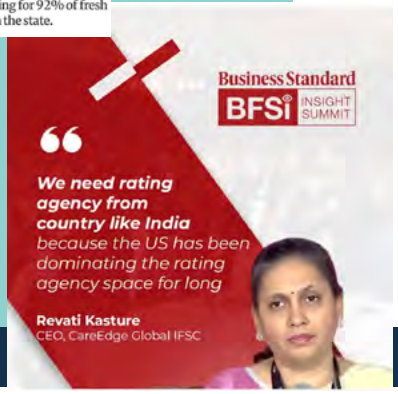
Public sector capex remains the bedrock of this resurgence. The Centre's capital expenditure surged 40% year-on-year in the first half of FY26, driven by heavy allocations to food and public distribution, roads, and railways. Even after normalising for the unusually high disbursement to the Department of Food and Public Distribution, underlying capex growth stood at a robust 29%. States have complemented this effort strongly; aggregate capex by 19 major states rose 13% year-on-year. Maharashtra, Madhya Pradesh, and Gujarat led the pack, while Telangana and Andhra Pradesh staged notable recoveries after a muted FY25. The Centre's ₹1.5 lakh crore interest-free loan scheme for states continues to play a pivotal role, with ₹50,000 crore already released in H1FY26. The private sector is finally shaking off its earlier restraint. Aggregate capex of 1,899 listed non-financial companies jumped 11% to ₹9.4 lakh crore in FY25, with oil & gas, power, telecom, automobiles, and metals leading the charge. Power, automobiles, and non-ferrous metals recorded particularly sharp increases. Fresh investment announcements soared 15% year-on-year to ₹15.1 lakh crore in H1FY26, overwhelmingly private-sector driven, with manufacturing claiming 57% of the total (metals and chemicals dominating). Project completions doubled to ₹4.1 lakh crore, led by government-led transport infrastructure.

CareEdge expects oil & gas capex to rise 3% and steel 7% in FY26. The power generation sector will remain a key growth driver, with overall capex projected to grow at an 8% CAGR from FY26 to FY28. Within power, renewables including storage are the standout segment, forecast to expand at a 13% CAGR as capacity nearly doubles from 28 GW in FY25 to 53 GW by FY28.

Leading indicators reinforce the positive outlook. Order books of a representative sample of capital goods companies swelled 21% in FY25 and another 7% in H1 FY26, signalling a healthy execution pipeline. Maharashtra continues to top the charts in both new announcements and completions, with private players accounting for 92% of fresh proposals in the state.

**Recorded an overall reach of 6.8 million during FY 2025-26**

**Featured mentions and engagement from the PMO, international embassies, government officials and leading national media houses**



PEOPLE

# Nurturing talent to build a stronger future

Our people are central to how we grow, perform and create long-term value. As a knowledge-led organisation, the strength of our insights and relationships is deeply shaped by the quality of our talent and culture.

Our focus remained on building a more engaged, future-ready and growth-oriented workplace through initiatives centred on learning and development, employee engagement, leadership building and workplace culture, alongside HR practices aligned with evolving workforce expectations and industry standards.



## LEADERSHIP AND TALENT DEVELOPMENT

We continued to strengthen organisational capability and leadership depth through focussed talent development and learning initiatives:

- Assessment and Development Centres identified 42 high-potential analysts for a structured three-month leadership-readiness journey aimed at enhancing strategic and managerial capabilities.
- The Transformational Leadership Programme, conducted in collaboration with IIM Ahmedabad, further strengthened leadership effectiveness and succession-readiness across the organisation.
- The Leadership Connect Series enabled direct engagement between senior leaders and employees, fostering stronger alignment, communication and knowledge-sharing across teams, with participation from over 300 employees.
- Targeted development interventions on situational leadership and storytelling helped enhance managerial effectiveness, communication and team engagement capabilities.







## ENGAGEMENT AND WELL-BEING

We continued to foster an inclusive, collaborative and energised workplace through initiatives designed to strengthen employee engagement and well-being:

- Wellness-focussed programmes such as Yoga Month encouraged employees to prioritise physical and mental well-being.
- Sports Day celebrations across locations promoted teamwork, participation and a culture of camaraderie.
- Festive celebrations, Kids at Work Day and employee outings created opportunities for stronger interpersonal connections and a more vibrant workplace experience.
- These initiatives collectively contributed towards reinforcing organisational culture, improving employee engagement and creating a workplace where individuals feel valued, connected and empowered to grow.





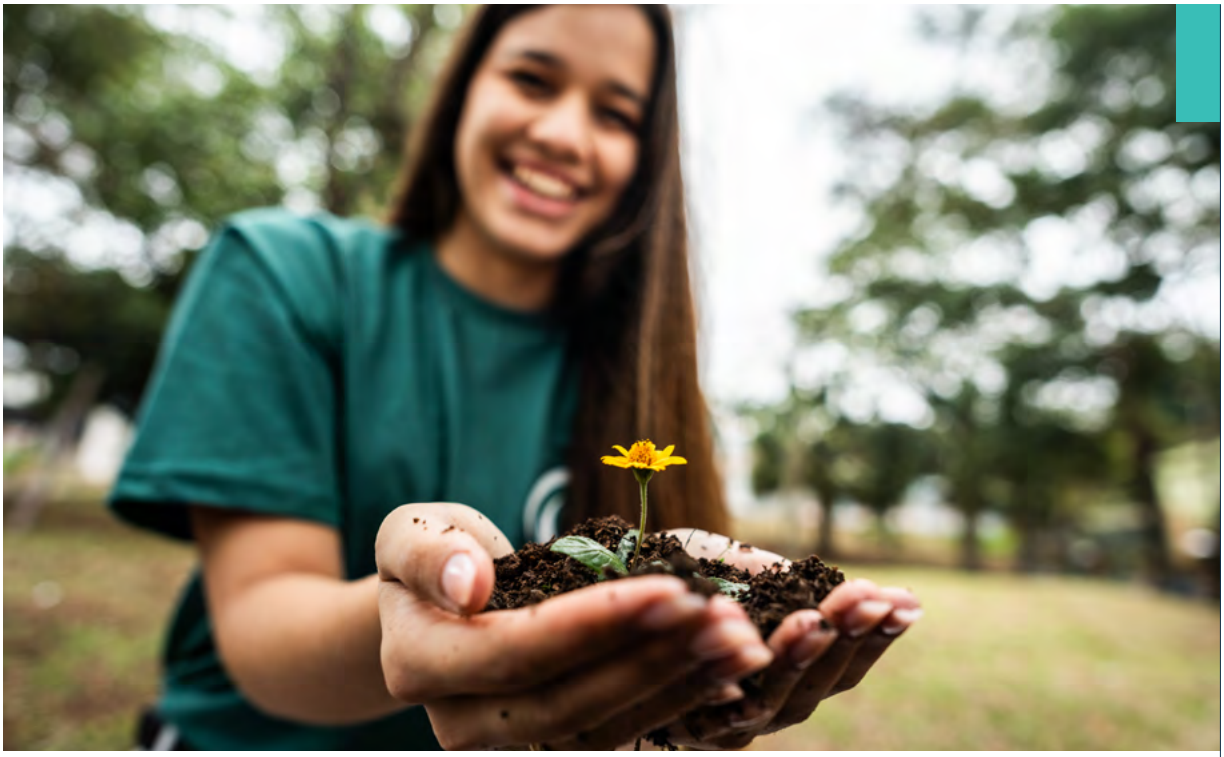
CORPORATE SOCIAL RESPONSIBILITY/COMMUNITIES

# Creating Impact Beyond Business

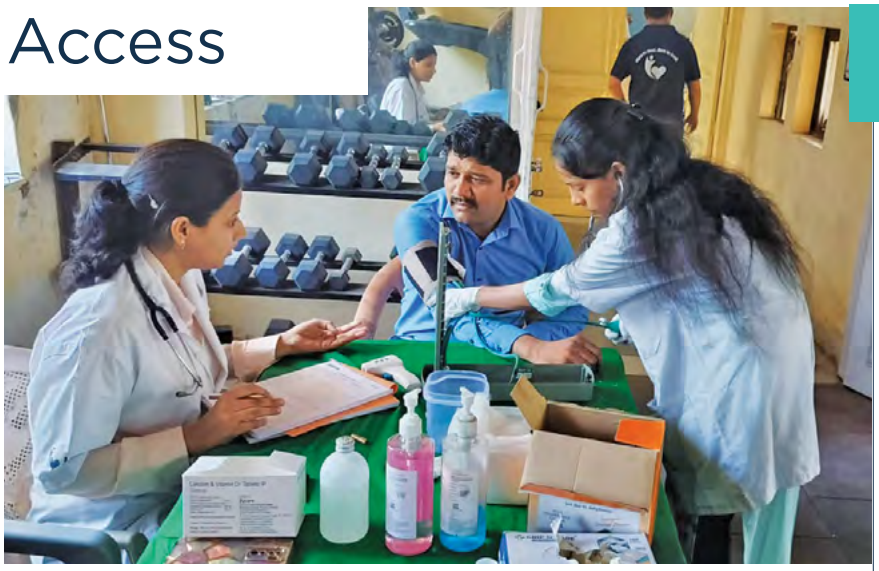
Our approach to Corporate Social Responsibility is guided by the belief that meaningful progress must extend beyond business performance and contribute positively to the communities around us. Our initiatives during the year continued to focus on improving access, enabling inclusion and creating sustainable social impact across underserved sections of society.

**SDGs ALIGNED**



# Healthcare Access



We extended critical healthcare support to individuals and families from economically disadvantaged backgrounds, focussing on interventions that address both immediate medical needs and long-term wellbeing.

### What We Did

- Supported paediatric cardiac surgeries for children in need
- Provided care and support for individuals living with Type 1 Diabetes
- Extended palliative care for cancer patients
- Facilitated kidney transplants, ventilator facilities and motorised beds for patients requiring critical care

### OUR REACH

**6,000+**

**children supported through healthcare projects**

**800+**

**patients supported through essential healthcare services**

# Support For Families Of Armed Forces



We honoured our commitment to the families of those who serve the nation, focussing on inclusion, dignity and long-term welfare for those who have given the most.

### What We Did

- Supported the development of a school for children of Navy personnel with special needs
- Extended support to VeerNaris of our Martyrs
- Provided assistance to paraplegic defence forces and their families

### OUR REACH

**23%**

**of our CSR budget dedicated to defence personnel and their families**

# Child Welfare and Education



We worked to improve educational access and learning outcomes for children in underserved communities, believing that the right foundation in childhood changes everything that follows.

### What We Did

- Provided e-learning facilities to support digital learning access in underserved areas
- Supported book bank programmes for children with limited access to learning resources
- Extended rehabilitation support for street children

# Women Empowerment



We supported women across communities through healthcare, skilling and livelihood programmes, each initiative designed to build confidence, capability and long-term independence.

**OUR REACH**

250+

**women supported across empowerment and welfare initiatives**

### What We Did

- Provided healthcare kits to expectant mothers in rural areas
- Supported the Millet Value Chain as a sustainable livelihood initiative
- Delivered tailoring and computer education programmes for women in rural communities

GOVERNANCE

# Where Responsibility Leads Decisions

The credibility we have built over the years is deeply rooted in strong governance and independent oversight. Our Board brings together extensive experience across finance, regulation, technology and industry, enabling balanced guidance and long-term strategic direction.

## BOARD OF DIRECTORS



**V. CHANDRASEKARAN**
Chairman, Non-Executive Independent Director



**GURUMOORTHY MAHALINGAM**
Non-Executive Independent Director



**MANOJ CHUGH**
Non-Executive Independent Director



**RAJIV BANSAL**
Non-Executive Independent Director



**INDRANI BANERJEE**
Non-Executive Independent Director



**DR. BIMAL PATEL**
Non-Executive Independent Director



**MEHUL PANDYA**
Managing Director & Group CEO

## SENIOR MANAGEMENT



**MEHUL PANDYA**
Managing Director and Group CEO



**SACHIN GUPTA**
Chief Rating Officer &
Executive Director



**REVATI KASTURE**
Executive Director,
CareEdge Ratings & CEO,
CareEdge Global



**RAJANI SINHA**
Chief Economist



**MANOJ KUMAR C.V.**
Company Secretary and
Compliance Officer (LODR)



**JINESH SHAH**
Group Chief Financial Officer



**ANIRUDDHA SEN**
Chief Human Resources Officer



**DR. A SHIJU RAWTHER**
Chief Information & Technology Officer



**KUNAL SHAH**
Head – Strategy & New Initiatives



**SMITA RAJPURKAR**
Head - Criteria, Policy & Regulatory Affairs



**NARESH M GOLANI**
Head – Digital Initiatives



**RASHI SHINGAL**
Head - Legal & Compliance (Ratings)



**SAURAV CHATTERJEE**
Director & CEO,
CARE Ratings (Africa) Pvt. Ltd.



**ANANDA PRAKASH JHA**
CEO, CARE Ratings Nepal Ltd.



**SWATI AGRAWAL**
CEO (Advisory),
CARE Analytics & Advisory Pvt. Ltd.



**ABHISHEIK VISHWAKARMA**
CEO (Analytics),
CARE Analytics & Advisory Pvt. Ltd.



**SAIKAT ROY**
CEO, CARE ESG Ratings Ltd.

# Directors' Report

Your Directors are pleased to present the Thirty-Third (33rd) Annual Report of CARE Ratings Limited ("the Company" or "CareEdge") along with the Audited Financial Statements for the year ended March 31, 2026.

## FY26: Resilient Performance and Strategic Progress Amid Global Volatility

FY26 was a year marked by heightened global volatility and emerging credit risks, during which the Company demonstrated resilience, discipline and strategic clarity. Despite a turbulent macroeconomic environment influenced by geopolitical tensions and trade-related disruptions, the Company sustained its market position in domestic debt ratings and further strengthened its presence in the securitisation segment, underscoring its credibility, analytical rigour and quality-led growth approach.

Financially, the Company maintained strong performance across its businesses. For FY26, consolidated revenue from operations stood at ₹ 473.07 crore, reflecting a year-on-year growth of 18%. This performance was supported by disciplined execution, diversified revenue streams, and consistent client engagement across domestic and international markets.

The Ratings business delivered industry-leading performance, supported by timely, well-calibrated rating actions, low investment-grade defaults, and robust governance practices. Continued investments in technology remained central to operational excellence, with the successful implementation of an end-to-end CRM platform, progress on the next-generation ratings system, and wider adoption of AI and machine-learning tools enhancing efficiency, transparency and analytical depth.

People remained a core pillar of the Company's strategy. A shift to an industry-focused business development model, coupled with structured leadership development initiatives and sustained focus on engagement and well-being, strengthened organisational capability and drove consistent new business momentum.

The Company's subsidiaries reported encouraging progress. CareEdge Africa and CareEdge Nepal achieved strong revenue growth while reinforcing their leadership positions in their respective markets. CareEdge Analytics and Advisory expanded its footprint across analytics, advisory, ESG, valuation and grading services, responding to increasing demand for independent, data-driven insights. CareEdge ESG consolidated its leadership in India's ESG ratings market, while CareEdge Global completed its first full year of operations, achieving critical regulatory milestones and expanding global sovereign and credit coverage. With the publication of its 45th sovereign rating, CareEdge Global officially established itself as the fourth-largest sovereign rating agency.

Supported by a strong governance framework, experienced leadership, and a long-term strategic vision, FY 26 positioned the CareEdge Group to deepen its global footprint, enhance analytical excellence, and deliver sustained value for stakeholders in the years ahead.

## FY26: The Economic Backdrop

FY26 unfolded against a backdrop of heightened uncertainty for the Indian economy, driven largely by external developments. The year opened with US President Donald Trump's 'Liberation Day' tariffs and concluded amid renewed hostilities in West Asia. Notwithstanding these global headwinds, robust domestic fundamentals and timely policy interventions enabled the economy to maintain strong growth momentum. According to the Second Advance Estimates (SAE), India's real GDP expanded by 7.6% in FY26, up from 7.1% in FY25. On the supply side, manufacturing and services led the expansion, with manufacturing growth accelerating from 9.3% in FY25 to 11.5% in FY26, while services GVA rose by 9.0% compared to 7.9% a year earlier. From the demand perspective, private consumption grew by 7.7%, supported by policy rate cuts and GST rate rationalisation. Fixed investment growth also strengthened to 7.1% in FY26, up from 6.4% in FY25.

Headline retail inflation averaged 2.1% in FY26, with benign inflation across most categories. The favourable growth–inflation dynamics provided space for monetary easing, with the RBI reducing the policy repo rate by a cumulative 75 basis points to 5.25% over FY26.

Supported by healthy demand conditions and monetary easing, bank credit growth accelerated to 13.9% in FY26 from 11.0% in FY25. Credit expansion was led by MSMEs, services, and personal loans. Lending to MSMEs gained significant momentum during the year, rising by 25.9% as of February 2026 compared to 15.1% in the year-ago period. Personal loan growth, which had somewhat moderated following higher risk weights, rebounded to 15.2% by February 2026. Credit to the services sector also strengthened, increasing to 16.3% in February 2026 from 11.7% in the year-ago period, underpinned by

steady lending to the trading sector and a pickup in credit to NBFCs.

Corporate bond issuances totalled ₹ 10.7 trillion in FY26, recording a 3.3% decline over the previous year. Commercial paper issuances increased by 7% YoY to ₹ 17 trillion in FY26.

Pressure on India's external sector intensified over FY26 amid successive global shocks. US tariffs on Indian exports remained a major drag, given the imposition of an additional 25% penalty on top of the increased 25% tariff. Although an interim trade agreement was concluded with the US in February 2026, uncertainty persists. These trade-related developments were further overshadowed by the outbreak of hostilities in West Asia in March 2026, which disrupted trade flows and pushed up energy prices.

India's merchandise trade deficit widened in FY26. However, a strong services trade surplus and sustained remittance inflows helped offset the merchandise gap, containing the current account deficit at 1.0% of GDP during April–December FY26. In contrast, the capital account came under stress, due to weak net FDI flows, and sizeable foreign portfolio investor (FPI) outflows. As a result, the capital account balance declined sharply in April–December FY26. The deterioration in capital flows worsened the overall balance of payments, with the net position slipping further into negative territory over this period compared with a year ago. These dynamics, compounded by geopolitical uncertainty emanating from West Asia, resulted in a depreciation of over 10% in the rupee during FY26. The RBI intervened to contain excess volatility and continued to hold adequate foreign exchange reserves.

In sum, FY26 highlighted the Indian economy's underlying resilience amid elevated global uncertainty. Strong domestic demand, prudent policy support and broad-based sectoral performance sustained growth, while easing inflation improved macro-financial conditions. At the same time, external pressures tested the balance of payments and the currency, underscoring lingering vulnerabilities. The impact of hostilities in West Asia on India's macro fundamentals will need to be closely monitored in FY27.

## FY27: Looking Ahead

India enters FY27 amid a challenging global environment marked by geopolitical tensions, particularly in West Asia, which have pushed up energy prices. Unlike the early phase of the Russia–Ukraine conflict, the recent hostilities have disrupted trade routes and triggered supply-side constraints, with multiple energy extraction and production facilities going offline. Given the time required to restore these capacities, energy prices are likely to remain elevated in FY27, even as the conflict de-escalates.

The transmission of these global developments to the Indian economy is expected to operate through multiple channels. Elevated energy prices are likely to exert both direct and indirect pressure on inflation. In addition, the increasing probability of an El Niño event poses an upside risk to food prices, potentially adding to inflationary pressures. As a result, inflation in FY27 is likely to exceed levels estimated prior to the West Asia hostilities, reinforcing the case for monetary policy caution.

From a fiscal standpoint, the West Asia crisis will result in a higher fuel and fertiliser subsidy burden. Recent reductions in excise duties and potential revenue shortfalls could further strain the fiscal position. India's current account balance is also likely to come under pressure with a higher energy import bill. The West Asia crisis could also have some adverse impact on India's exports and remittances inflows.

Capital flows in FY27 are likely to remain volatile amid elevated global uncertainty and tightening financial conditions. While episodic portfolio outflows may persist in the near term, India's strong macro fundamentals and relative growth resilience should support medium-term inflows, particularly FDI.

On balance, growth in FY27 is expected to moderate from FY26 levels, reflecting higher energy prices, external uncertainty, global supply vulnerabilities and tighter global financial conditions. While government capex momentum will continue, there could be pressure if the fiscal burden rises. Private investment, which had shown nascent signs of revival, may also become somewhat cautious amid the global turmoil. Services-led growth is likely to remain robust, while manufacturing may face near-term cost pressures. Overall, India is expected to maintain relatively strong growth by global standards, albeit with heightened downside risks.

## Way Forward

As the Company enters FY27, it does so on the back of strong foundations built through innovation, disciplined execution, and a steadfast commitment to its core values of independence, credibility, and stakeholder trust. FY26 was a purposeful progress marked by balanced performance, portfolio diversification, and the successful deployment of future-ready solutions despite persistent global uncertainty and macroeconomic volatility.

The external environment continues to evolve amid geopolitical tensions, shifting trade dynamics, and potential volatility in energy prices and funding conditions. These developments warrant prudence and heightened vigilance. At the same time, they reinforce the importance of institutions that enable transparent risk assessment, informed decision-making, and

resilient financial ecosystems. The Company remains well-positioned to play this role.

**Driving Quality-Led Growth Through Stronger Core Capabilities:** The Company will remain sharply focused on quality-led and sustainable growth. A key priority will be the continuous strengthening of the Company's rating operations through enhanced analytical frameworks, surveillance processes, and scenario planning capabilities. The Company will leverage technology extensively across both core and support functions to improve accuracy, reliability, and market responsiveness, while ensuring that its methodologies remain robust, transparent, and compliant with evolving regulatory expectations.

Technology will be a critical enabler of efficiency and insight. In this context, the Company's enterprise-wide initiative to embed artificial intelligence into day-to-day operations will play a pivotal role.

**Expanding Innovation and Market Relevance:** Building on the momentum, the Company will continue to invest in innovation across new-age, digital, and verification-led solutions. Platforms such as PaRRVA, EdgeAvira.AI, and ReInvitEdge underscore the Company's ability to deliver independent, transparent, and data-driven risk and performance verification solutions, while deepening our engagement across infrastructure, investment-linked, and capital market ecosystems.

Thought leadership will remain central to our strategy. Through flagship conferences, research publications, podcasts, and national and international partnerships, the Company will continue to contribute meaningfully to policy discourse, market understanding, and capacity building.

**People, Leadership, and Culture as Strategic Enablers:** People remain at the heart of the Company's success. In the year ahead, the Company will intensify its proactive HR initiatives to attract, develop, and retain high-quality talent. The Company will foster a dynamic and inclusive workplace culture that encourages innovation, collaboration, and accountability. Leadership development will receive focused attention through comprehensive technical and soft-skills training programs, coupled with structured opportunities for emerging leaders to take on greater responsibility.

**Governance, Independence, and Stakeholder Communication:** Maintaining high standards of governance, independence, and transparency remains fundamental to the Company's operations. The Board and Management will continue to place emphasis on strengthening internal controls, compliance processes, and disclosure practices. Transparent and effective engagement with stakeholders, including investors, issuers, regulators, and employees, will remain a key priority to reinforce trust and long-term credibility.

The Management believes that the Company's strong foundation, diversified capabilities, and experienced workforce position it well to navigate near-term uncertainties while pursuing sustainable long-term growth.

## Financial Performance

The Company's Financial Performance for the year ended March 31, 2026, is summarised below:

### Summary of Financial Performance (Standalone)

(₹ in Crore)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Income from Operations | 387.72 | 336.68 |
| Other Income | 55.68 | 51.39 |
| **Total Income** | **443.40** | **388.07** |
| Total Expenditure | 210.93 | 191.06 |
| **Profit Before Tax (PBT)** | **232.47** | **197.01** |
| Provision for Tax | 58.08 | 49.02 |
| **Profit After Tax (PAT)** | **174.39** | **147.99** |
| Other comprehensive income/ (loss) | 0.01 | (1.03) |
| **Total comprehensive income for the period** | **174.40** | **146.96** |
| **Appropriations** | | |
| Interim Dividend | 24.01 | 20.94 |
| Final Dividend | 32.95 | 32.86 |
| **Total (Dividend Outflow)** | **56.96** | **53.80** |

The total income for the financial year was ₹ 443.40 crore, a 14.26% increase from FY25, while the other income stood at ₹ 55.68 crore, a 8.35% increase from the previous year. Revenue from operations increased to ₹ 387.72 crore in FY26. The ratings income rose by 15.16% in FY26.

Your Company's total expenditure in the financial year was ₹ 210.93 crore, 10.40% higher than the previous year. Salary expenses at ₹ 162.64 crore in FY26 were 11.22 % higher than the previous year. At ₹ 174.39 crore, FY26 net profit after tax increased as compared to the previous year, aided by an increase in total income.

## Returns to Shareholders

### Dividend

During the year, the Company paid an interim dividend of ₹ 8/- per equity share, amounting to a pay-out of ₹ 24.01 crore. The Board has recommended a final dividend of ₹ 14/- per equity share, amounting to a payout of ₹ 42.07 crore for FY26, for approval by 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, the Company did not transfer any amount to the general reserve.

## Business Operations: Strategic Realignment

During the year, the Company successfully maintained its overall market share in debt ratings, underscoring its consistency and credibility in credit assessment. This trend highlights growing confidence in the company's analytical rigour, governance standards, and balanced credit perspectives. The securitisation business demonstrated notable resilience; despite an overall decline in market volumes during the year, the Company further strengthened its share in the securitisation segment, reinforcing its strong market position and execution capabilities in structured finance.

The Company's growth continues to be anchored on the pillars of Quality-led growth, Technology, People and Market outreach.

1. **Quality-led growth:** The Company has delivered the best rating performance across peers in the last three years and continues to increase the coverage of high-quality clients. The Company has rated 1210 new companies in FY26, and the companies under coverage stood at 4667 by the end of FY26.

2. **Technology:** The business team adopted a digital lifecycle journey for clients and implemented the end-to-end customer relationship management application. The CRM now supports the entire business lifecycle, from origination to engagement management, and has been seamlessly integrated with other internal applications to facilitate efficient data flow across the organisation. Beyond enabling faster turnaround times and operational efficiencies, the system has strengthened process discipline, pipeline visibility, and decision-making capabilities. The CRM is expected to significantly enhance sales intelligence and strategic planning capabilities in the years ahead.

3. **People:** In recent times, the Company restructured its Business Development team from a region-based model to a verticalised and industry-focused approach. This strategic shift enabled more efficient resource use and contributed to consistent growth in new business acquisitions throughout FY26.

4. **Market outreach:** During FY26, the Company continued to enhance its market outreach efforts with a strong emphasis on structured high-quality engagement. The Company conducted several high-intensity, closed-door roundtable discussions under the "CareEdge Charcha" series across multiple cities. These sector-focused forums covered Cement, Real Estate, Municipal Bonds, Securitisation and Speciality Chemicals, among others, enabling meaningful exchanges with issuers, investors, intermediaries, and policy stakeholders on industry trends, credit dynamics, and evolving risk considerations.

## Ratings Vertical

FY26 was a turbulent year from a credit risk perspective, largely driven by external factors. During the second half of the year, Indian corporates were adversely affected by exorbitant US tariffs, and towards the end of the year, the escalation of the Middle East conflict impacted multiple industries exposed to the oil and gas sector.

The Company kept a close eye on the developments and took timely rating actions to reflect the increasing credit risk. Accordingly, the credit ratio (ratio of upgrades to downgrades) moderated to 1.93x in H2 FY26, from 2.56x in H1 FY26. The Company's rating performance, as measured by the number of investment-grade defaults during the year, remains industry-leading. It reflects the strong analytical capability and timeliness of our rating actions.

Despite the difficult environment, the Company's rating results remained among the top in the industry, evidenced by the low number of investment-grade

defaults throughout the year. This highlights the effectiveness of its analytical skills, disciplined rating procedures, prompt decision-making, and strong governance structure.

The ratings vertical enhanced its thought leadership by hosting 40 conferences, roundtables, and webinars, and by publishing more than 80 opinion pieces on various topics. These publications attracted extensive media coverage and strengthened the Company's reputation as a trusted and influential market voice.

Technology and automation played a key role in achieving excellence in the Company's operations. Focused efforts are underway to integrate artificial intelligence (AI) and machine learning (ML) to improve workflows, enhancing accuracy and efficiency.

Despite ongoing global economic challenges, the Company remains confident in its ability to sustain strong performance through continued process rigour, deeper engagement with investors and ongoing innovation.

### Advancing Analytics with Digital Capabilities

In FY 26, the Company strengthened its sales governance and execution by implementing an integrated Customer Relationship Management (CRM) system that covers the end-to-end sales lifecycle. Seamless integration with enterprise systems ensures secure access, data integrity, and process continuity. The CRM has improved transparency and control through standardised workflows, centralised sales data, and real-time visibility. These enhancements have enabled better decision-making, stronger pipeline oversight, and more effective customer engagement. The next phase will focus on leveraging advanced data analytics to further enhance insight-driven decision-making and sales effectiveness.

During the year, the Company enhanced its Machine Learning (ML) models for extracting financial and operational data from public corporate filings. The upgraded models demonstrate improved accuracy, contextual understanding, and support for multiple document formats. Ongoing model training has enhanced data quality, increased analyst productivity, and reduced turnaround times. These capabilities will be further leveraged in the coming year to enable geographic expansion and deeper sector coverage.

In FY 26, the Company continued the phased development of its next-generation rating platform using an agile delivery approach in partnership with a technology provider. Multiple key modules were successfully launched during the year, with further modules planned for implementation in the coming year. The platform is being developed on secure, scalable, cloud native technologies and incorporates advanced AI/ML capabilities to support intelligent document processing and improved analytical decision-making for analysts.

Following the launch of the new website last year to establish a unified brand identity across the Group, the Company has initiated upgrades to its underlying technology stack in the coming year. These enhancements aim to deliver a richer design, an improved user experience, and better performance and scalability.

Key business applications supporting the ratings analyst team were upgraded to meet regulatory and compliance requirements, enhancing efficiency and analyst productivity. The Company also expanded its central document repository—now a core component of the new rating platform—strengthening data availability, accessibility, and overall operational resilience.

The Company enhanced its information security posture by implementing a Managed Security Operations Centre (MSOC) and Brand Monitoring solutions. Business Continuity and Disaster Recovery readiness was validated through the successful execution of planned and unplanned DR drills. Organisation-wide information security awareness programmes, including phishing simulation exercises, were conducted to strengthen employee cyber risk awareness. As part of its cybersecurity roadmap, the Company is progressing toward ISO/IEC 27001 certification and plans to further strengthen controls by aligning with the DPDP framework and implementing Data Loss Prevention (DLP) policies.

During the year, the Company completed the technology setup for its subsidiary offices in Ahmedabad (GIFT City) and Mumbai, enabling secure, scalable operations.

In the year, the adoption of artificial intelligence (AI) across the organisation increased significantly, reaching over 60%, reflecting broader acceptance and integration of AI-assisted productivity tools across functions. As part of the Company's targeted adoption of AI, select AI agents were made live to support data collection, productivity enhancement and operational excellence.

In parallel, several generative artificial intelligence (GenAI) proof of concepts (PoCs) are underway, aimed at enhancing operational efficiency and decision support, prior to any broader deployment.

### Enhancing Brand Visibility and Stakeholder Outreach

FY26 marked a significant step forward as the Company expanded its branding and visibility initiatives, resulting in a higher share of voice across key channels. This positioning has been reinforced through multiple outreach initiatives, including speaker forums, knowledge-sharing sessions, roundtables, and

conferences, which supported sustained brand visibility and credibility. Through targeted, high-quality outreach and deeper media engagement, we consistently amplified the Company's perspective and reinforced its positioning as a thought leader. As a result of this strategy, the Company featured in 9,441 media mentions.

During the year, the Company continued to strengthen its thought-leadership platform through InsightEdge, a podcast series that brings together leading voices from corporate finance, banking, economics, and public policy. The series featured in-depth conversations with senior corporate leaders, including Dr V. Anantha Nageswaran, Chief Economic Advisor to the Government of India; Shri Sanjeev Sanyal, Member – Economic Advisory Council to the Prime Minister; Neelkanth Mishra, Chief Economist, Axis Bank & Head of Global Research, Axis Capital Ltd; Jugeshinder 'Robbie' Singh, Group CFO, Adani Group; Rama Mohan Rao Amara, Managing Director at State Bank of India (SBI) and Manoj Kumar Gyawali, CEO, Nabil Bank.

The Company focused on positioning the organisation as a knowledge-driven brand through consistent and insight-led communication. The Company's monthly newsletters, focused on infrastructure, BFSI, ESG, and global markets, continue to be widely circulated among market intermediaries. CareEdge's monthly publication, Foresights, provides analytical perspectives on the health of domestic and global markets and has received positive feedback from stakeholders.

During the year, CareEdge hosted 31 webinars (including 4 global) as part of its ongoing thought leadership and stakeholder engagement efforts. These sessions provided a structured platform to disseminate industry insights, credit perspectives, global updates, and forward-looking market assessments across key sectors.

CareEdge leaders participated in around 315 knowledge-sharing forums and speaker sessions across the industry and media. These sessions not only served as platforms for dialogue but also enabled us to produce a wealth of content, including knowledge papers, thematic reports, and regular industry-specific updates.

During the year, the Company significantly deepened its engagement with policymakers, regulators, global institutions, and market participants through a series of high-impact dialogues and initiatives focused on trust, transparency, and resilience in financial markets. Through its flagship platforms and collaborative efforts, the Company continued to reinforce its role as a catalyst for informed discussion on sovereign ratings, capital markets, credit ecosystems, and economic resilience, both in India and across key international jurisdictions.

In a landmark development for India's capital markets, CareEdge, in collaboration with the National Stock Exchange of India Limited (NSE), announced the pilot launch of the Past Risk and Return Verification Agency (PaRRVA) on December 08, 2025, in Mumbai. The pilot was inaugurated by Shri Tuhin Kanta Pandey, Chairman, SEBI.

In a significant advancement for India's infrastructure investment ecosystem, CareEdge also launched 'ReInvitEdge', a powerful platform dedicated to Infrastructure Investment Trusts and EdgeAvira. AI, the next-gen AI-driven platform designed to transform credit underwriting, risk monitoring, early warning systems (EWS), and predictive analytics for financial institutions.

Further reinforcing the Company's global thought-leadership agenda, CareEdge hosted "The Dialogue – Ratings and Economic Resilience: Building Global Confidence" in Delhi on November 11, 2025. The event was graced by Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry, Government of India, as the Chief Guest. Mr V. Chandrasekaran, Chairman, CareEdge Ratings, delivered a special address in the presence of Mr Rajiv Bansal, Non-Executive Independent Director, CareEdge Ratings followed by an address by Mehul Pandya, MD & Group CEO, CareEdge A Panel discussion was moderated by Revati Kasture, CEO, CareEdge Global & Executive Director, CareEdge Ratings. The panel featured Dr Dipesh Shah, Executive Director (Development), International Financial Services Centres Authority (IFSCA); Mr Aurélien Kruse, Lead Country Economist, World Bank Group; Ms Kamalika Das, Regional Economist – South Asia, International Finance Corporation; and Sachin Gupta, Chief Rating Officer & Executive Director, CareEdge Ratings.

The Group also continued its domestic engagement through "CareEdge Conversations", hosted in Delhi on October 08, 2025, under the theme "Powering India's Growth: Shaping Tomorrow." The keynote address was delivered by Dr V. Anantha Nageswaran, Chief Economic Advisor to the Government of India. Mehul Pandya, MD & Group CEO, CareEdge, delivered the welcome address, followed by a thematic presentation by Revati Kasture, CEO, CareEdge Global & Executive Director, CareEdge Ratings. A high-powered panel comprising Mr P.S. Gangadhar, Joint Secretary – ED, Ministry of External Affairs, Government of India; Mr Sanjay Kulshrestha, CMD, HUDCO; Mr Pinaki Bhattacharya, Founder, MD & CEO, AMPIN Energy Transition; and Mr Shri Vinay Sekar, CEO, Cube Highways InvIT, deliberated on policy directions, infrastructure financing, and sustainable development. The session was moderated by Sachin Gupta, Chief Rating Officer & Executive Director, CareEdge Ratings.

CareEdge successfully hosted the Kochi edition of CareEdge Conversations on July 25, 2025. The session, themed 'India's Economic Outlook – Navigating Growth Amidst Global Uncertainties,' brought together distinguished leaders from finance, policy, and industry

to share strategic perspectives on India's growth trajectory and macroeconomic resilience. This edition witnessed participation from Mr Ravi Mohan, Chairman, ESAF Small Finance Bank Ltd; Mr V.P. Nandakumar, MD & CEO, Manappuram Finance Ltd; and Mr Seshadri P R, MD & CEO, South Indian Bank. The session was moderated by Sanjay Agarwal, Senior Director, CareEdge Ratings.

Extending its international outreach, CareEdge hosted "The Dialogue on Credit and Capital" in Colombo, Sri Lanka, on June 06, 2025, in collaboration with the International Financial Services Centres Authority, NSE International Exchange (NSE IX), and India in Sri Lanka (High Commission of India, Colombo), along with partners including TWCorp, Indo-Sri Lanka Chamber of Commerce and Industry, and the INDIA CEO FORUM. The event commenced with welcome remarks by Mr Santosh Jha, Hon'ble High Commissioner of India to Sri Lanka, followed by presentations from Mr Pradeep Ramakrishnan, Executive Director, IFSCA; Revati Kasture, CEO, CareEdge Global; and Mr Bala V, CEO, NSE International Exchange (NSE IX). A panel discussion moderated by Mr Thilan Wijesinghe, Chairman, TWCorp, explored access to global capital, regulatory frameworks, and opportunities for Sri Lankan companies to raise capital efficiently.

In collaboration with the Royal Monetary Authority of Bhutan and the Royal Securities Exchange of Bhutan, CareEdge successfully hosted "The Dialogue – Sovereign & Global Ratings: Trust & Transparency" in Thimphu, Bhutan, on January 08, 2026. The roundtable brought together regulators and market participants to deliberate on strengthening credibility and transparency in sovereign and global ratings frameworks. The keynote address was delivered by Ms Ugyen Choden, Deputy Governor, Royal Monetary Authority of Bhutan, and a special address was delivered by Mr Aniket G. Mandavgane, Deputy Chief of Mission, Embassy of India in Thimphu, Bhutan.

The Company's knowledge partnerships with leading entities, such as the ET MSME Awards, Institutional Investor Advisory Services, MSME Banking Excellence Awards, by the Chamber of Indian Micro, Small & Medium Enterprises, Indian Federation of Green Energy, Assocham, Global Real Estate Brand Awards, AIBI, Ministry of Power, ET Edge, Free Press Journal, Business Today, further accentuated the company's visibility and influence.

Social media has played a crucial role in amplifying CareEdge's reach, significantly enhancing its visibility and engagement across platforms, and solidifying its presence in the digital landscape. During the year, the Company's social media pages, such as LinkedIn and Twitter, have crossed 2 million and 5 million impressions, respectively. Furthermore, the Company's investor relations outreach continues to foster robust connections with the financial community, ensuring its stakeholders remain well-informed and engaged.

**FY26: Some of the Notable Events:**

- Mehul Pandya, MD and Group CEO, CareEdge, participated in Raisina Dialogue 2026, a premier global forum on geopolitics, geo-economics, and capital flows on March 5, 2026. He shared expert perspectives on sovereign and institutional risk assessment, the drivers of credit re-rating, and the critical role of credibility in shaping investor confidence across jurisdictions.

- Mehul Pandya, MD and Group CEO, CareEdge, participated in a Private Roundtable hosted by the Centre for Strategic and International Studies (CSIS) at Washington, DC, on June 11, 2025.

- Mehul Pandya, MD and Group CEO, CareEdge, participated and shared his views at the 5th India Africa Entrepreneurship and Investment Summit at Nairobi on July 18, 2025.

- Mehul Pandya, MD and Group CEO, CareEdge, participated in the Financial Inclusion & Fintech Summit 2025, organised by the Confederation of Indian Industries (CII) on July 5, 2025.

- Mehul Pandya, MD and Group CEO, CareEdge, was invited as an esteemed panellist at the 15th Annual Banking & Finance Conference organised by the IMC Chamber of Commerce and Industry on July 4, 2025.

- Mehul Pandya, MD and Group CEO, CareEdge, was invited as a guest on Paisa Vaisa. podcast hosted by Anupam Gupta. He highlighted core manufacturing and services, stating deleveraged balance sheets and strong banking capitalisation.

- Sachin Gupta, Chief Rating Officer and ED, CareEdge Ratings, featured on Paisa Vaisa Podcast hosted by Anupam Gupta to discuss the ticking time bomb of the $1 trillion global private credit market.

- Sachin Gupta, Chief Rating Officer and ED, CareEdge Ratings, was invited as a speaker at the ET Infra Financing Summit 2026, March 13, 2026.

- Sachin Gupta, Chief Rating Officer and ED, CareEdge Ratings, was invited as a speaker at Unlocking Capital Markets for India's Green Energy Transition, jointly hosted by Artha Global and the Climate and Sustainability Initiative on February 17, 2026.

- Sachin Gupta, Chief Rating Officer and ED, CareEdge Ratings, discussed how Indian MSMEs and the exporting community are bracing for Trump's tariff thunder with ET Spotlight.

- Revati Kasture, ED, CareEdge Ratings & CEO, CareEdge Global was invited as a panellist at the 2nd CII Financing Summit 2025. The session, on "Building Deeper Capital Markets: Debt, Equity and Commodity Derivatives Asset Classes on November 18, 2025.

- Revati Kasture, ED, CareEdge Ratings & CEO, CareEdge Global, was invited as an eminent speaker to speak on "Sovereign Ratings" at Global Securities Markets Conclave 2.0, organised by International Financial Services Centres Authority on February 27, 2026.

- Revati Kasture, ED, CareEdge Ratings & CEO, CareEdge Global moderated a session on 'Business Value v/s Market Valuation' at the Finance Forward Conference organised by PHD Chamber of Commerce & Industry on October 30, 2025.

- Revati Kasture, ED, CareEdge Ratings and CEO, CareEdge Global, was an esteemed panellist at the 'BFSI Summit' organised by Business Standard on October 31, 2025, in Mumbai. She spoke in a session titled 'Has Gift City IFSC truly arrived'.

- Revati Kasture, ED, CareEdge Ratings and CEO, CareEdge Global, was invited as a guest on The Simple Hai podcast, on July 10, 2025. During the discussion, she explained how India's credit health and economy are doing well compared to the early 90s.

- Rajani Sinha, Chief Economist, CareEdge Ratings, participated in FICCI's 'Decoding Union Budget 2026–27' session held at the National Stock Exchange (NSE India), Mumbai, on February 2, 2026.

- Rajani Sinha, Chief Economist, CareEdge Ratings, was invited to interact with the Hon'ble Prime Minister of India, Shri Narendra Modi, as part of a select group of eminent economists on December 30, 2025.

- Rajani Sinha, Chief Economist, CareEdge Ratings, was a panellist at 'India's Growth Trajectory Amidst Global Headwinds' organised by ArthaShastra, an economic wing of IIM Rohtak, on October 31, 2025.

- Swati Agrawal, CEO, CareEdge Advisory, shared the stage with Shri Manohar Lal, Union Minister for Power, and officials from the power ministry at the Bharat Electricity Summit, 2026 curtain-raiser event on January 15, 2026.

- Swati Agrawal, CEO, CareEdge Advisory, was invited as a moderator at 'Connect: India's Future Ready Leaders – Viksit Bharat @2047' on February 16, 2026. Swati moderated a compelling panel on Role of Boards – Corporate Governance 2047.

- Abhisheik Vishwakarma, CEO, CareEdge Analytics, participated in a panel discussion at the 41st Asian Bankers Association (ABA) Conference in Bhutan, held on September 15-16, 2025. The discussion focused on digital transformation in the banking industry and the growing role of AI and data analytics in driving inclusion and efficiency.

- Abhisheik Vishwakarma, CEO, CareEdge Analytics, along with his team, launched ReInvitEdge in guidance from the Securities and Exchange Board of India (SEBI) at the REITs & InvITs Conclave in New Delhi on November 21, 2025.

- Saurav Chatterjee, Director & CEO, CareEdge Africa, participated as a speaker in a high-level forum on strengthening credit analysis and integrating credit rating into lending decisions in Kenya's banking sector on March 18, 2026. The event was organised by The Chartered Institute for Securities & Investment (CISI) and the Kenya Bankers Association in partnership with CareEdge Africa.

- Saurav Chatterjee, Director & CEO, CareEdge Africa, was invited as a panellist at the G-CoP Policy Dialogue on "Navigating Credit Ratings: Enhancing Africa's Creditworthiness for Growth and Resilience," hosted by the Africa Development Institute, on February 26, 2026.

- Saurav Chatterjee, Director & CEO, CareEdge Africa, was invited as a speaker at the Inaugural Loan Market Association (LMA) & ICMA - International Capital Market Association Annual Africa Summit 2026, on February 25, 2026. CareEdge South Africa was a partner at this event.

- Ananda Prakash Jha, CEO, CareEdge Nepal, represented the company at the 33rd Anniversary of the Securities Board of Nepal (SEBON), on June 8, 2025.

- Ananda Prakash Jha, CEO, CareEdge Nepal, attended a Roundtable Meeting with Dr. Rakesh Pandey, Deputy Chief of Mission at the Embassy of India, Kathmandu, on August 28, 2025.

- Saikat Roy, CEO, CareEdge-ESG Ratings and Senior Director, CareEdge Ratings, was invited as an esteemed panellist at the 'India Maritime Week 2025', on October 28, 2025.

- Saikat Roy, CEO of CareEdge-ESG Ratings and Senior Director, CareEdge Ratings, was invited as a speaker at the CII Eastern Region Green Industry Conclave 2025, where he delivered insights on the theme "Incentivising ESG Adoption: Collaboration, Innovation, and Impact" on December 12, 2025.

- Sanjay Agarwal, Senior Director, CareEdge Ratings, was invited as a Moderator to moderate a session on 'Infrastructure Financing – Capital, Risk and Project Execution' at the 6th CE Finance Conclave 2026, organised by iCEMA on February 25, 2026.

- Nitesh Jain, CRO, CareEdge Global, was a panellist at the III Russia–India Forum, titled "From the Volga to the Ganges: Dialogue of Civilisations and Integration of Capital Markets," held at the National Stock Exchange (NSE), Mumbai, on March 19, 2026.

- Nitesh Jain, CRO, CareEdge Global, participated in the IFSCA-led roundtable on Transition Bonds, organised in collaboration with India International Exchange (IFSC) Ltd (India INX), contributing to discussions on sustainable finance and capital market innovations on March 6, 2026.

- Rajashree Murkute, Senior Director, CareEdge Ratings, was invited as an esteemed Jury Member for the 1st MultiLogistix Awards 2025, November 12-13, 2025.

- Rajashree Murkute, Senior Director, CareEdge Ratings, was invited to speak at Connect Future Ready Leaders in Viksit Bharat@2047, organised by ENQUBE Collaborations in partnership with CFO Club on February 16, 2026.

- Ranjan Sharma, Senior Director, CareEdge Ratings, moderated a compelling panel discussion on "Manufacturing Resilience in Uncertain Times" on February 11, 2026, organised by ASAPP Info Global Group.

- Ranjan Sharma, Senior Director, CareEdge Ratings, was invited to join as a moderator for a panel discussion on "Construction Equipment Sector" during the 15th RAHSTA (Roads) Conference & EXPO 2025 on September 3, 2025.

- Sabyasachi Majumdar, Senior Director, CareEdge Ratings, was invited as a speaker at NTPC's 18th Lenders' Meet held on December 10, 2025, in Delhi. His participation contributed to insightful discussions on the evolving power sector landscape.

## HR IN ACTION:

### Proactive Talent & Culture Strategy

The Company remain committed to building a people-first, future-ready workforce by strengthening how we attract, engage and retain talent. The Company's people strategy focuses on fostering an agile, inclusive and experience-led workplace culture that empowers individuals, supports continuous capability development and sustains high performance.

### Next-generation leadership and capability development

The Company's capability-building agenda emphasises a balanced integration of technical expertise, digital fluency and human skills. Through structured learning pathways and experiential leadership exposure, the Company continues to strengthen a leadership pipeline that is equipped to manage complexity, support transformation initiatives, and contribute to the organisation's long-term resilience.

### Expansion, capability building and people-centred growth

In FY26, the Company progressed its people agenda through focused initiatives across the employee lifecycle, reinforcing our position as an employer of choice. Efforts remained centred on strengthening learning pathways, enhancing engagement experiences and supporting talent retention, while sustaining a workplace environment where employees can perform and grow.

These efforts translated into measurable improvement, with the Employee Net Promoter Score (eNPS) recording a significant positive uplift, reflecting employee trust and confidence in the organisation.

## KEY INITIATIVES OF FY26:

### Leadership and talent development

The Company advanced its capability-building agenda through the following initiatives:

- Assessment and Development Centres identified 42 high-potential analysts for a structured three-month leadership readiness journey.

- The Transformational Leadership Programme at IIM Ahmedabad continued to strengthen leadership depth within the organisation.

- The Leadership Connect Series enabled direct engagement with senior leaders, reaching over 300 employees.

- Development programmes focused on situational leadership and storytelling supported the enhancement of managerial capability.

### Engagement and well-being

The Company continued to foster an energised and inclusive workplace through initiatives such as Yoga Month, Sports Day across locations, festive celebrations, Kids at Work Day and picnics. These initiatives supported employee well-being, strengthened interpersonal connections and reinforced organisational culture.

## Enhancing Value Creation Across Group Entities

The Company has six subsidiaries: CareEdge Global IFSC Limited, CARE ESG Ratings Limited, CARE Analytics and Advisory Private Limited, CARE Ratings Nepal Limited, CARE Ratings (Africa) Private Limited, CARE Ratings South Africa (Pty) Limited (A subsidiary of CARE Ratings (Africa) Private Limited)

## CareEdge Global IFSC Limited (CareEdge Global)

CareEdge Global was established to extend the CareEdge Group's analytical capabilities to global credit markets, operating within a robust regulatory, governance, and risk management framework. Having commenced operations in October 2024, FY26 represents the Company's first full year of operations.

CareEdge Global achieved several important regulatory and institutional milestones during FY26. CareEdge Global is the first global credit rating agency to be licensed by IFSCA and has secured an additional licence for ESG Ratings and Data Products. It also received accreditation from the Reserve Bank of India as an international credit rating agency for the purpose of risk-weighting banks' non-resident corporate exposures.

CareEdge Global continued to scale its operations during the fiscal year in a measured and disciplined manner, consistent with its quality-led growth strategy. Sovereign rating coverage expanded from 39 to 45 countries, representing over 85% of global GDP. Excluding Chinese domestic rating agencies, CareEdge Global now ranks among the four largest credit rating agencies globally by the number of sovereigns rated. As of March 31, 2026, aggregate rated debt across corporate, infrastructure, and financial institutions crossed USD 8 billion. To support the portfolio, the Company developed multiple sector-specific rating criteria during the year.

CareEdge Global also undertook its first mandates for fund valuation, 'use of proceeds' assessments, and an international client engagement, supporting the gradual diversification of its service offerings. CareEdge Global recorded total revenue of ₹ 9.00 crore and reported a net loss of ₹ 3.43 crore in FY26, reflecting its first full year of operations and continued investments in talent, analytical capability, and infrastructure.

## CARE ESG Ratings Limited (CareEdge ESG)

During FY26, CareEdge ESG further consolidated its position within India's evolving ESG and sustainable finance ecosystem.

In FY26, CareEdge ESG significantly strengthened its leadership position in India's ESG ratings market. Market share increased from approximately 37% at the beginning of the year to nearly 58% by year's end, supported by 26 of the total 45 outstanding ESG ratings, positioning CareEdge ESG as the largest Category I -Issuer Pays ESG Rating Provider (IP ERP) by number of active ratings. During the year, 27 new ESG ratings were assigned across the market, of which CareEdge ESG secured approximately 74% (20 ratings), reflecting focused execution, effective issuer engagement and growing confidence in its ESG assessment approach.

Alongside its core ESG Ratings business, CareEdge ESG expanded into Third-Party Reviews (TPRs), strengthening its presence in the sustainable finance ecosystem. CareEdge ESG successfully delivered its first Second Party Opinion (SPO) for a Sustainable Finance framework and completed TPR engagements for CRAF and CGIL, establishing execution capability and laying the foundation for scaling offerings across GSS+ instruments.

## CARE Analytics and Advisory Private Limited (CareEdge Analytics & CareEdge Advisory)

### CareEdge Analytics

With over 19 years of experience, CareEdge Analytics has evolved into a FinTech entity within the CareEdge ecosystem, establishing itself as a strong player in the credit technology space. The firm specialises in delivering advanced, GenAI-powered risk and compliance solutions to banks and financial institutions through its proprietary AI platform, EdgeAvira.ai. Backed by the strength of its parent, CareEdge Ratings, the company leverages deep analytical expertise and has successfully deployed its solutions across India, Sri Lanka, and Bhutan. This strategic transformation underscores its focused approach toward credit risk, compliance, and innovation, while it continues to expand into high-growth markets across Africa.

### Risk Solutions:

CareEdge Analytics transforms data into actionable risk intelligence by combining deep financial domain expertise with advanced AI-driven technologies. Its integrated product suite—CredEdge (Intelligent Credit Processing), IntelEdge (Intelligent Credit Monitoring), and Kalypto (Regulatory Reporting)—powered by the EdgeAvira.ai platform, enables banks and NBFCs to enhance credit quality, strengthen risk governance, improve compliance, and drive informed decision-making across the risk lifecycle.

### Risk Consulting:

The firm offers specialised consulting services spanning credit risk modelling, model risk management (MRM), model validation, and governance advisory. It supports the development and validation of internal models, strengthens model governance frameworks, and advises on risk policies and stress testing. Additionally, it provides valuation of complex instruments such as MLDs and delivers strategic advisory on credit policy, compliance, and transformation initiatives.

### Valuation Services:

CareEdge Analytics delivers independent valuations and fairness opinions using robust methodologies, advanced models, and transparent documentation, supporting transaction execution, financial reporting, and regulatory compliance.

### ReInvitEdge:

ReInvitEdge is an AI-powered valuation platform designed for investors to access, compare, and analyse data across both public and private InvITs in India. It provides detailed insights into underlying assets across sectors such as roads, power, transmission, renewables, and digital infrastructure, as well as pipeline visibility.

### CareEdge Advisory

The Industry Research business sustained its expansion, aided by favourable capital market conditions, a robust sectoral knowledge base, and increasing acceptance of CareEdge's research solutions across a wide spectrum of customers. The business further strengthened its presence in emerging and high-growth areas such as BFSI, alternative investments and private credit, industrial automation, and the entertainment sector, while continuing to consolidate its leadership position in traditional sectors, including infrastructure and manufacturing.

The Corporate Advisory segment maintained its growth trajectory on the back of sustained business development efforts and strong execution capabilities built over recent years. The analytical insights and customised solutions delivered through these engagements continued to receive strong client acceptance, resulting in repeat mandates and enhanced market credibility. During the year, CareEdge Advisory further strengthened its expertise and capacity in this vertical, positioning it well for scaling up and expanding its advisory offerings.

The Grading Services business continued to witness strong momentum, driven by the growing emphasis from investors and stakeholders on independent third-party assessments as a critical input to their decision-making. CareEdge's reputation for analytical rigour and impartiality continued to support growth in this segment.

The ESG services business recorded continued progress, with the service suite evolving in line with increasing regulatory requirements and stakeholder expectations. The Advisory teams demonstrated strong capabilities in handling complex ESG mandates, including third-party reviews, ESG opinions, impact assessments, and sustainability reporting assignments. CareEdge Advisory continued to support clients with ESG integration and reporting across domestic and international frameworks, including Business Responsibility and Sustainability Reporting (BRSR), the Global Reporting Initiative (GRI), and Integrated Reporting, with several such reports made available in the public domain.

During the year, CareEdge Advisory further expanded its client base, with engagements across fund houses, public sector undertakings, banks, financial institutions, manufacturing companies, and municipal corporations. The widening and diversified clientele underscores the growing acceptance of CareEdge Advisory's capabilities across sectors.

CareEdge Advisory is well-positioned to capitalise on emerging opportunities, supported by its strong analytical foundation, experienced teams, and diversified advisory portfolio. The focus going forward remains on sustainable growth, deepening client relationships, and continued enhancement of service delivery standards.

### CARE Ratings (Africa) Private Limited (CareEdge Africa)

Operating since 2014, CareEdge Africa has played a meaningful role in the development of Mauritius' debt capital market through credit rating and analytical activities. In FY26, CareEdge Africa recorded an 18% increase in revenue, driven by higher volumes of debt rated, supported by new rating assignments and ongoing surveillance activities. Going forward, CareEdge Africa is strategically planning to broaden its operational reach across additional African territories, with a primary focus on countries in Eastern and Southern Africa.

The objective is to leverage the CareEdge Group's overall experience across the Indian and Mauritian markets to support the adoption and deepening of credit rating practices within Africa's capital market ecosystem through structured training, advisory support and technology-driven analytical frameworks. In FY26, in addition to rating bonds and bank facilities, CareEdge Africa rated the first sustainability-linked local currency bond issued by a leading conglomerate in Mauritius, with participation from a reputed development finance institution based in the United Kingdom.

### CARE Ratings Nepal Limited (CareEdge Nepal)

In FY26, CareEdge Nepal further strengthened its market position through sustained stakeholder engagement, enhanced knowledge-sharing initiatives, and active participation across the financial ecosystem. CareEdge Nepal continued to collaborate closely with regulators, financial institutions, and international stakeholders, while delivering a series of knowledge sessions covering credit rating practices, banking sector performance, hydropower dynamics, and the broader Nepalese economy.

A key highlight of the year was the successful co-organisation of the National Level Capital Market Quiz 2026 under the Global Money Week initiative, which served as an important platform to promote financial literacy and foster collaboration between academia and industry. Internally, CareEdge Nepal remained focused on strengthening organisational capabilities through team development initiatives, employee engagement programs, and strategic alignment efforts.

Despite operating in a challenging environment marked by the tragic events during the Gen Z protest in September 2025 and the national elections in March 2026, CareEdge Nepal successfully achieved its business targets. It sustained its leadership position as the number one credit rating agency in the market.

CareEdge Nepal recorded a 19% revenue growth and an approximate 6% increase in profitability during FY26, reflecting its resilient business model and continued focus on quality and client engagement.

Going forward, CareEdge Nepal aims to expand its market reach, deepen client relationships, and continue investing in its human capital and institutional capabilities to drive sustainable, long-term growth.

### 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 during FY26 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 are 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/1744276927_RPT%20Policy.pdf

### Details of applications 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 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. Rajiv Bansal (DIN:00245460) and Ms. Indrani Banerjee (DIN:09043941) were appointed as Additional Director (in the category of Non-Executive Independent Director) w.e.f. May 30, 2025. Shareholders of the Company approved their appointment as Independent Directors of the Company for a term of three consecutive years at the Annual General Meeting of the Company held on July 10, 2025.

Mr. Najib Shah (DIN:08120210), Ms. Sonal Desai (DIN: 08095343) and Dr. M. Mathisekaran (DIN:03584338), completed their second term as Independent Directors of the Company at the 32nd Annual General Meeting held on July 10, 2025 and accordingly, ceased to be Independent Directors of the Company with effect from July 10, 2025.

Further, Mr. G. Mahalingam (DIN:09660723) and Mr. V. Chandrasekaran (DIN:03126243), completed their tenure as Non-Executive Independent Director of the Company on November 20, 2025 and December 6, 2025, respectively. They were subsequently re-appointed as Non-Executive Independent Directors for a second term from November 21, 2025 and December 7, 2025, respectively, who shall not be liable to retire by rotation.

Dr. Bimal Patel (DIN:03006605) was appointed as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from November 12, 2025. Further, his appointment was approved by the Members of the Company through a postal ballot on January 15, 2026.

Mr. Sobhag Mal Jain (DIN:08770020), resigned as Non-Executive Non-Independent Director of the

Company with effect from January 27, 2026, due to preoccupation and other professional commitments.

By the Articles of Association of the Company and provisions of Section 152(6)(e) of the Act, Mr. Mehul Pandya, Managing Director and Group CEO (DIN:07610232), will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

### 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. Furthermore, the Independent Directors of the Company possess the requisite qualifications, experience, and expertise in the fields of finance, strategy, auditing, tax, risk advisory, and financial services, and they uphold the highest standards of integrity.

### Number of Meetings of the Board of Directors

The Board of Directors met 8 (Eight) times during the Financial Year ended 2025-26 on May 12, 2025; May 30, 2025, July 10, 2025, August 5, 2025; November 12, 2025; January 20, 2026, February 11, 2026 and March 13, 2026. 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 genuine concerns and to provide adequate safeguards against the victimisation of persons who may use this mechanism. During the year, the Company affirms that no employee 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/1744277658_NRC%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 to improve effectiveness.

The Board Evaluation Cycle for FY26 was completed internally by the Company, which included an 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, the degree of fulfilment of key responsibilities, the board structure and composition, the establishment and delineation of responsibilities to various committees, the effectiveness of the Board's processes, information and functioning.

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

The Board reviewed the performance of individual directors on aspects such as attendance and contributions at Board and Committee meetings, as well as guidance and support provided to management outside of these meetings.

Further, a separate meeting of independent directors was held by the Independent Directors on March 13, 2026, where they reviewed the performance of the Board and 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, 2026, 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 and 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 actions in their respective areas, thereby strengthening 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. B S R & Co. LLP (Firm Registration No. 101248W/W-100022) was 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.

At the ensuing Annual General Meeting of the Company, M/s. B S R & Co. LLP, Statutory Auditors of the Company, will complete their first term as Statutory Auditors of the Company.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company has recommended the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company pursuant to Section 139 of the Act, from the conclusion of ensuing Annual General Meeting of the Company till the conclusion of the 38th Annual General Meeting to be held in the year 2031, subject to the approval of the Members of the Company. The Resolution proposing the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company is included in the Notice convening the Annual General Meeting.

Pursuant to Section 139 of the Act and the Rules framed thereunder, the Company has received written consent from M/s. B S R & Co. LLP, Chartered Accountants and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI Listing Regulations, M/s. B S R & Co. LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

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, no instances of fraud were reported by the Auditors under Section 143(12) of the Act, and the rules framed thereunder, either to the Company or to the Central Government.

## Secretarial Auditor and Secretarial Audit Report

The Members of the Company at Annual General Meeting of the Company held on July 10, 2025, have approved appointment of Parikh and Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for a period of five financial years. The Secretarial Audit Report is appended to this Report as **Annexure – IIA**.

There are no qualifications, reservations, adverse remarks or disclaimers made by Parikh & Associates, Company Secretaries, Mumbai, in their secretarial audit report.

Further, Secretarial Audit Report for FY26 of CARE Analytics and Advisory Private Limited, material unlisted subsidiary of the Company, is appended to this Report as **Annexure – IIB.**

## Maintenance of Cost Records and Cost Audit

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

The Company has taken necessary steps and initiatives in respect of the conservation of energy to the possible extent to conserve the resources as required under Section 134(3)(m) of the Act, and rules framed thereunder.

As the 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 ₹ 1.63 crore and has spent ₹ 0.22 crore 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, 2026, and the date of this report other than those disclosed in this Report.

## Significant 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 status of the 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 with the Stock Exchanges, 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 the Company is available for inspection by the Members. Any Member interested in obtaining such information may address their email to investor.relations@careedge.in

## Compliance with the Maternity Benefit Act

During the year under review, the Company has complied with the provisions of the Maternity Benefit Act, 1961.

## 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 are a part of the Annual Report. Statements highlighting the performance of the subsidiary companies and their contribution to the overall performance of the Company are given in Form AOC-1 and have 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/1744277241_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, 2026 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, 2026. The Authorised Share Capital of the Company is ₹ 35,00,00,000/- (3,50,00,000 Equity Shares of face value of ₹ 10/- each).

During the Financial Year ended on March 31, 2026, the Company has allotted 1,14,865 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 4, 2025 | 25,933 |
| 2 | July 7, 2025 | 16,433 |
| 3 | August 5, 2025 | 16,066 |
| 4 | September 10, 2025 | 4,400 |
| 5 | October 8, 2025 | 12,100 |
| 6 | November 8, 2025 | 6,283 |
| 7 | December 8, 2025 | 11,666 |
| 8 | January 9, 2026 | 16,834 |
| 9 | February 5, 2026 | 3,500 |
| 10 | March 6, 2026 | 1,650 |

In view of this, the paid-up share capital as on March 31, 2026, was ₹ 30,04,70,130/- which consisted of 3,00,47,013 equity shares of ₹ 10/- each.

## Employees Stock Option Schemes

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 Scheme 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

The 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 ₹ 25 Lakh and subsequently enhanced it to ₹ 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 the 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 the Madras High Court, which are currently pending as of this date.

## Change in the Nature of Business

During the FY26, 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

The 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.

The 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, 2026, the ICC did not receive any complaints 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 the 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 minimise 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 FY26, your Company released payments amounting to ₹ 3.30 crores (P.Y.: ₹ 2.75 crores) in areas of healthcare, education, supporting defence forces & families, community development, sustainability & rehabilitation.

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 Subsidiary

As per the Consolidated Financial Statements of the Company for FY26, CARE Analytics and Advisory Private Limited is material subsidiary of the Company.

### 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:

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, 2026, 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, 2026, 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/-**
**V. Chandrasekaran**
**Chairman**

**DIN: 03126243**

**Sd/-**
**Mehul Pandya**
**Managing Director**
**& Group CEO**
**DIN: 07610232**

**Place: Mumbai**
**Date: May 13, 2026**

**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 Ratings Limited ("the Company" or "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 of the Company 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 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 of 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 and

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 Director"** 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 Requirements) 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"** means the officers and 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 persons identified and designated as Key Managerial Personnel, other than Board of Directors of the Company.

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

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 Listing Regulations, can be appointed as an Independent Director.

### 4. Evaluation of Performance

The Nomination and Remuneration Committee shall recommend to the Board on appropriate performance criteria for the directors. It shall also carry out an 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 Act 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 the Act 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 the Act 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 Act or, if it is not able to comply with such provisions.

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.

## C. 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 and

j) Considering any other matters, as may be requested by the Board.

## D. 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 and

d) Considering any other matters as may be requested by the Board.

## E. 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 and

c) In case of any subsequent changes in the provisions of the Act 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 - IIA

**FORM NO. MR-3**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

(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**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CARE Ratings Limited (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 of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, generally 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 made available to us and maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

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

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

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

(iv) 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 and amendments from time to time;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time: 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 and amendments from time to time;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and amendments from time to time: 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 Act and dealing with client: Not applicable to the Company during the audit period;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time: Not applicable to the Company during the audit period;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendments from time to time: Not applicable to the Company during the audit period; and

(vi) Other laws specifically applicable to the Company namely:

a) Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;

b) Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

**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 at least seven days in advance other than those held at shorter notice, 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.

As per the minutes, the decisions at the Board Meetings were taken by requisite majority.

We further report that there are 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 occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Parikh & Associates**
Company Secretaries

**Sarvari Shah**
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697H000350543
PR No.: 7327/2025

Place: Mumbai
Date: May 13, 2026

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report and the Secretarial Compliance Report.

## 'ANNEXURE A'

To,
The Members,
**CARE Ratings Limited**

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 process 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 process 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 procedure 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 Parikh & Associates**
Company Secretaries

**Sarvari Shah**
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697H000350543
PR No.: 7327/2025

Place: Mumbai
Date: May 13, 2026

**ANNEXURE - IIB**

**FORM No. MR-3**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

(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 Analytics And Advisory Private Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CARE Analytics And Advisory Private Limited (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 of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2026, generally 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 made available to us and maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

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

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, to the extent applicable to the Company;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable to the Company during the audit period)

(iv) 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 to the extent applicable to the Company;

(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: Not applicable to the Company during the audit period

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: Not applicable to the Company during the audit period

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time: 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: Not applicable to the Company during the audit period

  (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: Not applicable to the Company during the audit period

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time: Not applicable to the Company during the audit period and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not applicable to the Company during the audit period

(vi) As represented by the Company, there are no other laws applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

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

We further report that:

The Board of Directors of the Company is duly constituted. 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 at least seven days in advance for meetings other than those held at shorter notice, 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.

Decisions at the Board Meetings were taken unanimously/by requisite majority.

We further report that there are 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 events had occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates**
Company Secretaries

Place: Mumbai
Date: May 05, 2026

**Sarvari Shah**
Partner
FCS No: F9697 CP No: 11717
UDIN: F009697H000277954
PR No.: 7327/2025

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

**'Annexure A'**

To,
The Members,
CARE Analytics And Advisory Private Limited

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 process 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 process 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 procedure 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 Parikh & Associates**
Company Secretaries

Place: Mumbai
Date: May 05, 2026

**Sarvari Shah**
Partner
FCS No: F9697 CP No: 11717
UDIN: F009697H000277954
PR No.: 7327/2025

ANNEXURE - III

# Management Discussion and Analysis Report

## GLOBAL ECONOMIC OVERVIEW

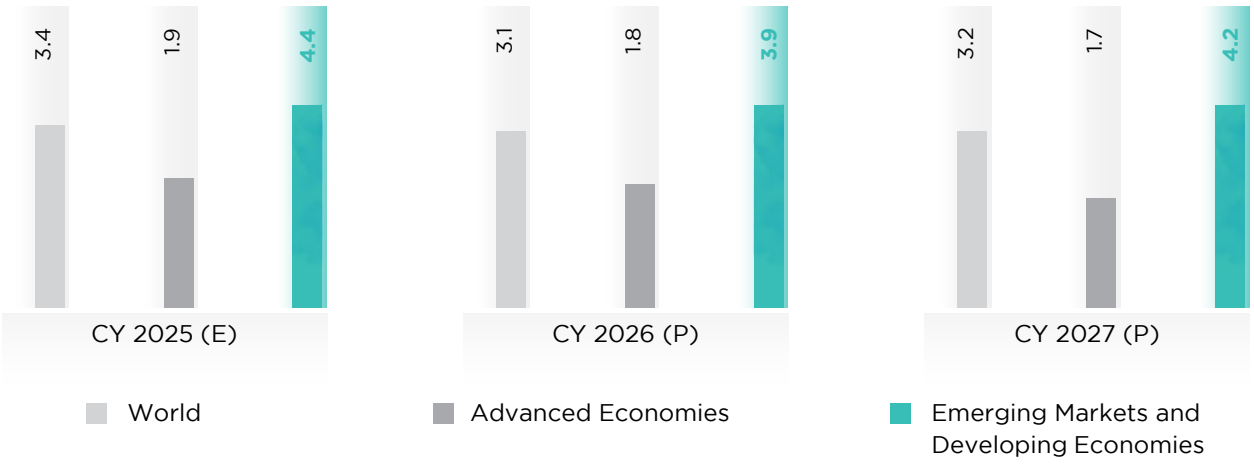
In 2025, the global economy remained resilient amid heightened geopolitical uncertainties and greater trade-policy fragmentation. The IMF estimates that global GDP rose by 3.4% in 2025, supported by technology-related investment and generally supportive financial conditions, even as growth was lower than the pre pandemic (2000-2019) average. Global Inflation continued to ease from 5.8% in 2024 to 4.1% in 2025, but progress was uneven across countries.

Global uncertainties were further aggravated in 2026 with the outbreak of the conflict in West Asia. With energy supply chains disrupted and prices rising sharply, the IMF has forecast a cooling of global momentum. Global growth is projected at 3.1% in 2026, while global headline inflation is expected to rise to 4.4% in 2026, reflecting the supply shock.

The outlook is highly uncertain and skewed to the downside. Key risks include a longer or broader conflict that would keep energy and shipping costs high and reaccelerate inflation; renewed tightening of financial conditions; intensifying geopolitical fragmentation and trade restrictions; and high public debt that could limit the ability to cushion shocks.

## GLOBAL ECONOMIC GROWTH (%)

### Region-wise Output (% Y/Y)




Source: World Economic Outlook, April 2026, IMF, E-Estimated; P – Projected

https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

## INDIA'S ECONOMIC PERFORMANCE IN FY 2025-26 AND OUTLOOK FOR FY 2026-27

The global economy presented a challenging landscape in FY 2025-26 amid continued tariff-related uncertainties and geopolitical tensions. Despite global turbulence, the domestic economy stayed on a relatively resilient footing, supported by several policy measures such as GST rate rationalisation, income tax reductions and policy rate cuts by the RBI. As a result, the real GDP growth was estimated at 7.6% in FY 2025-26, compared to 7.1% in FY 2024-25. Supported by policy measures aimed at boosting demand, private consumption growth was estimated at 7.7% in FY 2025-26, up from 5.8% in FY 2024-25. Furthermore, fixed investment growth was estimated at 7.1% in FY 2025-26, accelerating from 6.4% in FY 2024-25, buoyed by the government's continued thrust on capex-led growth. Price pressures in the economy eased, with CPI inflation averaging at 2.1% in FY 2025-26 compared to 4.6% in FY25. Overall, the favourable growth-inflation dynamics boded well for the economy despite persistent external headwinds.

Fund-raising activity showed mixed trends in FY 2025-26, with corporate bond issuances declining by 3.2% while commercial paper issuances rose by 7.2%. Supported by healthy demand conditions and monetary easing, growth in bank credit offtake accelerated to 16.1% in FY 2025-26 compared to 11% growth in the previous year. Industrial credit growth improved to 15% in FY 2025-26 (Vs 8.2% growth last year). Importantly, credit to large industries grew by 8.9% from 6.9% last year. Bank credit offtake of the

services sector stood at 19% in FY 2025-26 as against 12% growth in the previous year. The rising yields on corporate bonds have likely incentivised large industries to prefer bank credit as a source of funding.

While the domestic economy remained steady, pressures on the external sector intensified. The main drag came from the imposition of US tariffs of 50% on Indian exports. The interim trade agreement announced in February 2026 provided some relief, although uncertainty remains. Furthermore, India also advanced its attempts to deepen its global trade ties with the announcement of trade agreements with the EU, the UK, Oman and New Zealand. While merchandise exports remained under pressure, encouraging services trade offered some support to India's current account position. On the capital flows front, while gross FDI inflows remained healthy, higher repatriation and outward FDI weighed on the net FDI inflows. Furthermore, volatile portfolio flows also added pressure to the capital account. These factors, along with geopolitical uncertainty stemming from West Asia, led to a depreciation of over 10% in the rupee during FY 2025-26.

To summarise, the domestic economy remained on a resilient footing despite the global turbulence. Continued policy support, a benign inflationary scenario and improving demand conditions were supportive of the domestic economic momentum. However, the external position came under pressure amid US tariff concerns and the West Asia crisis. Looking ahead, the impact of hostilities in West Asia on India's macro fundamentals will warrant close monitoring in FY 2026-27.

## COMPANY OVERVIEW

CARE Ratings Ltd ("CareEdge Ratings" or "the Company") holds the prominent position in the financial landscape of the country as India's second-largest credit rating agency, having established a reliable presence across multiple sectors since its founding in 1993. Over its more than three-decade history, the Company has earned considerable trust within the credit rating industry, underpinned by deep sectoral knowledge and a rigorous analytical approach. Its ratings serve as a key reference point for lenders and investors evaluating creditworthiness.

Beyond core credit ratings, CareEdge Ratings has broadened its offerings to include ESG ratings, research, risk assessment, and advisory services. The Company caters to a wide range of clients spanning manufacturing, infrastructure, banking, and financial services, both domestically and internationally. Committed to transparency and sustainable growth, CareEdge Ratings positions itself as a knowledge-driven organisation, regularly publishing data-backed insights on the Indian and global economy alongside industry research. In doing so, it continues to contribute meaningfully to building market confidence and advancing India's broader financial ecosystem.

## BUSINESS OVERVIEW OF FY 2026

FY 2026 presented a demanding operating environment, shaped by elevated geopolitical uncertainty, evolving trade dynamics and heightened credit risk across several market segments. Against this backdrop, the Company delivered a measured and disciplined performance – one that reflected not only operational resilience but also the enduring strength of its foundational business model. This performance was supported by the strong quality of ratings from the CDR perspective, reinforcing the Company's reputation for analytical rigour, consistency, and credibility.

Simultaneously, it continued to deepen its presence in the securitisation segment, where rigorous credit assessment and structured finance expertise remain critical differentiators. These outcomes were not incidental; they reflect a deliberate, quality-led growth philosophy that prioritises analytical integrity and long-term credibility over short-term volume.

It is worth noting that market volatility, while disruptive for many participants, often validates the essential role of independent credit assessment. The Company's ability to maintain analytical consistency and rating quality through a period of stress further affirmed its position as a trusted partner across the credit ecosystem.

CareEdge Group enters FY 2026-27 with a well-capitalised balance sheet, experienced leadership and a governance framework aligned with evolving best practices. The strategic clarity demonstrated during FY FY 2025-26 – in both domestic operations and the Group's broader global ambitions – establishes a firm foundation for sustained value creation in the years ahead.

## BUSINESS PERFORMANCE OF FY 2026

The Ratings business delivered robust performance, supported by deep business outreach, quality of ratings as reflected by low investment-grade defaults, and strong governance standards. Investments in technology continued to enhance operational excellence, including the successful rollout of an end-to-end CRM platform, progress on the next-generation ratings system, and expanded use of AI and machine learning tools to improve efficiency, transparency and analytical depth.

Subsidiaries recorded encouraging progress. CareEdge Africa and CareEdge Nepal delivered strong revenue growth, while CareEdge Analytics and Advisory expanded its presence across analytics, advisory, ESG, valuation and grading services. CareEdge ESG consolidated its leadership in India's ESG ratings market. CareEdge Global completed its first full year of operations, achieved key regulatory milestones and expanded global sovereign and credit coverage. With the publication of its 45$^{th}$ sovereign rating, CareEdge Global has emerged as the world's fourth-largest sovereign rating agency in terms of countries coverage.

## RATINGS VERTICAL PERFORMANCE

FY 2025-26 proved to be a challenging year for credit risk, driven largely by external disruptions. In the latter half, Indian corporates faced significant strain from steep US tariffs, while the intensification of the West Asia conflict weighed heavily on oil and gas-linked industries.

The Company closely monitored these developments and responded with timely rating actions to capture the rising risk environment. Consequently, the credit ratio (upgrades to downgrades) eased to 1.93x in H2 FY 2025-26, compared with 2.56x in H1 FY 2025-26. Despite this moderation, the Company's performance – measured by the minimal defaults within investment-grade categories – remained best-in-class, underscoring its strong analytical depth and responsiveness.

Operational excellence was supported by technology and automation, with dedicated initiatives to embed artificial intelligence (AI) and machine learning (ML) into workflows, driving greater precision and efficiency. Even amid global economic headwinds, the team remains confident it can sustain high performance through robust processes, deeper investor engagement, and continuous innovation.

## BRAND VISIBILITY AND ENGAGEMENT

During FY 2025-26, the Company strengthened its branding and visibility initiatives, resulting in an enhanced share of voice across key channels. Brand positioning was reinforced through structured outreach efforts, including speaker engagements, knowledge-sharing forums, roundtables, and industry conferences. Focussed, high-quality engagement and deeper media outreach enabled consistent articulation of the Company's perspectives, further strengthening its credibility and positioning as a thought leader. As a result of this strategy, the Company featured in ~ 9,500 media mentions.

During the year, the Company continued to build its thought-leadership platform through 'InsightEdge', a podcast series that brings together leading voices from corporate finance, banking, economics, and public policy.

The Company's flagship initiatives, 'CareEdge Conversations' and 'CareEdge Dialogue', featured senior industry leaders and subject-matter experts, deepening engagement with key stakeholders. In addition, new formats such as focussed roundtables, 'Charcha', witnessed encouraging participation and further enhanced stakeholder interaction.

The Company's knowledge partnerships with leading institutions – including ET MSME Awards, Institutional Investor Advisory Services, MSME Banking Excellence Awards by the Chamber of Indian Micro, Small & Medium Enterprises, Indian Federation of Green Energy, Assocham, Global Real Estate Brand Awards, AIBI, Ministry of Power, ET Edge, Free Press Journal, and Business Today – further amplified its visibility and influence.

Digital channels played a pivotal role in expanding the Company's reach and strengthening stakeholder engagement. The Company's social media platforms recorded strong traction, with LinkedIn and "X" generating over 2 million and 7 million impressions, respectively. In parallel, investor relations initiatives continued to deepen engagement with the financial community, supporting transparent communication and informed stakeholder interactions.

During FY 2025-26, the Company hosted 31 webinars, including four global sessions, as part of its structured thought-leadership and stakeholder engagement initiatives. These forums facilitated the dissemination of industry insights, credit perspectives, global developments, and forward-looking assessments across key sectors. Senior leadership participated in approximately 315 industry, media, and knowledge-sharing forums during the year, contributing to industry dialogue and the development of knowledge papers, thematic research reports, and regular sector-specific updates.

## EMPHASIS ON TRANSFORMATION

**The Company's growth strategy continues to be anchored on four pillars:** quality-led growth, technology enablement, people capability and market outreach.

**Quality-led growth:** The Company has consistently delivered strong rating performance and continues to expand coverage of high-quality clients. The Company's rating performance, as measured by the number of investment-grade defaults during the year, remains industry-leading. It reflects the strong analytical capability and timeliness of our rating actions.

**Technology:** During FY 2025-26, the business teams transitioned to a digitally-enabled client lifecycle by implementing an end-to-end Customer Relationship Management (CRM) platform. The CRM supports the full business lifecycle from origination to engagement management and is integrated with internal applications to enable seamless data flow. The implementation has improved turnaround times, operational efficiency, process discipline and pipeline visibility, and is expected to strengthen sales intelligence and strategic planning over the medium term.

**People:** An industry-focussed structure across teams has enabled more efficient resource deployment and supported sustained growth in new business acquisitions during FY 2025-26. This has also helped in sharpening sectoral insights and impactful analysis to help decision-making.

**Market outreach:** During FY 2025-26, the Company continued to strengthen its outreach, with an emphasis on structured, high-quality engagements. Several industry-focussed discussions, such as CareEdge Conversations, CareEdge Dialogue & CareEdge Charcha, were organised. These forums facilitated constructive dialogue among issuers, investors, intermediaries, and policy stakeholders on sector trends, credit dynamics, and emerging risk considerations.

The initiatives undertaken in the previous year translated into measurable progress during FY 2025-26. Actions related to technology adoption, talent development, and brand strengthening contributed to improved agility, operational efficiency, and organisational resilience. These efforts supported the Company's market positioning and reaffirmed its focus on disciplined execution and long-term value creation within the financial services ecosystem.

Going forward, the Company will continue to build on this foundation with a sustained focus on innovation, service quality enhancement and scalable growth. The Company remains committed to responding effectively to evolving client and stakeholder requirements while operating in a dynamic external environment.

## SUBSIDIARIES

### CARE Ratings (Africa) Private Limited (CareEdge Africa)

In its endeavour to support the development of local currency capital markets within the African Union, the CareEdge Group established the first credit rating agency in Mauritius, CARE Ratings (Africa) Private Limited (CareEdge Africa), in 2014. The entity is licensed by the Financial Services Commission of Mauritius and the Capital Markets Authority of Kenya. In FY 2025-26, CareEdge Africa further expanded its footprint by securing approval from the Capital Markets and Securities Authority in Tanzania to undertake credit rating activities. CareEdge Africa is also recognised by the Bank of Mauritius as an External Credit Assessment Institution (ECAI).

CareEdge Africa's shareholders include CARE Ratings, African Development Bank, MCB Equity Fund, and SBM (NFC) Holdings Limited. It has also established a wholly-owned subsidiary, CARE Ratings South Africa (Pty) Limited, in South Africa. In October 2024, CARE Ratings South Africa (Pty) Limited received its credit rating agency licence from the Financial Sector Conduct Authority, the capital markets regulator of South Africa, enabling it to issue credit ratings across corporate bonds, sovereign entities, financial institutions, structured finance instruments, and green and sustainability-linked bonds.

Over a span of 10 years, CareEdge Africa has contributed meaningfully to the development of the debt market and banking sector in Mauritius, bringing about a perceptible qualitative transformation. It continues to work closely with regulators and stakeholders to enhance awareness and understanding of credit ratings among lenders, investors, and issuers, while reinforcing the value proposition of independent credit assessment. Leveraging high-quality research and insights from its parent's operations in India – one of the world's largest credit rating markets – CareEdge Africa has also supported policy development for the debt market. Over the past decade, CareEdge Africa has assigned ratings to more than 100 prominent private and public sector institutions across Mauritius and South Africa.

CareEdge Africa sustained its strong performance during FY 2025-26. During the year, it assigned ratings to bank facilities and bond issuances aggregating to USD 4 billion, compared with USD 3 billion in FY 2024-25, reflecting a 30% increase in rated debt volumes year-on-year.

In FY 2025-26, in addition to rating bonds and bank facilities, CareEdge Africa achieved a significant milestone by rating the first sustainability-linked local-currency bond issued by a leading Mauritian conglomerate, with participation from a reputed development finance institution based in the United Kingdom.

### CARE Ratings Nepal Limited (CareEdge Nepal)

In FY 2025-26, CareEdge Nepal continued to strengthen its market presence through active stakeholder engagement, knowledge-sharing initiatives, and strategic industry participation. CareEdge Nepal worked closely with regulators, financial institutions, and international stakeholders, and conducted multiple sessions on credit ratings, banking performance, hydropower, and the Nepalese economy.

A key highlight of the year was the successful co-organisation of the National Level Capital Market Quiz 2026 under Global Money Week, which promoted financial literacy and strengthened collaboration between academia and industry. Internally, the Company focussed on team development, employee engagement, and organisational alignment through various initiatives.

Despite challenges posed by the turbulent events during the Gen Z protest in September 2025 and the national elections in March 2026, CareEdge Nepal successfully achieved its targets. It maintained its number one position in the credit rating market.

Looking ahead, CareEdge Nepal aims to expand its reach further, strengthen client relationships, and continue investing in its people and capabilities to drive sustainable growth.

### CARE Analytics and Advisory Private Limited

#### CareEdge Analytics

CareEdge Analytics, with over 20 years of domain expertise, has evolved into a FinTech organisation with a strong positioning as a credit technology firm.

CareEdge Analytics specialises in delivering advanced, GenAI-powered risk and compliance solutions to banks and financial institutions through its proprietary AI platform, EdgeAvira.ai.

The EdgeAvira.ai platform is a suite of AI-driven products, including CredEdge (Intelligent Credit Processing), IntellEdge (Intelligent Credit Monitoring), and Kalypto (Regulatory Reporting). CareEdge Analytics offers an end-to-end loan lifecycle management solution that enables the digitisation and automation of the lending process. IntellEdge provides a comprehensive credit monitoring framework that integrates early warning signals, covenant tracking, and stock statement management. Kalypto supports risk and compliance functions by streamlining regulatory reporting and improving overall compliance efficiency.

CareEdge Analytics has successfully deployed its solutions across India, Sri Lanka, and Bhutan, establishing a strong reputation within the banking sector. As a wholly-owned subsidiary of the Company, CareEdge Analytics leverages the parent's established expertise and market presence to strengthen its analytics capabilities further and expand its footprint.

With deep domain expertise in credit risk, CareEdge Analytics is well-positioned in the CreditTech space. While continuing to tap into the significant opportunities within the Indian subcontinent, CareEdge Analytics is also expanding its presence in Africa. Backed by a strong focus on innovation and a robust understanding of risk and compliance, CareEdge Analytics remains committed to shaping the future of financial analytics.

### CareEdge Advisory

CareEdge Advisory continues to evolve as a knowledge-led platform, enabling clients to make strategic, well-informed decisions through deep sector expertise, rigorous analytics, and integrated advisory solutions. The practice operates across three core areas – Industry Research, Corporate Advisory, and ESG Advisory – offering services such as sector and market research, investment advisory, asset monetisation support, techno-economic viability (TEV) studies, business valuations, analytical assessments, peer benchmarking, grading services, and ESG and sustainability consulting.

Over the years, CareEdge Advisory has developed strong analytical capabilities and domain expertise through diverse engagements spanning infrastructure, energy, manufacturing, financial services, and emerging sectors. This experience enables the delivery of actionable insights supporting capital allocation, strategic planning, sustainability transitions, and long-term value creation.

During the year, the Advisory practice deepened its engagement with corporates, financial institutions, government bodies, and development organisations. ESG and sustainability advisory capabilities were further strengthened in response to increasing focus on responsible business practices, climate risk management, and sustainability disclosures. With evolving regulatory frameworks, including Business Responsibility and Sustainability Reporting (BRSR) requirements in India, CareEdge Advisory is well-positioned to support organisations in enhancing ESG strategies, reporting, and transition pathways.

The practice also strengthened its thought-leadership and market engagement through sector reports, knowledge publications, expert commentary, and participation in industry forums, reinforcing its position as a credible knowledge partner.

Looking ahead, growth opportunities are expected to be driven by India's infrastructure expansion, rising capital investments, the Government's long-term vision under Viksit Bharat 2047, and progress towards Net Zero 2070. Increasing emphasis on sustainability integration, climate transition planning, and responsible capital deployment is likely to further drive demand for specialised advisory services.

To capitalise on these opportunities, CareEdge Advisory will continue to invest in talent, enhance its analytics and technology capabilities, deepen its sector expertise, and pursue larger, more complex mandates. It will also focus on expanding its client base, building strategic partnerships, and exploring select international markets where the CareEdge Group has an established presence, while continuing to strengthen thought-leadership through publications, webinars, seminars, and industry engagement.

### CARE ESG Ratings Limited (CareEdge ESG)

CareEdge ESG, in FY 2025-26, remained focussed on process stabilisation, the enhancement of review protocols, and the strengthening of internal workflows to support a growing volume of ESG Ratings and SPO engagements. Process automation opportunities were identified and scoped during the year, with implementation planned for FY 2026-27 to improve turnaround times, operational consistency, and long-term scalability, while preserving analytical quality.

The addressable market for ESG ratings remains structurally constrained by the non-mandatory nature of ESG ratings in India. Demand remains concentrated among listed companies, regulated financial institutions, and IPO-bound issuers. However, increasing regulatory emphasis on sustainability disclosures and the expansion of SPO and TPR offerings are creating complementary growth avenues within the broader sustainable finance landscape.

FY 2025-26 marked a decisive acceleration in the CareEdge ESG's thought-leadership and market outreach. The launch of a monthly ESG newsletter, alongside a steady stream of high-impact opinion pieces and thematic insights, deepened engagement across issuers, investors, and market intermediaries.

The articles published received strong traction across media and industry platforms, significantly amplifying the CareEdge ESG's visibility among policymakers, investors, and sustainability practitioners. This was complemented by expanded participation in investor forums, industry bodies, and flagship conferences. Together, these sustained efforts significantly elevated market visibility, reinforced issuer and investor confidence, and firmly positioned the CareEdge ESG as a trusted and influential participant in India's rapidly evolving ESG and sustainable finance ecosystem.

### CareEdge Global IFSC Limited (CareEdge Global)

CareEdge Global represents the CareEdge Group's strategic expansion into global credit assessment, founded on the Group's long-established analytical discipline, research capabilities, and governance standards. During FY 2025-26, CareEdge Global strengthened its position as a provider of global scale ratings for sovereigns, non-sovereign issuers, and debt instruments. CareEdge Global reached significant regulatory and institutional milestones during FY 2025-26.

CareEdge Global is the first global credit rating agency to be licensed by the International Financial Services Centres Authority (IFSCA) and commenced operations in FY 2024-25. During FY 2025-26, CareEdge Global also secured an additional licence from the Authority to provide ESG Ratings and Data Products. CareEdge Global also received accreditation from the Reserve Bank of India, pursuant to the Basel III Capital Regulations, as an External Credit Assessment Institution (ECAI), enabling Indian banks to use its ratings for risk weighting non-resident corporate exposures. Building on this milestone, CareEdge Global has initiated efforts to explore accreditation in select global jurisdictions.

India's largest bank, State Bank of India, and NSE IX, a 100% subsidiary of the National Stock Exchange of India Limited, announced the acquisition of equity stakes of approximately 10% each in the CareEdge Global, reflecting strong institutional confidence in the company's long-term strategic direction. Furthermore, CareEdge Global strengthened its operational infrastructure during the year by inaugurating a state-of-the-art office in GIFT City.

CareEdge Global continued to scale responsibly from both an analytical and business standpoint. During the year, it expanded its sovereign coverage to 45 countries, representing approximately 85% of global GDP. Within less than two years of operations, CareEdge Global now ranks amongst the top 10 agencies in the world in terms of coverage of sovereigns rated. As of March 31, 2026, CareEdge Global's aggregate rated debt across corporate, infrastructure, and financial institutions exceeded USD 8 billion, supported by the development of over 10 multi-sector-specific rating criteria. CareEdge Global also secured its maiden global client mandate, along with its first mandates for 'use of proceeds' assessment.

CareEdge Global's sovereign rating outcomes demonstrated ahead-of-the-curve ratings for 18 sovereigns, as reflected in subsequent rating actions by the Big Three global credit rating agencies, which align with our view. Additionally, CareEdge Global's proprietary sovereign rating methodology was independently validated by a reputable academic institution, which concluded that the model is robust and capable of providing timely predictions of credit events.

Market outreach and thought-leadership remained key focus areas throughout the year. CareEdge Global conducted over 200 engagements and participated in more than 20 domestic and international events. A key highlight was the CareEdge Global's flagship event, The Dialogue in New Delhi, which was graced by Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry of India. During FY 2025-26, CareEdge Global published over 30 research reports and hosted four webinars. The launch of its flagship publication, **EdgeSphere**, has further strengthened the CareEdge Global's research and publication franchise.

Built on the foundational pillars of robust analytical frameworks, strong team and governance, institutional partnerships, and growing market acceptance, CareEdge Global is well-positioned for a stronger year ahead, aligned with the Group's long-term objective of building a resilient and globally relevant risk assessment platform.

To ensure analytical integrity and market trust, CareEdge Global maintains a rigorous governance structure. Its rating processes are overseen by an independent rating committee, comprising experienced international experts in sovereign risk, macroeconomics, capital markets, and credit analysis. Furthermore, CareEdge Global adheres to IFSCA regulatory standards, including norms on Board and committee composition, internal controls, rating governance, and the management of conflicts of interest. During the year, organisational capabilities were further strengthened through team expansion and the commissioning of a new office in GIFT City.

The Board believes that CareEdge Global is aptly positioned to support the CareEdge Group's international strategy, while upholding high standards of analytical rigour, regulatory compliance, and corporate governance.

## Financial and Operational Performance

### Consolidated Financial Performance

(Rs. in crore)

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| Revenue from operations | 473.07 | 402.32 | 17.59% |
| Other income | 54.81 | 50.75 | 8.00% |
| **Total Income (A)** | **527.89** | **453.07** | **16.51%** |
| **Expenses** | | | |
| Employee costs | 214.67 | 188.92 | 13.63% |
| Depreciation, amortisation & impairment | 14.37 | 11.72 | 22.61% |
| Finance costs | 2.49 | 2.11 | 17.93% |
| Other costs | 61.00 | 58.05 | 5.08% |
| **Total Expenses (B)** | **292.53** | **260.80** | **12.16%** |
| **Profit Before Tax (A-B)** | **235.36** | **192.27** | **22.41%** |
| Taxes | 61.66 | 52.26 | 17.97% |
| **Profit After Tax** | **173.70** | **140.01** | **24.07%** |

### Consolidated Key Ratios

| Details | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Debtors Turnover (in times) | 14.10 | 12.54 |
| Current Ratio (in times) | 5.76 | 7.08 |
| Inventory Turnover | NA | NA |
| Interest Coverage Ratio | NA | NA |
| Debt Equity Ratio | NA | NA |
| Operating Profit Margin (%) | 41.73% | 38.61% |
| PAT Margin (%) | 32.91% | 30.90% |
| Return on Net worth (%) | 18.42% | 17.17% |

### Asset Details

(Rs. in crore)

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| Property, plant, equipment, Right to use assets, goodwill & intangibles | 169.10 | 160.34 | 5.47% |
| Less: Accumulated depreciation | 46.70 | 41.12 | 13.58% |
| Less: Impairment on intangible assets | - | - | N.M. |
| Net Block | 122.40 | 119.21 | 2.67% |
| Depreciation as % Total income | 2.72% | 2.59% | 5.23% |
| Accumulated depreciation as % gross block | 27.62% | 25.65% | 7.69% |

### Non-Current & Current Investments

(Rs. in crore)

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| **Non-Current Investments** | | | |
| Unquoted | | | |
| Investments in Equity instruments | 25.59 | 25.44 | 0.57% |
| Quoted | | | |
| Investment in Bonds & Debentures | 40.75 | 18.80 | 116.74% |
| **(A) Total** | **66.34** | **44.25** | **49.94%** |
| **Current Investments & Treasury** | | | |
| Quoted | | | |
| Investment in Mutual Funds & Bonds | 20.54 | 99.09 | (79.28%) |
| Cash and Bank Balances | 16.45 | 20.45 | (19.56%) |
| Fixed Deposits/Liquid funds | 812.19 | 616.64 | 31.71% |
| **(B) Total** | **849.18** | **736.19** | **15.35%** |
| **Grand Total (A) + (B)** | **915.52** | **780.43** | **17.31%** |

### Group's Trade Receivables

(Rs. in crore)

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| Ratings & other services (Net) | 28.98 | 23.80 | 21.77% |
| Non-Ratings | 6.06 | 8.29 | (26.84%) |
| **Total** | **35.04** | **32.09** | **9.18%** |

### Standalone Financial Performance

(Rs. in crore)

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| Revenue from operations | 387.72 | 336.68 | 15.16% |
| Other income | 55.68 | 51.39 | 8.35% |
| **Total Income (A)** | **443.40** | **388.07** | **14.26%** |
| **Expenses** | | | |
| Employee costs | 162.64 | 146.24 | 11.22% |
| Depreciation, amortisation & impairment | 9.02 | 7.94 | 13.51% |
| Finance costs | 1.59 | 1.58 | 0.13% |
| Other costs | 37.69 | 35.30 | 6.75% |
| **Total Expenses (B)** | **210.93** | **191.06** | **10.40%** |
| **Profit Before Tax (A-B)** | **232.47** | **197.01** | **18.00%** |
| Taxes | 58.08 | 49.02 | 18.48% |
| **Profit After Tax** | **174.39** | **147.99** | **17.84%** |

### Standalone Key Ratios

| Details | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Debtors Turnover (in times) | 16.19 | 14.98 |
| Current Ratio (in times) | 6.32 | 7.75 |
| Inventory Turnover | NA | NA |
| Interest Coverage Ratio | NA | NA |
| Debt Equity Ratio | NA | NA |
| Operating Profit Margin (%) | 48.33% | 46.08% |
| PAT Margin (%) | 39.33% | 38.14% |
| Return on Net worth (%) | 17.73% | 17.25% |

### Asset Details

(Rs. in crore)

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| Property, plant, equipment, Right to use assets & intangibles | 127.21 | 127.81 | (0.47)% |
| Less: Accumulated depreciation | 35.41 | 35.00 | 1.18% |
| Less: Impairment on intangible assets | - | - | N.M. |
| Net Block | 91.79 | 92.80 | (1.09)% |
| Depreciation as % Total income | 2.03% | 2.05% | (0.66)% |
| Accumulated depreciation as % gross block | 27.84% | 27.39% | 1.65% |

### Non-Current & Current Investments

**(Rs in Crore)**

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| **Non-Current Investments** | | | |
| Unquoted | | | |
| Investments in Equity instruments | 120.57 | 120.42 | 0.12% |
| Investments in Preference Shares | 26.50 | 26.50 | N.M. |
| Quoted | | | |
| Investment in Bonds | 40.70 | 18.80 | 116.43% |
| **(A) Total** | **187.76** | **165.72** | **13.30%** |
| **Current Investments & Treasury** | | | |
| Quoted | | | |
| Investment in Bonds & Mutual funds | 19.42 | 99.09 | (80.40)%. |
| Cash and Bank Balances | 7.27 | 17.01 | (57.27)% |
| Fixed Deposits/Liquid Mutual funds | 742.60 | 543.15 | 36.72% |
| **(B) Total** | **769.29** | **659.26** | **16.69%** |
| **Grand Total (A) + (B)** | **957.05** | **824.98** | **16.01%** |

### Group's Trade Receivables

(Rs. in crore)

| Details | March 31, 2026 | March 31, 2025 | Growth (in %) |
|---|---|---|---|
| Ratings & other services (Net) | 25.43 | 22.48 | 13.13% |
| Non-Ratings | - | - | N.M. |
| **Total** | **25.43** | **22.48** | **13.13%** |

## OPERATIONAL PERFORMANCE

CareEdge Ratings delivered a healthy performance across both standalone and consolidated entities, driven by stable rating volumes and broad-based growth across segments.

During the year, the Company sustained its market share in debt ratings, reaffirming its position as a consistent and credible credit assessor. This performance reflects sustained market confidence in the Company's analytical rigour, governance standards, and balanced credit approach.

In securitisation, the Company demonstrated resilience and competitive strength. Despite a moderation in overall market volumes, it expanded its market share, reinforcing its leadership in structured finance and its ability to execute effectively across market cycles.

The Company accelerated its digital transformation by implementing an integrated, end-to-end CRM platform covering the entire client lifecycle – from origination to engagement management. The platform has enhanced turnaround times, strengthened process discipline, improved pipeline visibility, and enabled sharper, data-driven decision-making. It is expected to be a key enabler of sales intelligence and strategic growth going forward.

To further institutionalise engagement, the Company has established a dedicated team to drive continuous interaction with key stakeholders, reinforcing its position as a trusted, knowledge-led partner in the financial ecosystem.

## OPPORTUNITIES FOR THE CREDIT RATING INDUSTRY

India's strong macroeconomic fundamentals and policy-driven growth agenda continue to create meaningful opportunities for the credit rating industry. Credit offtake improved in March 2026, with non-food bank credit growth rising to 15.9% year-on-year (y-o-y), compared to 10.9% in March 2025. On the other hand, gross bank credit rose by 16.1% in March 2026 compared to 11.0% last year. Industrial MSMEs rose by 29.6% in March 2026. Corporate bond issuances totalled Rs. 10.8 trillion in FY 2025-26, reflecting the continued depth of the debt capital market and the sustained demand for independent credit assessment. The growing emphasis from investors and stakeholders on independent third-party assessments as a critical input to their decision-making is driving demand for grading and advisory services. Increasing regulatory requirements and stakeholder expectations around ESG are opening complementary avenues, as companies seek support with ESG integration and reporting across domestic and international frameworks including BRSR, GRI, and Integrated Reporting. The expanding role of sustainable finance instruments, including green bonds and sustainability-linked bonds, further widens the addressable market, as demonstrated by the rating of India's first sustainability-linked local currency bond in Mauritius. Internationally, the adoption and deepening of credit rating practices across African capital markets, and growing engagement in jurisdictions such as Sri Lanka, Bhutan, and Nepal, signal the significant untapped potential for Indian rating agencies to extend their analytical frameworks to emerging and frontier markets.

## RISK MANAGEMENT

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

| Risk | Description | Mitigation Strategy |
|---|---|---|
| **Operational Risk** | This risk arises from potential deficiencies in human resource management, internal processes, exposure to fraudulent activities, or technology and system disruptions. Such operational lapses could adversely impact business continuity, service delivery quality and overall operational effectiveness. | The Company mitigates these operational risks through a comprehensive control framework. Continuous employee training programmes are undertaken to upgrade skills, foster a positive work environment, and support talent attraction and retention. A detailed Ratings Operations Manual sets out standard operating procedures (SOPs), which are subject to regular audits to ensure consistent compliance. A robust Code of Conduct, introduced at onboarding and reinforced through periodic awareness sessions, governs ethical behaviour, fraud prevention and confidentiality. In addition, the Company maintains a strong information technology security framework, incorporating firewalls, intrusion detection systems, data encryption and periodic penetration testing to identify and address potential vulnerabilities. |
| **Business Risk** | This risk pertains to overall economic conditions, particularly the pace of economic growth. A slowdown in the economy tends to suppress investment activity, thereby limiting the expansion of the rating universe. | CareEdge mitigates business risk through diversified rating coverage across sectors and geographies, robust macroeconomic monitoring, and expanding analytical service offerings. Deep business outreach complements the strong analytical guardrails. Strong financial discipline and prudent cost management ensure operational resilience through economic cycles. At the same time, strategic alignment with India's long-term growth agenda positions the Company to capture opportunities as conditions improve. |
| **Market Intelligence Risk** | This risk relates to the potential inability to identify or anticipate early signs of financial stress in rated entities in a timely manner, particularly in respect of debt instruments such as bonds. Delayed or missed detection of credit deterioration or default could adversely impact investor interests and impair the Company's credibility and market confidence. | The Company continues to enhance its market intelligence systems, focussing on strengthening early identification of emerging financial stress among rated entities. These initiatives aim to improve the timeliness and effectiveness of early warning indicators, thereby supporting credit discipline, safeguarding investor interests, and reinforcing the Company's reputation for analytical rigour and risk oversight. |
| **Market Risk (Investment)** | This risk relates to potential erosion in the value of the Company's investment portfolio arising from adverse movements in interest rates. Given the size and composition of CareEdge's investment holdings, sudden or sustained changes in market interest rates may impact portfolio valuations and investment returns. | To mitigate this risk, the Company follows a conservative, prudent investment strategy, with capital preservation as its primary objective. The Company's investment policy emphasises disciplined selection of low-risk instruments and prudent portfolio management to maintain a balanced risk-return profile and support stable investment returns. |

| Risk | Description | Mitigation Strategy |
|---|---|---|
|  **Compliance and Other Related Risks** | This risk arises due to the regulatory structure in which we operate. | CareEdge Ratings' software interface maps the entire workflow in the rating process, assigning 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.<br><br>CareEdge Ratings has robust compliance policies and procedures that reflect the regulatory requirements and lay down the organisational and compliance standards for the employees. 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 risk arising from companies not being satisfied with our ratings is possible and we have an appeals committee with an external member chairing the committee. We thus strive to 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, policy & regulatory affairs 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.<br><br>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.<br><br>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. SEBI has recently issued guidelines to permit CRAs to carry out rating of financial sector instruments under the purview of any other financial sector regulator. 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. |

## GOVERNANCE AND OVERSIGHT

The majority of the Directors on CareEdge Rating's Board are Independent Directors who bring rich experience in finance, policy making, economics, regulatory affairs, information technology, legal 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 ensure the integrity of the Company's financial statements and reduce the risk of fraud.

The Criteria, Policy and Regulatory Affairs Team and the Internal Controls team issue well-documented operating procedures and authorisations with adequate built-in controls. These are carried out at the beginning of any activity and throughout the process to track major changes. As part of the controls process, they also review the design of key processes from the perspective of control adequacy. The independent internal auditors also conduct an exhaustive audit of the company's operations and procedures, in accordance with SEBI's guidelines. The Company's statutory auditors have audited the financial statements and issued a report on the 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.

## DEVELOPMENTS ON THE REGULATORY FRONT

CareEdge Ratings has been actively engaging with regulators on various aspects and has also been at the forefront of meetings of industry bodies such as the Association of Indian Rating Agencies (AIRA). During FY 2025-26, SEBI introduced several important regulatory measures. These include circulars introducing the recognition and operationalisation of the Past Risk and Return Verification Agency (PaRRVA), guidelines on the composition of the internal audit team for CRAs, and the rating of municipal bonds on the Expected Loss (EL) rating scale.

SEBI also amended CRA regulations to formally permit CRAs to carry out rating of financial instruments under the purview of other Financial Sector Regulators (FSRs) or authorities specified by SEBI and issued a circular outlining the obligations of CRAs in this regard. Separately, the RBI issued directions allowing regulated entities to extend partial credit enhancement to enhance the credit rating of bonds. These regulatory initiatives have expanded opportunities, reshaped the functioning of market intermediaries, enhanced transparency, and strengthened compliance and governance standards within the credit rating industry. The Company has instituted robust systems and processes to ensure compliance with all regulatory requirements. Your company remains committed to maintaining the highest standards of governance and regulatory compliance.

## TECHNOLOGY AND DIGITAL ENABLEMENT

During FY 2025-26, CareEdge Group continued to strengthen its technology capabilities to support business scalability, governance, operational efficiency and regulatory compliance. An integrated Customer Relationship Management (CRM) system covering the end-to-end sales lifecycle was implemented during the year. The CRM is seamlessly integrated with enterprise systems, ensuring secure access, data integrity and process continuity. Standardised workflows, centralised sales data and real-time visibility have enhanced transparency, control and pipeline oversight, supporting improved decision-making and customer engagement. Further enhancements leveraging advanced analytics are planned to strengthen sales effectiveness.

The Company upgraded its Machine Learning (ML) models for extracting financial and operational data from public corporate filings. The enhanced models deliver improved accuracy, contextual understanding and compatibility with multiple document formats. Ongoing training has resulted in improved data quality, enhanced analyst productivity and reduced turnaround times. These capabilities are expected to support geographic expansion and expanded sector coverage.

The phased development of the next-generation rating platform continued during FY 2025-26 under an agile delivery framework, in collaboration with a technology partner. Several key modules were successfully deployed, with additional modules planned for implementation in FY 2026-27. The platform is being built on a secure, scalable, cloud native architecture and incorporates advanced AI/ML capabilities to support intelligent document processing and improved analytical decision-making.

Following the launch of a unified Group website in the previous year, initiatives have been undertaken to upgrade the underlying technology stack. Planned enhancements focus on improving design richness, user experience, performance, and scalability.

Key business applications supporting the ratings analyst function were upgraded to address evolving regulatory and compliance requirements, thereby improving operational efficiency. The central document repository was further expanded and integrated as a core component of the new rating platform, strengthening data accessibility, availability and operational resilience.

The Company further enhanced its information security framework by implementing a Managed Security Operations Centre (MSOC) and Brand Monitoring solutions. Business Continuity and Disaster Recovery preparedness was validated through the successful execution of planned and unplanned disaster recovery drills. Organisation-wide information security awareness initiatives, including phishing simulation exercises, were conducted during the year. As part of its cybersecurity roadmap, the Company is progressing towards ISO/IEC 27001 certification. It plans to further strengthen controls by aligning with the Digital Personal Data Protection (DPDP) framework and implementing Data Loss Prevention (DLP) policies.

Technology infrastructure was successfully established for subsidiary offices in Ahmedabad (GIFT City) and Mumbai, enabling secure, scalable and standardised IT operations.

Adoption of Artificial Intelligence across the organisation increased significantly during FY 2025-26, with usage exceeding 60%, reflecting wider integration of AI-enabled productivity tools across functions. In line with a targeted adoption approach, select AI agents were deployed to support data collection, productivity enhancement and operational efficiency. In parallel, Generative AI proof-of-concept initiatives are being evaluated to assess their potential benefits before broader deployment.

## HUMAN CAPITAL AND ORGANISATIONAL CAPABILITY

A high-quality employee experience remains fundamental to CareEdge's performance and long-term competitiveness. Throughout FY 2025-26, the Company continued to focus on its people strategy – on attracting, developing, and retaining exceptional talent at all levels – from seasoned leadership to emerging professionals embarking on their careers. Consistent with our philosophy that people are our greatest asset, we placed strong emphasis on recognising excellence and celebrating the contributions that drive the organisation forward.

To cultivate a dynamic, future-ready workplace, the Company enhanced its engagement and learning ecosystem through thoughtfully-curated initiatives, including capability-building webinars that fostered connections, broadened perspectives, and reinforced a culture of continuous learning. In parallel, HR policies were refined to reflect contemporary workforce expectations and leading industry standards, further strengthening the Company's positioning as an employer of choice for high-calibre talent.

The impact of these sustained efforts is evident in the steady decline in attrition over the past two years, along with noteworthy improvement in Employee Net Promoter Scores. These indicators underscore the effectiveness of our people-centric approach and reaffirm our commitment to creating an inclusive, empowering, and performance-driven workplace as we enter FY 2026-27.

## CAUTIONARY STATEMENT

In accordance with relevant securities laws and regulations, comments in the Management Discussion and Analysis that describe the Company's goals, plans, estimates, or expectations may be deemed to be "forward-looking statements." Actual outcomes could significantly vary from those that were stated or indicated. Economic conditions affecting supply and demand, price conditions in domestic and international markets where the Company operates, competitive pressures in these markets, changes in governmental regulations, tax laws and other statutes, as well as incidental factors, are significant variables that could impact results.

## 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 2025-26, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 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 2025-26 | Ratio of Remuneration of each Director/ to median remuneration of employees |
|---|---|---|---|
| 1 | Mr. Najib Shah*<br>Independent Director | (70%) | 0.92:1 |
| 2 | Mr. V. Chandrasekaran<br>Independent Director | 63% | 3.24:1 |
| 3 | Ms. Sonal Desai*<br>Independent Director | (61%) | 0.75:1 |
| 4 | Dr. M Mathisekaran*<br>Independent Director | (62%) | 0.65:1 |
| 5 | Mr. Gurumoorthy Mahalingam<br>Independent Director | 38% | 2.59:1 |
| 6 | Mr. Sobhag Mal Jain#<br>Non-Executive Non-Independent Director | 6% | 0.6:1 |
| 7 | Mr. Manoj Chugh<br>Independent Director | 52% | 2.45:1 |
| 8 | Mr. Mehul Pandya<br>Managing Director & Group CEO | 18% | 44.95:1 |
| 9 | Mr. Rajiv Bansal^<br>Independent Director | NA | 2.32:1 |
| 10 | Ms. Indrani Banerjee^<br>Independent Director | NA | 2.29:1 |
| 11 | Dr. Bimal Patel$<br>Independent Director | NA | 0.98:1 |
| 12 | Mr. Jinesh Shah<br>Group Chief Financial Officer | 26% | 9.94:1 |
| 13 | Mr. Manoj Kumar CV@<br>Company Secretary & Compliance Officer | 68% | 5.56:1 |

* Mr. Najib Shah, Ms. Sonal Desai and Dr. M. Mathisekaran ceased to be Independent Director of the Company w.e.f. July 10, 2025 upon completion of second term as Independent Director

# Mr. Sobhag Mal Jain resigned as Non-Executive Non-Independent Director of the Company w.e.f. January 27, 2026

^ Mr. Rajiv Bansal and Ms. Indrani Banerjee appointed as Independent Director of the Company w.e.f. May 30, 2025

$ Dr. Bimal Patel appointed as Independent Director of the Company w.e.f. November 12, 2025

@ Mr. Manoj Kumar CV appointed as Company Secretary and Compliance Officer w.e.f. September 1, 2024

2) **The percentage increase in the median remuneration of employees in the Financial Year 2025-26:**

The median remuneration of employees of the Company during the financial year 2025-26 was ₹ 15,00,000/-. The percentage increase in the median remuneration of employees in the financial year stood at 7.13% compared to the financial year 2024-25.

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 financial year 2025-26 over financial year 2024-25 was 11.83% for employees, excluding the KMP's. In comparison, the average increase in remuneration of KMPs during the same period was 19.70%.

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

As of March 31, 2026, there were 608 full time employees compared with 598 last year with around 83% 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 Reporting

## 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 | www.careedge.in |
| 9 | Financial year for which reporting is being done | 2025-26 (April 1, 2025 - March 31, 2026) |
| 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. 30,04,70,130 |
| 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<br>022-67543456<br>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 | None |
| 15 | Type of Assurance obtained | None |

### 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 | Offering Bank Loan Ratings, Capital Market Instruments, Including NCDs/ Bonds/ Hybrids/ CPs/CDs, etc, Structured Finance Ratings, Monitoring Agency Services for Equity Capital Rating of REITs /InvITs, Resolution Plan Ratings, Recovery Ratings, Issuer Ratings | 96.38% |

## 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 | 96.38% |

## 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 operates through 10 branches across 7 states |
| International (No. of Countries) | The company conducts overseas operations through its subsidiary entities in GIFT City, Mauritius, Nepal and South Africa |

*b. What is the contribution of exports as a percentage of the total turnover of the entity?*

0.24%

*c. A brief on type of customers*

CARE Ratings, a leading credit rating agency in India, provides credit ratings and, in-depth research across a diverse range of sectors, including banking, financial institutions, corporates, MSMEs, and public sector entities. The Company evaluates the financial strength and creditworthiness of entities through a comprehensive assessment of industry dynamics, financial performance, and macroeconomic factors, thereby offering stakeholders informed 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) | 608 | 384 | 63% | 224 | 37% |
| 2 | Other than Permanent (E) | 40 | 14 | 35% | 26 | 65% |
| 3 | **Total employees (D+E)** | **648** | **398** | **61%** | **250** | **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% | 0 | 0% |
| 2 | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3 | Total differently abled employees (D+E) | 0 | 0 | 0% | 0 | 0% |
| | **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:**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors* | 7 | 1 | 14% |
| Key Management Personnel* | 3 | 0 | 0% |

*MD & Group CEO is part of KMP and BoD

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

| | FY 2025-26 (Turnover rate in current FY) | | | FY 2024-25 (Turnover rate in previous FY) | | | FY 2023-24 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 25% | 14.01% | 21.23% | 21.44% | 27.27% | 23.43% | 23.25% | 23.90% | 23.50% |
| Permanent Workers | NA | NA | NA | NA | NA | NA | 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 | Subsidiary | 100% | No |
| 2 | CARE ESG Ratings Limited | Subsidiary | 100% | No |
| 3 | CareEdge Global IFSC Limited | Subsidiary | 100% | No |
| 4 | CARE Ratings (Africa) Private Limited | Subsidiary | 78% | No |
| 5 | CARE Ratings Nepal Limited | Subsidiary | 51% | No |
| 6 | CARE Ratings South Africa (Pty) Ltd* | Subsidiary | 78% | No |

*CARE Ratings Limited holds 78% in CARE Ratings (Africa) Private Limited, which holds 100% in CARE Ratings South Africa (Pty) Limited

## VI. CSR DETAILS

**24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)** Yes

**(ii) Turnover (in Rs.):** 388 Crore

**(iii) Net worth (in Rs.):** 984 Crore

## 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 2025-26 (Current Financial Year) | | | FY 2024-25 (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 |
| Communities | Grievances pertaining to communities managed through the Company's NGO partners, who assess the concerns and propose appropriate remedial measures. These recommendations are communicated to the concerned communities, and upon mutual concurrence, a structured course of action is executed to ensure effective and timely resolution | 0 | 0 | None | 0 | 0 | None |
| Investors (other than shareholders) | Yes - https://www.careratings.com/investors-contact | 0 | 0 | None | 1 | 0 | None |
| Shareholders | Yes - https://www.careratings.com/investors-contact | 2 | 0 | None | 0 | 0 | None |
| Employees and workers | Employees can raise their grievances to the reporting manager or to the HR via direct discussion and via email | 0 | 0 | None | 0 | 0 | None |
| Customers | Yes - https://www.careratings.com/investors-contact | 7 | 0 | None | 6 | 0 | None |
| Value Chain Partners | Yes - https://www.careratings.com/investors-contact | 0 | 0 | None | 0 | 0 | None |
| Other (Total) | Yes - https://www.careratings.com/investors-contact | 1 | 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 | Environmental Sustainability | Opportunity | Adoption of sustainable practices enhances operational efficiency, strengthens brand positioning, and aligns the Company with global ESG expectations | - | **Positive:** It enables cost optimisation through improved energy efficiency, aligns with best practices sought after by industry players, and strengthens brand value, thereby supporting long-term financial performance and competitive advantage |
| 2 | Learning & Development | Opportunity | Continuous skill enhancement supports organisational agility, innovation, and long-term competitiveness | - | **Positive:** It drives enhanced employee productivity, strengthens capability development, and fosters a culture of innovation, thereby contributing to improved organizational performance and long-term value creation |
| 3 | Diversity Equity & Inclusion | Opportunity | A diverse workforce enables a broad range of perspectives and experiences, which enhances inclusivity and drives innovation within the organisation | - | **Positive:** It promotes an inclusive workplace culture, where varied backgrounds and perspectives enhance innovation in approach and service delivery, leading to improved organisational performance |
| 4 | Data Privacy & Cyber Security | Risk | Exposure to cyber threats and data breaches may disrupt operations and erode stakeholder trust, while non-compliance with data protection regulations can result in legal liabilities, penalties, and adverse impact on business continuity. | > Regularly review and enhance policies and procedures to align with evolving industry standards<br>> Ensure adherence to applicable data protection laws and regulatory requirements<br>> Establish robust mechanisms to promptly record, report, and notify relevant authorities of any incidents<br>> Conduct mandatory cybersecurity awareness and training programmes for all employees | **Negative:** Failure to maintain robust data security standards can expose the organisation to significant risks, including substantial fines and penalties for non-compliance with data protection regulations, potential legal action from affected parties in the event of data breaches, and operational disruptions arising from cyberattacks that may shut down systems or compromise business operations. Such incidents, including data leakages, can significantly damage the organisation's reputation among stakeholders, attract heightened regulatory scrutiny, and erode stakeholder trust and confidence. |

| 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 | Talent Attraction & Retention | Opportunity | Effective talent management strengthens organisational readiness and capability and supports sustainable growth | - | **Positive:**<br>Optimised talent acquisition and retention leading to lower recruitment and attrition-related costs, enhanced workforce productivity and organisational stability, and sustained value creation through improved service quality and operational efficiency. Mitigates the risk of unexpected talent loss. |
| 6 | Employee Engagement and Well-being | Risk & Opportunity | **Risk:**<br>Low levels of employee engagement and inadequate focus on well-being may lead to reduced productivity, higher attrition, increased absenteeism, and potential reputational concerns as an employer<br>**Opportunity:**<br>A motivated and engaged workforce drives productivity, retention, and overall organisational performance | The Company's strength lies in its people, given the knowledge-intensive nature of the credit rating business. It follows a merit-driven and inclusive approach to talent acquisition across both entry-level and experienced roles, ensuring equal opportunities irrespective of background. Post onboarding, employees are supported through structured learning programmes, continuous skill enhancement, and clearly defined career progression paths, with leadership continuity maintained through targeted lateral hiring where required. The Company offers competitive remuneration along with a range of employee-focused initiatives, including comprehensive health insurance, periodic health check-ups, and recognition programmes. Flexible work arrangements, including work-from-home options, are also provided to support employee well-being and promote work-life balance. | **Positive:**<br>A stable and engaged workforce enhances productivity, reduces absenteeism, and strengthens retention, thereby lowering recruitment and training costs, while reflecting the Company's commitment to a supportive work environment and a proactive approach to talent development.<br>**Negative:**<br>The Company's growth and long-term success are closely linked to the strength and engagement of its workforce. Inability to effectively address employee expectations may lead to higher attrition, reduced efficiency and could adversely impact business performance and growth over time. |

| 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) |
|---|---|---|---|---|---|
| 7 | Human Rights | Risk & Opportunity | **Risk:** A lack of a comprehensive human rights framework addressing critical aspects such as fair labour practices, elimination of harassment at workplace, equitable compensation, gender diversity, prevention of workplace harassment, may adversely affect the Company's social performance across its workforce<br><br>**Opportunity:** Adherence to human rights principles reinforces ethical business practices, strengthens organisational credibility, and builds sustained confidence among stakeholders | The Company is dedicated to advancing human rights by nurturing a workplace environment grounded in respect, dignity, and inclusivity. It maintains a zero-tolerance approach towards harassment, promotes fairness and equal opportunity for all employees, and conducts its operations in line with ethical and socially responsible principles. | **Positive:** It strengthens stakeholder trust and organizational credibility, along with a significantly reduced risk of legal exposure, regulatory actions, and litigation arising from non-compliance with human rights standards.<br><br>**Negative:** Non-adherence to labour and human rights regulations may lead to regulatory penalties, increased legal and compliance costs, and increased attrition rates, thereby adversely impacting the Company's reputation and financial performance. |
| 8 | Community Engagement | Risk & Opportunity | **Risk:** Limited community engagement or inadequate implementation of CSR initiatives may lead to negative public perception, and potential reputational damage<br><br>**Opportunity:** Active engagement with communities strengthens the Company's social image and fosters long-term goodwill for the organization | CSR initiatives within the Company are guided by a dedicated function that ensures strong governance, prudent deployment and optimisation of resources, and effective on-ground implementation of programmes. | **Positive:** Effective implementation of CSR initiatives plays a pivotal role in elevating the organisation's reputation, fostering stakeholder confidence, reflecting its commitment to responsible business practices, and generating sustained goodwill and long-term value creation.<br><br>**Negative:** Insufficient focus on community development initiatives could result in gaps in regulatory adherence and expose the organisation to increased oversight and scrutiny from authorities. |

| 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) |
|---|---|---|---|---|---|
| 9 | Risk & Crisis Management | Risk | Deficiencies in risk management, along with weak internal control frameworks, may expose the organization to operational interruptions, financial setbacks, and reputational erosion, thereby negatively affecting overall business performance and continuity | The Company has established a Board-level Risk Management Committee (RMC) responsible for overseeing and periodically reviewing the enterprise-wide Risk Management Plan, in compliance with Regulation 21 of the SEBI (LODR) Regulations, 2015, with details of its composition disclosed in the Corporate Governance section of the Annual Report. The Company follows a structured risk management framework to systematically identify, assess, and manage both internal and external risks across functions, supported by defined processes for documentation and reporting. Key risk parameters are evaluated and categorised into high, medium, and low risk levels, with periodic monitoring undertaken on a half-yearly and annual basis to track performance. This approach enables continuous assessment of risk exposure, emerging trends, and potential business impacts, thereby supporting timely mitigation and informed decision-making. | **Negative:** Failure to adhere to applicable regulatory requirements may adversely affect the Company's reputation, erode stakeholder confidence, and pose risks to long-term business sustainability and operational continuity. |
| 10 | Corporate Governance & Oversight | Risk & Opportunity | **Risk:** Weak governance practices may lead to regulatory penalties, reputational damage, and erosion of investor confidence<br>**Opportunity:** Strong governance enhances transparency, investor trust, and long-term value creation. | The Company upholds and continually strengthens ethical business conduct and regulatory adherence, aligning its practices with SEBI requirements and globally recognized best-in-class standards. | **Positive:** Enhanced investor confidence, improved valuation multiples, and strengthened regulatory alignment, collectively contributing to sustained financial stability and market credibility.<br>**Negative:** Exposure to financial penalties, legal liabilities, and enforcement actions arising from instances of regulatory non-compliance |

| 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) |
|---|---|---|---|---|---|
| 11 | Innovation & Technology | Opportunity | The integration of advanced technologies such as artificial intelligence, machine learning, and big data analytics enables rating agencies to generate deeper insights, streamline processes, and enhance operational efficiency. Additionally, technological adoption fosters innovation in rating methodologies, strengthens governance frameworks, and improves overall service delivery, thereby creating a distinct competitive advantage. | - | The Company has implemented technology-enabled platforms to streamline operational processes, enhance efficiency, and facilitate seamless, end-to-end digital workflows across functions. The company encourages effective application of AI tools for process efficiency. |
| 12 | Ethics & Integrity | Risk | Any deviation from ethical standards, including biased ratings, inadequate disclosures, or internal misconduct may significantly undermine the agency's credibility, erode stakeholder trust, and expose it to regulatory actions such as investigations, financial penalties, or potential restrictions on its license to operate. | The Company has established structured policies and frameworks to ensure that the Board of Directors is adequately informed and equipped to effectively discharge its responsibilities. All strategic and operational decisions are undertaken with a strong emphasis on integrity and full compliance with applicable legal and regulatory requirements. | **Negative:** Any violation of ethical standards may trigger, potential restrictions or revocation of operating licenses, increased oversight from regulators, and substantial damage to the organisation's reputation, thereby impacting its long-term viability. |

## 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 Company's policies are comprehensively designed and aligned with applicable statutory requirements, regulatory frameworks, and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. In addition, the Company has harmonised its Code of Conduct with the 'Code of Conduct Fundamentals for Credit Rating Agencies' (IOSCO Code) issued by the International Organization of Securities Commissions (IOSCO), ensuring adherence to its latest amendments and global best practices. | | | | | | | | |
| 5 | Specific commitments, goals and targets set by the entity with defined timelines, if any. | | **Environment**<br>• Enhance GHG inventorization by expanding to categories beyond scope 1 and 2 to comprehensively account for emission footprint.<br>• Implement energy efficient systems in office space.<br>**Social**<br>• Cultivate a diverse, inclusive, and equitable workplace environment that promotes equal opportunity and employee well-being.<br>• Strengthen human capital through continuous capacity-building initiatives, including regular training and engagement programmes on human rights, ethical conduct, and sustainability-related practices for employees<br>• Continue to implement CSR initiatives in alignment with the Company's CSR Policy, with a focus on driving measurable social impact and contributing to sustainable community development<br>• At least 90% workforce capacity is ensured for the Analytics and BD verticals through weekly reviews by the business with the HR (TA) team<br>• Maintain recruitment turnaround times within agreed benchmarks for replacement hires to ensure timely onboarding, workforce continuity, and minimal business disruption. | | | | | | | | |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|

| | |
|---|---|
| | • Strengthen leadership continuity through robust succession planning by identifying potential successors for all critical roles, with focused coverage across key verticals such as Analytics and Business Development through the annual Talent Book exercise<br><br>**Governance**<br><br>• Uphold high standards of transparency, accountability, and ethical conduct across operations through robust governance practices and adherence to responsible business principles.<br><br>• Establish and reinforce ESG oversight at the Board level to enable informed decision-making and alignment with the Company's sustainability objectives<br><br>• Continue with ESG awareness & capacity building sessions for senior leadership |
| 6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | **Environment**<br><br>• Advanced digitalization initiatives across operations, leading to a significant reduction in paper consumption and improved resource efficiency<br><br>• Strengthened energy performance across offices by deploying intelligent solutions, optimizing infrastructure, and adopting sustainable energy management practices<br><br>**Social**<br><br>• Attrition rate maintained at 21%<br><br>• Maintained company-wide attrition within the defined range, aligned with industry benchmarks and agreed management thresholds, reflecting effective talent retention and workforce stability in a competitive market environment<br><br>• Promoted an inclusive and diverse workplace, with initiatives focused on employee engagement and well-being<br><br>• The company periodically administers anonymous surveys to gauge the levels of employee engagement<br><br>• Continued implementation of CSR initiatives aligned with the Company's CSR Policy<br><br>• Advance CSR initiatives in line with the Company's CSR policy, with focused interventions across community development, women empowerment, healthcare, and education to drive inclusive and sustainable social impact<br><br>**Governance**<br><br>• Reinforced ethical business practices and regulatory compliance, in line with SEBI regulations and global best practices<br><br>• Company continues to exhibit strong governance standards with zero compliance breaches and regulatory fines |
| **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) | At CARE Ratings, we recognize that sustainable business practices are integral to long-term value creation and responsible corporate conduct. As a leading credit rating agency, we remain committed to embedding ESG principles into our operations, guided by our core values of integrity, transparency, and accountability.<br><br>During the year, the Company has undertaken focused environmental initiatives to enhance resource efficiency and reduce its environmental footprint. These include the transition to energy-efficient LED lighting, modernization of HVAC systems with advanced technologies, and the adoption of digital platforms to promote paperless operations. On the social front, CARE Ratings continues to drive meaningful impact through its CSR initiatives across key areas such as education, healthcare, animal welfare, and sustainable livelihoods, while also fostering an inclusive, safe, and engaging workplace for its employees.<br><br>Going forward, CARE Ratings will continue to strengthen its sustainability approach by advancing initiatives that improve energy efficiency, optimize resource utilization, and create positive social impact. We remain committed to aligning our business practices with evolving ESG expectations while delivering long-term value to all stakeholders. |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| 8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | The implementation and oversight of the Company's Business Responsibility policies are entrusted to the Corporate Social Responsibility & Sustainability Committee, operating in close coordination with the Board of Directors. | | | | | | | | |
| 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 entrusted the oversight of the Company's Environmental, Social, and Governance (ESG) and sustainability agenda to the Corporate Social Responsibility & Sustainability Committee. The Committee is responsible for reviewing ESG-related matters, including the formulation and implementation of sustainability strategies, monitoring performance against defined objectives, and ensuring robust and comprehensive disclosures. Acting as a strategic extension of the Board, the Committee supports effective governance by guiding the development and strengthening of the Company's ESG framework. It meets at regular intervals to evaluate the Company's environmental, social, and economic performance, while continuously driving the integration of sustainability principles into core business operations. | | | | | | | | |

## 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 undertakes regular review and assessment of its policies, enabling timely updates and strengthening their effectiveness in line with regulatory developments and organisational priorities | | | | | | | | | Annually | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Board periodically reviews, on a quarterly basis, the Company's adherence to all applicable statutory and regulatory requirements. Any instances of non-compliance, if identified, are promptly addressed through corrective and preventive actions to ensure continued compliance | | | | | | | | | 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 | The Company undertakes internal assessment of its policies through structured review processes, ensuring their effectiveness, relevance, and alignment with regulatory requirements and business priorities | | | | | | | | |

## 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 Management periodically briefs the Board on significant developments concerning the Company, including evolving industry dynamics, enhancements to the business model, key risk indicators, and the corresponding mitigation measures. On induction, every Independent Director is enrolled in a structured familiarization programme aimed at providing a comprehensive understanding of the Company's operations and governance architecture. The programme encompasses an overview of the Company, its vision and strategic direction, industry environment, core business strategies, risk management practices, ESG initiatives, relevant Codes of Conduct (including those relating to insider trading and senior management), prevailing corporate governance standards, recent regulatory developments, and the specific duties and responsibilities associated with serving on the Board and its Committees. | | |
| Key Managerial Personnel | 4 | Prevention of Sexual Harassment, Code of Conduct for Prevention of Insider Trading, Information Security Awareness, Anti-Bribery and Anti- Corruption | 67% |
| Employees | 4 | Prevention of Sexual Harassment, Code of Conduct for Prevention of Insider Trading, Information Security Awareness, Anti-Bribery and Anti- Corruption | 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 | Nil | Nil | Nil |
| Settlement | Nil | Nil | Nil | Nil | Nil |
| Compounding fee | Nil | Nil | Nil | Nil | Nil |

| | Non- Monetary | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Nil | Nil | NA | NA |
| Punishment | Nil | Nil | NA | 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 | |

**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.**

The Company has instituted a robust Code of Conduct that categorically prohibits any form of bribery or corrupt practices, underscoring its strong commitment to ethical governance and integrity. The Code is applicable to all Directors, members of Senior Management, and employees across the organization. It is disseminated to employees at the beginning of each financial year and forms an integral part of the onboarding process for new recruits. Further, all Directors and employees are required to provide formal confirmation of their compliance with the Code, thereby strengthening a culture of accountability and reaffirming the organization's collective commitment to ethical and responsible business conduct.

https://www.careratings.com/upload/pdf/IOSCO_Code_of_Conduct.pdf

**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 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | NA | NA |

**6 Details of complaints with regard to conflict of interest:**

| | FY 2025-26 (Current Financial Year) | | FY 2024-25 (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 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Number of days of accounts payable | 80 days | 85 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 2025-26 (Current Financial Year) | FY 2024-25* (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) | 1.61% | 0.95%* |
| | b. Sales (Sales to related parties/ total sales) | 0.01% | 0.01% |
| | c. Loans & advances (Loans & advances given to related parties / total loans and advances) | 11.29% | 0% |
| | d. Investments (Investments in related parties / total investments made) | 0% | 14.09% |

*Last year's figures have been updated

## 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 |
|---|---|---|
| | 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 mitigates potential conflicts of interest through a robust and clearly articulated governance framework, supported by key policies such as the "Policy on Firewall between the Company and its Group Entities" and the "Code of Conduct for the Board and Senior Management." To ensure transparency and prudent management of such situations, members of the Board and Key Management Personnel (KMPs) are obligated to disclose any significant financial or commercial interests that could give rise to a conflict with the Company's interests. These disclosures are submitted at the start of each financial year and revised as necessary to reflect any changes. Furthermore, Directors withdraw from deliberations and refrain from participating in decision-making at Board or Committee meetings where any direct or indirect interest exists, thereby reinforcing the principles of independence, fairness, and impartiality in governance practices.

## 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 | Considering the nature of the Company's operations in the service sector, research and development (R&D) activities and capital expenditure (Capex) are not applicable | | |
| Capex | | | |

| | | |
|---|---|---|
| **2** | **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)** | Given the nature of its operations as a credit rating agency, the Company has limited direct procurement of raw materials. Key resources primarily include electricity, office supplies, and communication/IT infrastructure. While local vendor sourcing is not a significant aspect of operations, the Company ensures responsible procurement by engaging vendors for furniture, IT equipment, and related services who adhere to relevant quality and sustainability certifications, wherever applicable |
| | **b. If yes, what percentage of inputs were sourced sustainably?** | |

**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)** | Considering the nature of the Company's operations, this disclosure 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.**

Considering the nature of the Company's operations, EPR is not applicable

## 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 | Whether conducted by independent external agency (Yes/No) | 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 2025-26 (Current Financial Year) | FY 2024-25 (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:**

| | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled (MT) | Safely Disposed |
| Plastics (including packaging) | Given that the Company's activities are limited to rating and analytical services, with no involvement in manufacturing, this disclosure requirement does not apply | | | | | |
| E-waste | E-waste will be responsibly managed and disposed of through authorised recyclers in compliance with applicable regulatory requirements | | | | | |
| Hazardous waste | NA | | | | | |
| Other waste | CARE Ratings is committed to minimizing its environmental impact through effective waste management practices. It ensures that organic waste is handled and disposed of responsibly in compliance with regulatory requirements | | | | | |

**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 |
|---|---|
| Considering the nature of the Company's operations, this disclosure is not applicable | |

**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 | 384 | 384 | 100% | 384 | 100% | NA | NA | 384 | 100% | 0 | 0% |
| Female | 224 | 224 | 100% | 224 | 100% | 224 | 100% | NA | NA | 0 | 0% |
| **Total** | **608** | **608** | **100%** | **608** | **100%** | **224** | **100%** | **384** | **100%** | **0** | **0%** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 14 | 14 | 100% | 14 | 100% | NA | NA | 14 | 100% | 0 | 0% |
| Female | 26 | 26 | 100% | 26 | 100% | 26 | 100% | NA | NA | 0 | 0% |
| **Total** | **40** | **40** | **100%** | **40** | **100%** | **26** | **100%** | **14** | **100%** | **0** | **0%** |

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

| Category | % of workers 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 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | NA | 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 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 1.13% | 1.31% |

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

| Benefits | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | 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 | 100% | NA | Y | 100% | NA | Y |
| Gratuity | 100% | NA | Y | 100% | NA | Y |
| ESI* | 2.14% | NA | Y | 2.04% | NA | Y |
| Others - Please specify | NA | NA | NA | NA | NA | NA |

*ESI is provided to all the eligible employees on roll

**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 | A significant proportion of the Company's offices operate from commercial facilities that incorporate accessible infrastructure, including ramp access at entry points, braille-supported elevator systems, and dedicated restroom facilities for persons with disabilities. These premises are further reinforced with appropriate safety and security arrangements, ensuring a safe, accessible, and inclusive environment for all employees. |
| 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, in compliance with the Rights of Persons with Disabilities Act, 2016, the Company has established an Equal Opportunity Policy, accessible to all employees through the intranet platform |

**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 | CARE Ratings is committed to fostering a supportive and inclusive work environment by establishing effective mechanisms to address employee grievances. The organization follows an open-door policy, encouraging employees to raise concerns during quarterly townhalls conducted by MD & Group CEO and the CRO as well as encouraging employees to raise issues directly with their respective line managers. In addition, employees may submit written grievances via email, HR Helpdesk and to the Human Resources department for further review and appropriate action. |
| Other than Permanent Employees | |

## 7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) | | |
|---|---|---|---|---|---|---|
| | 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** | **608** | **0** | **0%** | **598** | **0** | **0%** |
| Male | 384 | 0 | 0% | 408 | 0 | 0% |
| Female | 224 | 0 | 0% | 190 | 0 | 0% |
| **Total Permanent Workers** | NA | NA | NA | NA | NA | NA |
| Male | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA |

## 8 Details of training given to employees and workers:

| Category | FY 2025-26 (Current Financial Year) | | | | | FY 2024-25 (Previous Financial Year) * | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 384 | 226 | 59% | 375 | 98% | 408 | 249 | 61.03% | 386 | 94.61% |
| Female | 224 | 123 | 55% | 222 | 99% | 190 | 110 | 57.89% | 180 | 94.74% |
| Total | 608 | 349 | 57% | 597 | 98% | 598 | 359 | 60.03% | 566 | 94.65% |
| **Workers** | | | | | | | | | | |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

*Training programs are conducted exclusively for permanent employees, with the exception of POSH training, which is extended to all employees irrespective of employment status

## 9 Details of performance and career development reviews of employees and workers:

| Category | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (Previous Financial Year) * | | |
|---|---|---|---|---|---|---|
| | Total (A) | No.(B) | % (B/A) | Total (C) | No.(D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 384 | 357 | 92.97% | 408 | 355 | 87.01% |
| Female | 224 | 203 | 90.63% | 190 | 179 | 94.21% |
| Total | 608 | 560 | 92.11% | 598 | 534 | 89.30% |
| **Workers** | | | | | | |
| Male | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA |
| Total | NA | NA | NA | NA | NA | NA |

*53 male employees and 11 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?*

As most of the Company's offices operate from shared commercial facilities, fire safety drills are conducted at regular intervals by the respective premises management. These measures are further supplemented by Company-led fire safety and emergency response training programmes delivered by external specialists. In addition, periodic fire safety evaluations are undertaken across all locations to ensure preparedness and compliance. The Company also undertakes routine upkeep and disinfection of water purification units to uphold hygiene standards. Given the nature of its operations, occupational health and safety exposures are relatively low. Nevertheless, the Company remains committed to enhancing employee well-being and fostering psychological safety. The Human Resources function continues to drive various engagement and wellness initiatives aimed at nurturing a positive, inclusive, and supportive workplace culture.

*b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?*

Although this requirement is not materially applicable considering the nature of the Company's operations, it continues to adopt a preventive and risk-aware approach towards workplace safety. Accordingly, the Company has deployed measures such as fire and smoke detection systems, controlled access infrastructure, CCTV-based monitoring, and 24x7 security arrangements to safeguard its premises and ensure a secure working environment.

*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, the Company provides comprehensive group health and personal accident insurance coverage to all its employees, supporting their well-being and financial security.

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

| Safety Incident/Number | Category | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | NA | NA |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | NA | NA |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | NA | NA |
| High consequence work-related injury or ill-health (excluding fatalities | Employees | 0 | 0 |
| | Workers | NA | NA |

**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 2025-26 (Current Financial Year) | | | FY 2024-25 (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 | Regular internal audits were undertaken to review the effectiveness of health and safety practices and identify opportunities for continuous improvement |
| 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 offers a well-rounded employee benefits framework encompassing personal accident insurance, medical coverage, and provisions towards long-term gratuity liabilities. Statutory entitlements, including provident fund and gratuity, are administered with due diligence and disbursed in a timely manner in accordance with applicable legal requirements.

**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 maintains a strong focus on regulatory compliance across its value chain, ensuring that all statutory dues are duly deducted and deposited by its partners in a timely manner.

**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 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
| Employees | Considering the nature of the Company's operations, this disclosure 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 adopts a competency-based hiring approach and actively invests in ongoing skill enhancement to align with dynamic business requirements. Given this forward-looking emphasis on workforce development, the implementation of formal transition assistance programmes is not considered necessary at this stage.

**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**

All individuals and entities that are directly or indirectly connected with the operations of CARE Ratings are considered part of its stakeholder ecosystem. The Company has mapped its principal internal and external stakeholders, comprising investors/shareholders, regulatory institutions, suppliers and vendors, non-governmental organisations (NGOs), local communities, customers, employees, industry bodies, 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 | Quarterly, 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 |

| | 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 |
|---|---|---|---|---|---|
| 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 filings, correspondence & meetings | Periodic | Data security, regulatory updates |
| 6 | Communities | Yes | Community service events, surveys, emails, service campaigns, website | Ongoing | Access to education, access to healthcare |

## 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 Company reviewed its material topics by undertaking comprehensive materiality assessment process in FY 2025-26 and undertook necessary refinements to reflect evolving business priorities, stakeholder expectations, and emerging sustainability considerations. This review enabled reassessment of associated risks and opportunities, supported the strengthening of mitigation measures, and led to modifications in the prioritisation of material topics across environmental, social, and governance (ESG) parameters. The revised outcomes were further evaluated by senior leadership to provide strategic direction and ensure continued alignment with the Company's sustainability objectives.

The Company follows a structured approach to stakeholder engagement, beginning with the identification and prioritisation of key internal and external stakeholders based on their influence and relevance to business operations. Engagement was carried out through various formal channels such as meetings, surveys, consultations, and grievance redressal mechanisms to gather stakeholder inputs and expectations. The feedback received is systematically analysed and integrated into business strategies, risk management processes, and sustainability initiatives, including the materiality assessment framework. The effectiveness of the engagement process is periodically reviewed by senior management and the Board to ensure alignment with evolving stakeholder expectations, with continuous improvements undertaken as required.

**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.

Material issues are periodically reviewed and updated to reflect evolving stakeholder expectations, emerging risks, and the Company's strategic priorities, ensuring continued relevance and effectiveness. Key material issues identified include Environmental Sustainability, Learning & Development, Diversity Equity & Inclusion, Data Privacy & Cyber Security, Talent Attraction & Retention, Employee Engagement and Well-being, Human Rights, Community Engagement, Risk & Crisis Management, Corporate Governance & Ethics, Innovation & Technology and Ethics & Integrity

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' CSR interventions are directed towards advancing key social priorities, including education, healthcare, animal welfare, and sustainable livelihood enhancement, among others. Detailed disclosures in this regard are provided under Principle 8 – Leadership Indicator 6.

## 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 2025-26 (Current Financial Year) | | | FY 2024-25 (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 | 608 | 606 | 99.67% | 598 | 598 | 100% |
| Other than permanent | 40 | 35 | 87.5% | 38 | 38 | 100% |
| Total Employees | 648 | 641 | 98.9% | 636 | 636 | 100% |
| **Workers** | | | | | | |
| Permanent | NA | NA | NA | NA | NA | NA |
| Other than permanent | NA | NA | NA | NA | NA | NA |
| Total Workers | NA | NA | NA | NA | NA | NA |

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

| Category | FY 2025-26 (Current Financial Year) | | | | | FY 2024-25 (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** | 608 | 0 | 0% | 608 | 100% | 598 | 0 | 0% | 598 | 100% |
| Male | 384 | 0 | 0% | 384 | 100% | 408 | 0 | 0% | 408 | 100% |
| Female | 224 | 0 | 0% | 224 | 100% | 190 | 0 | 0% | 190 | 100% |
| **Other than permanent** | 40 | 0 | 0% | 40 | 100% | 38 | 0 | 0% | 38 | 100% |
| Male | 14 | 0 | 0% | 14 | 100% | 11 | 0 | 0% | 11 | 100% |
| Female | 26 | 0 | 0% | 26 | 100% | 27 | 0 | 0% | 27 | 100% |
| **Workers** | | | | | | | | | | |
| **Permanent** | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Other than permanent** | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Male | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Female | NA | 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) | 6* | 24,75,017 | 1 | 22,80,897 |
| Key Managerial Personnel | 3 | 1,37,02,268 | 0 | 0 |
| Employees other than BoD and KMP | 381 | 16,90,796 | 224 | 13,13,060 |
| Workers | NA | NA | NA | NA |

* MD and Group CEO who is also part of BoD, his remuneration is considered under KMP

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

| | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Gross wages paid to females as % of total wages | 24.95% | 25.96% |

**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 established a formal Grievance Redressal mechanism, as outlined in the Employee Manual, enabling employees to raise concerns or complaints with the Human Resources function or Senior Management. The framework ensures that no employee or associate faces any form of retaliation or adverse action for reporting concerns in accordance with the prescribed policy.

**5 Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Grievances may be formally submitted in writing to the Reporting Manager, or escalated to the Functional Head or HR Head, as required

**6 Number of Complaints on the following made by employees and workers:**

| | FY 2025-26 (Current Financial Year) | | | FY 2024-25 (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 2025-26 (Current Financial Year) | FY 2024-25 (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 remains dedicated to advancing employee well-being and cultivating a safe, inclusive, and supportive workplace, underpinned by structured internal grievance redressal mechanisms. To ensure timely and effective resolution of employee concerns, the Company has established formal channels through its Code of Conduct, Employee Manual, and Whistle Blower Policy. Further, the Company has adopted a Policy on Prevention of Sexual Harassment at the workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Periodic training and sensitisation programmes are conducted to strengthen awareness, encourage compliance, and foster a respectful and secure work environment.

**9 Do human rights requirements form part of your business agreements and contracts?**

**(Yes/No)**

The Company embeds human rights principles into its contracts and agreements, incorporating clauses that prohibit child labour, forced labour, and other unethical practices.

**10 Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | While a formal evaluation has not been undertaken, the Company consistently adheres to its core values, guiding principles, and ethical standards across all its operations and stakeholder engagements |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

**11 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

NA

## Leadership Indicators

**1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

The Company conducts regular training programmes on the Code of Conduct to reinforce ethical standards and responsible behaviour across the organisation. In addition, it organises Prevention of Sexual Harassment (POSH) training sessions and periodic refresher programmes to promote awareness, ensure compliance, and foster a safe, inclusive, and respectful workplace environment.

**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 the Company's office locations are based within commercial premises that incorporate inclusive design features to support persons with disabilities, such as ramp-enabled access points and elevators with braille functionality. These facilities are complemented by appropriate safety and security systems, ensuring a safe, accessible, and inclusive working environment for all 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 | Although a formal review mechanism is not currently in place, the Company reinforces its expectations for value chain partners to operate in line with its core values, ethical guidelines, and responsible business practices in all 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 GJ) and energy intensity, in the following format:**

| Parameter | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| **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) | 2501.72 | 2353.42 |
| Total fuel consumption (E) | 209.42 | 161.67 |
| Energy consumption through other sources (F) | 0 | 0 |
| **Total energy consumed from non-renewable sources (D+E+F)** | **2,711.14** | **2515.09** |
| **Total energy consumed (A+B+C+D+E+F)** | **2,711.14** | **2515.09** |
| **Energy intensity per rupee of turnover** (Total energy consumed/ revenue from operations) (Turnover in millions) | 0.70 | 0.75 |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed / Revenue from operations adjusted for PPP) | Reporting boundary of the BRSR is limited to the Company's operations in India; accordingly, PPP is not applicable | |
| **Energy intensity in terms of physical output** (Total energy consumed / Full Time Equivalent) * | 4.46 | 4.21 |
| Energy intensity (optional) - the relevant metric may be selected by the entity | - | - |

*Full Time Equivalent is taken to report output-based intensity as per SEBI circular released on 20th December, 2024 for both years

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

**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

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

| Parameter | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year)# |
|---|---|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | - | - |
| (iii) Third party water | 7,319.16 | 7,183.62 |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **7,319.16** | **7183.62** |
| **Total volume of water consumption (in kilolitres)** | **7,319.16** | **7183.62** |
| **Water intensity per rupee of turnover** (Total water consumption / Revenue from operations) (Turnover in millions) | 1.89 | 2.13 |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption / Revenue from operations adjusted for PPP) | Reporting boundary of the BRSR is limited to the Company's operations in India; accordingly, PPP is not applicable | |
| **Water intensity in terms of physical output** (Total water consumption / Full Time Equivalent) * | 12.04 | 12.01 |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |
| 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 | No |

#As per SEBI circular released on 20th December, 2024, total water consumption for both the years is calculated as = 45 litres*No. of employees for the current year*No. of working days for the current year

*Full Time Equivalent is taken to report output based intensity as per SEBI circular released on 20th December, 2024 for both years

**4 Provide the following details related to water discharged:**

| Parameter | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | Nil | Nil |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (ii) To Groundwater | Nil | Nil |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | Nil | Nil |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | Nil | Nil |
| No treatment | - | - |
| With treatment – please specify level of treatment | - | - |
| (v) Others (municipal sewers) | 5,855.32 | 5746.9 |
| No treatment | 5,855.32 | 5746.9 |
| With treatment – please specify level of treatment | - | - |
| **Total water discharged (in kilolitres)** | **5,855.3*** | **5746.9*** |

* It is assumed that 80% of the total volume of water consumption is discharged

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

**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 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|---|
| NOx | DG sets are operated infrequently and only for limited durations; therefore, monitoring and measurement of the associated parameters are not undertaken. | | |
| Sox | | | |
| Particulate matter (PM) | | | |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |
| Others – please specify<br>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 | | | |

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

| Parameter | Unit | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 14.83 | 11.53 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 505.21 | 475.26 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) (Turnover in millions) | Metric tonnes of $CO_2$ equivalent/Rs in million | 0.13 | 0.14 |
| **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) | Reporting boundary of the BRSR is limited to the Company's operations in India; accordingly, PPP is not applicable | | |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** (Total Scope 1 and Scope 2 GHG emissions / Full Time Equivalent)* | $tCO_2e$/FTE | 0.86 | 0.81 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | - | - | - |

*Full Time Equivalent is taken to report output based intensity as per SEBI circular released on 20th December, 2024 for both years

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

**8 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

As a credit rating agency, the organization has relatively limited direct impact on the environment due to the nature of its operations. However, it remains conscious of its environmental responsibilities and is committed to adopting sustainable practices and minimizing its overall environmental impact.

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

| Parameter | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | - | - |
| E-waste (B) | - | - |
| Bio-medical waste (C) | - | - |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | - |
| Radioactive waste (F) | - | - |
| 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) | - | - |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | - | - |
| **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) | - | - |
| **Waste intensity in terms of physical output** (Total waste generated / Full Time Equivalent) | - | - |
| 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 | - | - |
| (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 | - | - |
| (ii) Landfilling | - | - |
| (iii) Other disposal operations | - | - |
| **Total** | - | - |

Note: Considering the nature of our operations, hazardous and non-hazardous waste do not constitute material issues for the company. Nevertheless, we remain committed to responsible environmental practices and have initiated processes to monitor waste generation, albeit in minimal quantities.

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

**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**

The company's operations do not involve the use of any hazardous or toxic substances, in line with the nature of its business activities.

**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 operates from commercial premises that adhere to all relevant environmental norms and statutory compliance requirements. | | | | |

## 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:** NA

**(iii) Water withdrawal, consumption and discharge in the following format:**

| Parameter | FY 2025-26 (Current Financial Year) | FY 2024-25 (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 2025-26 (Current Financial Year) | FY 2024-25 (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 | | |
| **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

No

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

| Parameter | Unit | FY 2025-26 (Current Financial Year)# | FY 2024-25 (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 $CO_2$ equivalent | 879.64* | 840.37* |
| **Total Scope 3 emissions per rupee of turnover** | Metric tonnes of $CO_2$ equivalent/ Rs. in million | 0.23 | 0.25 |
| Total Scope 3 emission intensity – per employee | Metric tonnes of $CO_2$ equivalent/ employee | 1.45 | 1.41 |

*This year scope 3 emissions inventory has been expanded by including emissions from category 6 – business travel. Emissions data for the previous year is updated accordingly.

#Scope 3 emissions in total covers 2 categories – Category 8 – leased assets and category 6 business travel

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 11 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 | Enhancing Efficiency through Smart Lighting Solutions | Traditional lighting systems were transitioned to energy-efficient LED solutions across operational locations | The adoption of LED lighting has led to lower maintenance requirements, enhanced operational efficiency, and improved system reliability. Additionally, it has resulted in significant long-term cost savings and more efficient utilisation of resources. |
| 2 | Smart HVAC Modernisation for Energy Efficiency and Indoor Air Quality | Existing HVAC systems were upgraded to energy-efficient units incorporating advanced technologies such as variable frequency drives (VFDs), intelligent sensors, and automated climate control mechanisms | The incorporation of advanced air filtration systems and optimised ventilation has led to a marked improvement in indoor air quality, promoting a cleaner, safer, and more conducive workplace environment, thereby enhancing employee well-being and supporting higher productivity levels. |
| 3 | Digital Transformation for Paperless Operations | Technology-driven platforms were deployed to optimise operational processes and enable digital workflows, resulting in a substantial reduction in paper consumption across all office locations. | Multiple processes that were previously reliant on physical documentation have been effectively migrated to digital systems. This transition to IT-enabled solutions has significantly reduced paper usage, improved process efficiency, lowered dependence on physical storage, and facilitated seamless access to records across departments. |

**5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the Company acknowledges the strategic importance of business continuity and has implemented comprehensive policies and frameworks to ensure the seamless operation of critical functions in the event of unforeseen disruptions.

**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**

Considering the nature of the Company's operations, this disclosure is not applicable

**7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

**8 How many Green Credits have been generated or procured:**

***a. By the listed entity***

Nil

***b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners***

Nil

**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 maintains active memberships with four leading trade and industry chambers/associations, enabling meaningful industry engagement, collaboration, and exchange of knowledge.

*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 |
| 3 | Confederation of Indian Industry (CII) | National |
| 4 | Federation of Indian Chambers of Commerce and Industry (FICCI) | 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 |
|---|---|---|
| | NA | |

### Leadership Indicators

**1 Details of public policy positions advocated by the entity:**

| 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 |
|---|---|---|---|---|---|

The Company actively collaborates with ACCA and regional counterparts to share expertise on rating methodologies and remain aligned with evolving international best practices. It also maintains sustained engagement with regulatory authorities, contributing to policy-level deliberations aimed at strengthening the credit rating ecosystem. In addition, the Company undertakes research initiatives, publishes thematic insights, and organizes seminars to enhance market awareness and support informed decision-making among stakeholders.

Key highlights are outlined below:

Total number of media coverages - 9,500

Total number of opinion pieces - 34

Total TV interviews - 34

Total number of individual quotes - 2,265

Total number of Reports published - 413

Total Webinars - 31

Total Knowledge Sharing Forums Participation (including speaker invites) - 315

## 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 ₹) |
|---|---|---|---|---|---|---|
| NA | | | | | | |

**3 Describe the mechanisms to receive and redress grievances of the community.**

The Company's CSR activities are overseen by a specialised team that ensures diligent supervision, efficient deployment and utilisation of resources, and smooth implementation of initiatives. The team also maintains an effective grievance redressal system to address concerns promptly, transparently, and efficiently.

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

| Parameter | FY 2025-26 (Current Financial Year) | FY 2024-25 (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 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Rural | NA | NA |
| Semi-urban | NA | NA |
| Urban | 17.38% | 16.91% |
| Metropolitan | 82.62% | 83.09% |

*Last year's figures have been updated

## 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 ₹) |
|---|---|---|---|
| 1 | Kamarajar Education Trust (Tamil Nadu) | Virudhunagar | 7,50,000 |

| | | |
|---|---|---|
| **3** | **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)** | The Company does not have a formal preferential procurement policy; however, it follows a fair and inclusive procurement approach that ensures equal opportunity for all vendors, including those from marginalized and vulnerable groups. |
| | **(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 | Seva Sahayog | 3319 | 100% |
| 2 | Nanhi Kali | 434 | 100% |
| 3 | Navneet Foundation | 20 schools | 100% |
| 4 | Agastya Internation Foundation | Science Center Program | 100% |
| 5 | VeerNari Shakti Resettlement Foundation | 20 | 100% |
| 6 | Paraplegic Rehab Center | 15 | 100% |
| 7 | Navy Welfare and Wellness Association | Educational support to special children & improvement is facilities | 100% |
| 8 | Little More | 719 patients | 100% |
| 9 | Sri Sathya Sai Sanjeevani Centres for Child Heart Care | 6 | 100% |
| 10 | Juvenile Diabetes Foundation | 88 | 100% |

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 11 | Kamarajar Education Trust | 250 | 100% |
| 12 | Apex Kidney Foundation | 2 patients | 100% |
| 13 | Sushrut Hospital | Community at large | 100% |
| 14 | Vibha Foundation | 85 kids | 100% |
| 15 | Shree Nasik Panchvati Panjrapole (SNPP) | Upkeeping & nourishment of cows | 100% |
| 16 | Fine Arts Society | Community at large | 100% |
| 17 | Prashanti | 31 | 100% |
| 18 | Le Rhythm | Empowerment of Underprivileged Children and women through music, dance and music therapy | 100% |
| 19 | Shree Ram Trust | 10 | 100% |
| 20 | BMK Trust | Community at large | 100% |
| 21 | ImpactGuru Foundation | 57 | 100% |

## 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.**

The Company's core business facilitates efficient capital allocation by enabling corporates to access financial markets, assisting investors in making informed investment decisions, and supporting banks in assessing their capital requirements. The value derived from credit ratings remains central to the Company's purpose, and accordingly, it maintains continuous engagement with a diverse spectrum of stakeholders integral to its operations. The Company has established a formal grievance redressal mechanism, wherein stakeholders may submit their queries or concerns via email to investor.relations@careedge.in All such communications are addressed in a timely and responsive manner. A consolidated report on grievances is subsequently presented to the Stakeholders' Relationship Committee for review and oversight.

**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 2025-26 (Current Financial Year) | | Remarks | FY 2024-25 (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 | 0 | 0 | NA | 0 | 0 | NA |
| Advertising | 0 | 0 | NA | 0 | 0 | NA |
| Cyber-security | 0 | 0 | NA | 0 | 0 | NA |
| Delivery of Products | 0 | 0 | NA | 0 | 0 | NA |
| Quality of Products | 0 | 0 | NA | 0 | 0 | NA |
| Restrictive Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Unfair Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Other | 7 | 0 | None | 6 | 0 | None |

**4 Overview of the entity's material responsible business conduct 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. The organisation has established a comprehensive Information Security Policy, supported by structured procedures, to effectively identify, assess, and mitigate risks associated with data privacy. The link to 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**

The Company did not report any material incidents relating to cybersecurity or customer data privacy during the reporting period; accordingly, no remedial or corrective actions were necessitated or undertaken.

**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 provides comprehensive information regarding its products and services through its official communication channels.

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 relevant disclosure requirements, ensuring that key information is accessible through its official website. Each rating press release outlines the applicable criteria and provides a comprehensive explanation supporting the assigned rating. Any changes to existing ratings are disclosed in a clear and transparent manner through corresponding press releases. Additionally, the Company systematically gathers client feedback through periodic surveys to continuously improve its services and strengthen stakeholder engagement.

**ANNEXURE - VI**

# FORM AOC-1

**(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of 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** |
| | **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, 2025 to March 31, 2026 (Same as that of Holding Company) |

| | **As on March 31, 2026** | **As on March 31, 2025** |
|---|---|---|
| Share Capital (includes Instruments entirely equity in nature of 26,50,00,000) | 75,79,77,300 | 75,79,77,300 |
| Reserves and Surplus | (67,50,43,503) | (67,97,59,961) |
| Total Assets (Non-Current Assets + Current Assets) | 46,66,41,578 | 43,10,47,998 |
| Total Liabilities (Non-Current Liabilities + Current Liabilities) | 38,37,07,781 | 35,28,30,659 |
| Details of Investments (excluding investments in subsidiary company) | 1,11,66,399 | - |
| Turnover | 48,59,56,545 | 42,09,38,000 |
| Profit/(Loss) before Tax | 1,35,26,000 | (5,04,51,000) |
| Provision for Taxation Tax Expenses (Deferred Tax) | 80,80,417 | (1,31,10,911) |
| Profit/(Loss) after the Tax | 54,45,582 | (6,35,61,910) |
| Proposed / Interim Dividend (including Dividend Tax) | - | - |
| % of shareholding | 100% | 100% |

| | | |
|---|---|---|
| 2 | **Name of the Subsidiary** | **CARE ESG Ratings 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, 2025 to March 31, 2026 (Same as that of Holding Company) |

| | **As on March 31, 2026** | **As on March 31, 2025** |
|---|---|---|
| Share Capital | 14,09,54,500 | 14,09,54,500 |
| Reserves and Surplus | 7,08,57,957 | (5,03,37,500) |
| Total Assets (Non-Current Assets + Current Assets) | 7,91,01,000 | 10,28,48,000 |
| Total Liabilities (Non-Current Liabilities + Current Liabilities) | 90,04,457 | 1,22,31,000 |
| Details of Investments (excluding investments in subsidiary company) | - | - |
| Turnover | 1,99,10,000 | 47,33,000 |
| Profit/(Loss) before Tax | (2,02,13,000) | (4,65,80,000) |
| Provision for Taxation Tax Expenses (Deferred Tax) | (3,94,476) | 55,62,687 |
| Profit/(Loss) after the Tax | (2,06,08,595) | (4,10,17,313) |
| 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, 2025 to March 31, 2026 (Same as that of Holding Company) |

| | | **As on March 31, 2026** | **As on March 31, 2025** |
|---|---|---|---|
| | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | MUR ₹ 1.9698/MUR | MUR ₹1.8348/MUR |
| | Share Capital | 2,63,01,565 | 2,63,01,565 |
| | Reserves and Surplus | 19,33,16,946 | 15,29,60,130 |
| | Total Assets (Non-Current Assets + Current Assets) | 25,77,68,498 | 21,28,36,550 |
| | Total Liabilities (Non-Current Liabilities + Current Liabilities) | 3,81,49,987 | 3,35,74,855 |
| | Details of Investments (excluding investments in subsidiary company) | - | - |
| | Turnover | 19,05,92,485 | 15,19,43,131 |
| | Profit/(Loss) before Tax | 6,59,90,819 | 7,27,88,550 |
| | Provision for Taxation Tax Expenses (Deferred Tax) | 1,58,40,165 | (1,38,64,804) |
| | Profit/(Loss) after the Tax | 5,01,50,654 | 5,89,23,746 |
| | Proposed / Interim Dividend (including Dividend Tax) | 2,15,19,673 | 86,86,315 |
| | % of shareholding | 78% | 78% |

| 4 | **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, 2025 to March 31, 2026 (Same as that of Holding Company) |

| | | **As on March 31, 2026** | **As on March 31, 2025** |
|---|---|---|---|
| | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | NPR 1 INR = 1.60 NPR | NPR 1 INR = 1.60 NPR |
| | Share Capital | 3,12,50,000 | 3,12,50,000 |
| | Reserves and Surplus | 9,69,23,780 | 8,14,39,321 |
| | Total Assets (Non-Current Assets + Current Assets) | 15,26,88,354 | 13,86,88,321 |
| | Total Liabilities (Non-Current Liabilities + Current Liabilities) | 2,45,14,574 | 2,59,99,000 |
| | Details of Investments (excluding investments in subsidiary company) | 5,84,614 | 5,75,625 |
| | Turnover | 7,50,55,783 | 6,28,98,229 |
| | Profit/(Loss) before Tax | 4,56,97,140 | 4,32,41,558 |
| | Provision for Taxation Tax Expenses (Deferred Tax) | 1,14,61,771 | (1,09,97,237) |
| | Profit/(Loss) for the Year | 3,42,35,369 | 3,22,44,321 |
| | Proposed / Interim Dividend (including Dividend Tax) | 1,87,32,439 | 1,87,50,000 |
| | % of shareholding | 51% | 51% |

| 5 | Name of the Subsidiary | CARE Ratings South Africa (Pty) Limited* | |
|---|---|---|---|
| | **Date since when subsidiary was acquired** | **October 25, 2023** | |
| | Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period | April 1, 2025 to March 31, 2026 (Same as that of Holding Company) | |
| | | **As on March 31, 2026** | **As on March 31, 2025** |
| | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | ZAR ₹ 5.4940/ZAR | ZAR ₹ 4.6434/ZAR |
| | Share Capital | 2,75,09,210 | 1,86,21,566 |
| | Reserves and Surplus | (1,90,38,012) | (85,34,713) |
| | Total Assets (Non-Current Assets + Current Assets) | 93,25,691 | 1,02,18,726 |
| | Total Liabilities (Non-Current Liabilities + Current Liabilities) | 8,54,493 | 1,31,873 |
| | Details of Investments (excluding investments in subsidiary company) | - | - |
| | Turnover | 11,75,160 | - |
| | Profit/(Loss) before Tax | (1,23,51,056) | (50,80,488) |
| | Provision for Taxation Tax Expenses (Deferred Tax) | - | - |
| | Profit/(Loss) for the Year | (1,23,51,056) | (50,80,488) |
| | Proposed / Interim Dividend (including Dividend Tax) | - | - |
| | % of shareholding | 78% | 78% |

* CARE Ratings Limited holds 78% in CARE Ratings (Africa) Private Limited, which holds 100% in CARE Ratings South Africa (Pty) Limited

| 6 | Name of the Subsidiary | CareEdge Global IFSC Limited | |
|---|---|---|---|
| | **Date since when subsidiary was acquired** | **April 29, 2024** | |
| | Reporting period for the subsidiary concerned, if different from the holding Company`s reporting period | April 1, 2025 to March 31, 2026 (Same as that of Holding Company) | |
| | | **As on March 31, 2026** | **As on March 31, 2025** |
| | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | **USD 1 USD = ₹94.6543** | **USD 1 USD = ₹85.4541** |
| | Share Capital | 30,00,00,000 | 30,00,00,000 |
| | Reserves and Surplus | (4,88,76,000) | (3,93,37,000) |
| | Total Assets (Non-Current Assets + Current Assets) | 33,16,90,000 | 30,84,13,000 |
| | Total Liabilities (Non-Current Liabilities + Current Liabilities) | 8,05,66,000 | 4,77,50,000 |
| | Details of Investments (excluding investments in subsidiary company) | - | - |
| | Turnover | 9,00,29,000 | 1,95,24,000 |
| | Profit/(Loss) before Tax | (3,42,82,000) | (4,50,32,000) |
| | Provision for Taxation Tax Expenses (Deferred Tax) | - | - |
| | Profit/(Loss) for the Year | (3,42,82,000) | (4,50,32,000) |
| | Proposed / Interim Dividend (including Dividend Tax) | - | - |
| | % of shareholding | 100% | 100% |

1. Names of subsidiaries which are yet to commence operations: Not Applicable
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

**On behalf of the Board of Directors of CARE Ratings Limited**

**Sd/-**
**V. Chandrasekaran**
**Chairman**
**(DIN: 03126243)**

**Sd/-**
**Mehul Pandya**
**Managing Director & Group CEO**
**(DIN: 07610232)**

**Sd/-**
**G. Mahalingam**
**Chairman-Audit Committee**
**(DIN: 09660723)**

**Sd/-**
**Jinesh Shah**
**Group Chief Financial Officer**
**M. No.: 117833**

**Sd/-**
**Manoj Kumar CV**
**Company Secretary**
**M. No.: A15140**

**Date: May 13, 2026**
**Place: Mumbai**

**ANNEXURE – VII**

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholders value legally, ethically and on a sustainable basis. At CARE Ratings Limited ("CareEdge" or "the 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 interests 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, 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, 2026 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 requisite expertise, skills, and experience to effectively manage and guide the Company in achieving its organisational objectives.

They are expected to be individuals with vision, leadership qualities, a strategic mindset, proven competence, and the highest standards of integrity.

Each member of the Board is expected to ensure that his or her personal interests do not conflict with the interests of the Company. Further, every member is expected to exercise independent professional judgement and 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, 2026, in compliance with Regulation 17 of the Listing Regulations, the Board has an optimum combination of Executive, Non-Executive Independent Directors. The Board comprises seven (7) Directors, of whom six (6) are Non-Executive Independent Directors and one (1) is an Executive Director. The Board includes one Independent Woman Director, and more than one-third of its strength comprises Independent Directors.

The composition of the Board reflects an appropriate balance of professionalism, knowledge, and experience, enabling it to effectively discharge its responsibilities and provide strategic leadership to the business. The profiles of the Directors are available on the Company's website at https://www.careratings.com/about-us.

All Independent Directors of the Company have been appointed in accordance with the provisions of the Companies Act, 2013 ("the Act"), the rules made thereunder, 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 defined specific terms of reference for each Committee in accordance with the provisions of the Act and the Listing Regulations. These Committees meet at such frequency as prescribed under the Act read with the rules made thereunder, the Listing

Regulations, as it deemed necessary, to effectively discharge the responsibilities entrusted to them. As on March 31, 2026, the Company has eight (8) Committees of the Board, namely:

(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 act as Chairperson of more than five (5) such committees across all public companies in which he or she is a Director, as stipulated under Regulation 26 of the Listing Regulations. For this purpose, "Committees" include only the Audit Committee and the Stakeholders' Relationship Committee. Further, none of the Non-Executive Independent Directors serves as an Independent Director in more than seven (7) listed companies, and the Managing Director does not serve as an Independent Director in more than three (3) listed companies, in compliance with Regulation 17A of the Listing Regulations.

None of the Directors holds office in more than twenty (20) companies and in more than ten (10) public companies, as prescribed under Section 165 of the Act. The Directors have made the necessary disclosures regarding their committee positions in other public companies as on March 31, 2026.

In line with the skill-set requirements of the Board, eminent individuals with independent standing in their respective fields are considered by the Nomination and Remuneration Committee for appointment as Independent Directors. The Board considers the recommendations of the Nomination and Remuneration Committee and takes appropriate decisions thereon.

The Board confirms that the Independent Directors fulfil all the conditions specified under 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 be anticipated that could impair or affect their ability to discharge their duties.

Pursuant to the notification dated October 22, 2019, issued by the Ministry of Corporate Affairs, all Independent Directors have completed registration with the Independent Directors' databank.

### Details of Directors for the financial year 2025-26 are as under:

| Category | Name of Director | DIN | Date of Appointment/ Re- Appointment | Date of Cessation | Reason of Cessation |
|---|---|---|---|---|---|
| Non-Executive & Non-Independent Director | Mr. Sobhag Mal Jain | 08770020 | January 28, 2023 | January 27, 2026 | Resignation |
| Non-Executive Independent Director | Mr. Najib Shah | 08120210 | July 17, 2019 | July 10, 2025 | Completion of Tenure as an Independent Director |
| | Mr. V. Chandrasekaran | 03126243 | December 7, 2022 | - | - |
| | Mr. Gurumoorthy Mahalingam | 09660723 | November 21, 2022 | - | - |
| | Ms. Sonal Desai | 08095343 | March 30, 2019 | July 10, 2025 | Completion of Tenure as an Independent Director |
| | Dr. M. Mathisekaran | 03584338 | August 19, 2019 | July 10, 2025 | Completion of Tenure as an Independent Director |
| | Mr. Manoj Chugh | 02640995 | May 9, 2024 | - | - |
| | Mr. Rajiv Bansal | 00245460 | May 30, 2025 | - | - |
| | Ms. Indrani Banerjee | 09043941 | May 30, 2025 | - | - |
| | Dr. Bimal Patel | 03006605 | November 12, 2025 | - | - |
| Executive Director (Managing Director and Group CEO) | Mr. Mehul Pandya | 07610232 | July 29, 2022 | - | - |

**Note:**

1. Mr. Rajiv Bansal and Ms. Indrani Banerjee were appointed as Additional Directors (in the category of Non-Executive Independent Directors) with effect from May 30, 2025. Their appointments as Independent Director for a period of three years were subsequently approved by the Members of the Company at the Annual General Meeting held on July 10, 2025, and the results of the said meeting were declared on the same day, i.e., July 10, 2025.

2. Mr. V. Chandrasekaran and Mr. Gurumoorthy Mahalingam were re-appointed as Non-Executive Independent Directors for a second term of three years. Their re-appointment was approved by the Members of the Company by way of postal ballot through the remote e-voting process on October 16, 2025, and the results thereof were declared on the same day, i.e., October 16, 2025.
3. Dr. Bimal Patel was appointed as Additional Director (in the category of Non-Executive Independent Director) on the Board with effect from November 12, 2025. His appointment was subsequently approved by the Members of the Company by way of postal ballot through the remote e-voting process on January 15, 2026, and the results thereof were declared on January 16, 2026.
4. The Company does not have any promoter Director or Nominee Director.

### 1.2. Familiarisation 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.

Details of the familiarisation programme for Independent Directors are disclosed on the Company's website and may be accessed at the following link: https://www.careratings.com/Uploads/newsfiles/FinancialReports/1779433932_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 May 30, 2025, had appointed Mr. Rajiv Bansal (DIN:00245460) and Ms. Indrani Banerjee (DIN:09043941) as Additional Directors (Non-Executive Independent Director) of the Company and later, their appointment as Non-Executive Independent Directors was approved by the Members of the Company at the Annual General Meeting ("AGM") held on July 10, 2025, the results of which was declared on July 10, 2025.

Further, Mr. Gurumoorthy Mahalingam (DIN:09660723) and Mr. V. Chandrasekaran (DIN:03126243) were re-appointed as Non-Executive Independent Directors with effect from November 21, 2025 and December 7, 2025, respectively, for a second term of three years. Their re-appointment was approved by the Members of the Company by way of postal ballot through the remote e-voting process on October 16, 2025, and the results thereof were declared on the same day, i.e., October 16, 2025.

Also, as per the recommendation of Nomination and Remuneration Committee, the Board at its Meeting held on November 12, 2025, had appointed Dr. Bimal Patel (DIN:03006605) as Additional Director (Non-Executive Independent Director) of the Company. His appointment was subsequently approved by the Members of the Company by way of postal ballot through the remote e-voting process on January 15, 2026, and the results thereof were declared on January 16, 2026.

At the ensuing AGM, in accordance with the provisions of the Act, Mr. Mehul Pandya (DIN:07610232), Managing Director and Group CEO, retires by rotation and being eligible, offers himself for re-appointment.

### 1.4. Board Procedure

A detailed agenda for meetings of the Board and its Committees is circulated in advance to all Directors, in accordance with the provisions of the Act and the applicable Secretarial Standards. All significant agenda items are supported by comprehensive background notes and relevant material information to enable the Board to take informed decisions.

Agenda papers (except unpublished price sensitive information) are circulated in advance to the members of the Board and Committees. The Board members may also, in consultation with the Chairperson, raise any other matter for consideration at the meeting.

### 1.5. Meetings of the Board

The Board of Directors met Eight (8) times during the financial year 2025–26 on May 12, 2025, May 30, 2025, July 10, 2025, August 05, 2025, November 12, 2025, January 20, 2026, February 11, 2026 and March 13, 2026. The maximum interval between any two Board meetings did not exceed one hundred and twenty (120) days.

## Details of attendance:

| Name of the Director | No. of Board meetings held during the tenure of the director | No. of meetings attended | AGM held on July 10, 2025# | 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^ | 3 | 3 | Yes | - | - | - | - | - |
| Mr. V. Chandrasekaran | 8 | 8 | Yes | 7 | 0 | 2 | 7 | Tata Investment Corporation Limited - Independent Director<br>Grasim Industries Limited - Independent Director<br>Emudhra Limited - Independent Director<br>Ultratech Cement Limited - Independent Director |
| Mr. Gurumoorthy Mahalingam | 8 | 8 | Yes | 5 | 1 | 1 | 4 | Life Insurance Corporation of India - Independent Director<br>City Union Bank Limited - Independent Director<br>Central Depository Services (India) Limited - Public Interest Director<br>Thomas Cook (India) Limited - Independent Director |
| Ms. Sonal Desai^ | 3 | 3 | Yes | - | - | - | - | - |
| Dr. M. Mathisekaran^ | 3 | 3 | Yes | - | - | - | - | - |
| Mr. Manoj Chugh | 8 | 8 | Yes | 2 | 1 | 0 | 2 | Esconet Technologies Limited - Independent Director |
| Mr. Sobhag Mal Jain* | 6 | 6 | Yes | - | - | - | - | - |
| Mr. Mehul Pandya | 8 | 7 | Yes | 3 | - | - | - | - |
| Ms. Indrani Banerjee$ | 6 | 6 | Yes | - | - | - | - | - |
| Mr. Rajiv Bansal$ | 6 | 6 | Yes | 5 | - | - | 2 | BSE Limited - Public Interest Director |
| Dr. Bimal Patel@ | 3 | 3 | NA | 3 | - | - | - | - |

# was held through Audio/Video conference mode

$ Mr. Rajiv Bansal and Ms. Indrani Banerjee appointed as Additional Directors (in the category of Non-Executive Independent Directors) w.e.f. May 30, 2025. Their appointments were subsequently approved by the Members of the Company at the Annual General Meeting held on July 10, 2025.

^ Mr. Najib Shah, Ms. Sonal Gunvant Desai and Dr. M. Mathisekaran ceased to be an Independent Director of the Company w.e.f. July 10, 2025, due to completion of second term as an Independent Director of the Company.

* Mr. Sobhag Mal Jain resigned as Non-Executive Non - Independent Director w.e.f. January 27, 2026 due to preoccupation and other professional commitments.

@ Dr. Bimal Patel appointed as an Additional Director (in the category of Non-Executive Independent Director) w.e.f. November 12, 2025. His appointment was subsequently approved by the Members of the Company by way of postal ballot.

As on March 31, 2026, 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 framework of the Company includes an effective post-meeting follow-up, review, and reporting mechanism for actions taken or pending pursuant to the decisions of the Board and its Committees. Such actions are systematically tracked until closure, and an 'Action Taken Report' is placed before each meeting of the Board and its Committees for noting.

### 1.7. Board Support

The Company Secretary attends all meetings of the Board and its Committees and advises and assures the Board and the Committees on matters relating to compliance and corporate 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 has laid down a Code of Conduct applicable to all Directors and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website at www.careedge.in.

All Directors and Senior Management Personnel of the Company have confirmed their compliance with the Code of Conduct for the year ended March 31, 2026. 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 recognises 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 organisation 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 organisation 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 organisation 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 organisation operates in. Has an understanding of the 'big picture' in the given industry and recognises 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 organisation 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 organisation.

**(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 | V. Chandra-sekaran | G. Maha-lingam | Mr. Manoj Chugh | Mehul Pandya | Bimal Patel | Rajiv Bansal | Indrani Banerjee |
|---|---|---|---|---|---|---|---|
| Taxation | Y | N | N | N | N | N | N |
| Finance and Investments | Y | Y | N | Y | N | Y | Y |
| Leadership and Board Experience | Y | Y | Y | Y | Y | Y | Y |
| Risk Management | Y | Y | N | Y | Y | Y | Y |
| Global Business Perspective | Y | Y | Y | Y | Y | Y | Y |
| Technology | N | N | Y | Y | Y | Y | N |
| Business Strategy | Y | N | Y | Y | Y | Y | Y |
| Industry and Market Expertise | Y | Y | N | Y | Y | N | Y |
| Governance | Y | Y | Y | Y | Y | Y | Y |
| People and Talent Understanding | 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 prioritising 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 acts as a vital link between the management, internal and external auditors, and the Board of Directors of the Company. It is responsible for overseeing the Company's financial reporting process by providing direction to the audit function and monitoring the scope and quality of both internal and statutory audits.

The Audit Committee of the Company has been constituted in compliance with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Listing Regulations.

**Composition of Audit Committee:**

| Name of the Director | Position held |
|---|---|
| Mr. Gurumoorthy Mahalingam | Chairperson |
| Mr. Rajiv Bansal | Member |
| Ms. Indrani Banerjee | Member |

#### *(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 utilised 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 utilisation 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 Five (5) times during the financial year 2025-26 on May 12, 2025, August 5, 2025, November 12, 2025, February 11, 2026, and March 13, 2026. 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. V. Chandrasekaran# | 5 | 1 |
| Mr. Gurumoorthy Mahalingam$ | 5 | 5 |
| Ms. Sonal Desai* | 5 | 1 |
| Mr. Rajiv Bansal@ | 5 | 4 |
| Ms. Indrani Banerjee@ | 5 | 4 |
| Mr. Sobhag Mal Jain^ | 5 | 3 |

# Mr. V. Chandrasekaran ceased to be Chairperson and Member of the Committee w.e.f. July 10, 2025
$ Mr. Gurumoorthy Mahalingam appointed as Chairperson of the Committee w.e.f. July 10, 2025
* Ms. Sonal Desai ceased to be Member of the Committee w.e.f. July 10, 2025
@ Mr. Rajiv Bansal and Ms. Indrani Banerjee appointed as Member of the Committee w.e.f. July 10, 2025
^ Mr. Sobhag Mal Jain ceased to be Member of the Committee w.e.f. January 27, 2026

The Chairperson of Audit Committee attended the Annual General Meeting of the Company which was held on July 10, 2025.

The Company Secretary of the 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 |
|---|---|
| Mr. Manoj Chugh | Chairperson |
| Mr. Gurumoorthy Mahalingam | Member |
| Mr. V. Chandrasekaran | Member |
| Dr. Bimal Patel | Member |

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

### *(B) Terms of Reference*

The terms of reference of the NRC 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 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 Six (6) times during the financial year 2025-26 on May 10, 2025, May 26, 2025, May 27, 2025, August 05, 2025, November 08, 2025, and January 09, 2026.

| Details of attendance | | |
|---|---|---|
| **Name of Directors** | **No. of Meetings held** | **No. of Meetings attended** |
| Ms. Sonal Desai[#] | 6 | 3 |
| Mr. Najib Shah[#] | 6 | 3 |
| Mr. V. Chandrasekaran | 6 | 6 |
| Mr. Manoj Chugh[$] | 6 | 3 |
| Mr. Gurumoorthy Mahalingam[$] | 6 | 3 |
| Dr. Bimal Patel[@] | 6 | 0 |

[#] Ms. Sonal Desai ceased to be Chairperson of the Committee and Mr. Najib Shah ceased to be Member of the Committee w.e.f. July 10, 2025

[$] Mr. Manoj Chugh appointed as Chairperson of the Committee and Mr. Gurumoorthy Mahalingam appointed as a Member of the Committee w.e.f. July 10, 2025

[@] Dr. Bimal Patel appointed as Member of the Committee w.e.f. January 20, 2026

### *(D) Remuneration/Sitting Fees paid to Directors*

During the financial year 2025–26, the 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 July 10, 2025. The remuneration paid was within the limits prescribed under the applicable provisions of the Act.

The remuneration paid to the Managing Director and Group CEO was duly approved by the Board and the NRC prior to seeking the approval of the Members.

**Criteria for making payments to Non-Executive Directors:**

Sitting Fees: ₹ 1,00,000/- for attending each meeting of the Board of Directors and ₹ 50,000/- for attending each meeting of the Board Committees.

**Details of Remuneration/Sitting Fees paid and Commission to be paid to Directors:**

| Sr. No. | Name of the Director | Amount (in ₹) | |
|---|---|---|---|
| | | Sitting Fees | Commission** |
| 1 | Mr. Najib Shah (Non-Executive Independent Director)* | 5,00,000 | 8,73,489 |
| 2 | Mr. V. Chandrasekaran (Non-Executive Independent Director) | 16,50,000 | 32,02,793 |
| 3 | Ms. Sonal Desai (Non-Executive Independent Director)* | 5,50,000 | 5,82,326 |
| 4 | Dr. M Mathisekaran (Non-Executive Independent Director)* | 4,00,000 | 5,82,326 |
| 5 | Mr. Gurumoorthy Mahalingam (Non-Executive Independent Director) | 15,50,000 | 23,29,304 |
| 6 | Mr. Manoj Chugh (Non-Executive Independent Director) | 13,50,000 | 23,29,304 |
| 7 | Mr. Sobhag Mal Jain (Non-Executive Non-Independent Director)# | 9,00,000 | 23,29,304@ |
| 8 | Mr. Rajiv Bansal (Non-Executive Independent Director)$ | 11,50,000 | 23,29,304 |
| 9 | Ms. Indrani Banerjee (Non-Executive Independent Director)$ | 11,00,000 | 23,29,304 |
| 10 | Dr. Bimal Patel (Non-Executive Independent Director)^ | 5,00,000 | 9,70,543 |
| 11 | Mr. Mehul Pandya (Managing Director and Group CEO) | As mentioned below | |

* Mr. Najib Shah, Ms. Sonal Desai and Dr. M Mathisekaran ceased to be Independent Director of the Company due to completion of second term with effect from July 10, 2025

# Mr. Sobhag Mal Jain resigned as Non-Executive Non-Independent Director of the Company w.e.f. January 27, 2026

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

$ Mr. Rajiv Bansal and Ms. Indrani Banerjee were appointed as an Independent Director of the Company w.e.f. May 30, 2025

^ Dr. Bimal Patel was appointed as an Independent Director of the Company w.e.f. November 12, 2025

** Commission will be paid after the Annual General Meeting

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

| Particulars | (Amount in Rs.) |
|---|---|
| Salary and Allowance | 2,70,03,235 |
| Variable Pay (for FY 24-25) | 2,37,50,240 |
| Provident Fund Contribution | 24,42,760 |
| Perquisite Value-Stock Option (ESOP)* | 3,95,99,178 |
| Car Perquisite | 39,600 |
| Leave Encashment | 5,25,384 |
| Superannuation | 9,82,500 |
| **Total** | **9,43,42,897** |

*Mr. Mehul Pandya, Managing Director and Group CEO was granted 1,00,000 (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 the remuneration paid to the Executive Director and the sitting fees and commission paid to the Non-Executive Directors, none of the Directors has any other materially significant related party transactions or pecuniary relationships 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 the Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. An evaluation questionnaire in respect of each Independent Director was completed by the Directors.

The Independent Directors were evaluated based on criteria such as skills, knowledge, discharge of duties and the level of participation in meetings, among others. The results of the evaluation were presented to the NRC and the Board of Directors.

## 2.3. Stakeholders Relationship Committee

### *(A) Composition of Stakeholders Relationship Committee*

The Stakeholders' Relationship Committee of the Company has been constituted by the Board in compliance with the provisions of Section 178 of the Act, read with Regulation 20 of the Listing Regulations. The Committee is responsible for addressing and resolving shareholders' and investors' grievances, including matters relating to transfer of securities, non-receipt of dividends, notices, annual reports, and other securities-related issues.

**Composition of Stakeholders' Relationship Committee:**

| Name of the Director | Position held |
|---|---|
| Ms. Indrani Banerjee | Chairperson |
| Dr. Bimal Patel | Member |
| Mr. Mehul Pandya | Member |

Mr. Manoj Kumar CV, Company Secretary of the 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.

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 2025-26 on March 13, 2026.

| | Details of attendance | |
|---|---|---|
| **Name of Directors** | **No. of Meetings held** | **No. of Meetings attended** |
| Ms. Sonal Desai# | 1 | 0 |
| Dr. M. Mathisekaran# | 1 | 0 |
| Mr. Sobhag Mal Jain* | 1 | 0 |
| Mr. Mehul Pandya | 1 | 1 |
| Ms. Indrani Banerjee$ | 1 | 1 |
| Dr. Bimal Patel^ | 1 | 1 |

# Ms. Sonal Desai ceased to be Chairperson and Member of the Committee and Dr. M. Mathisekaran ceased to be Member of the Committee w.e.f. July 10, 2025

$ Ms. Indrani Banerjee appointed as Member and Chairperson of the Committee w.e.f. July 10, 2025

^ Dr. Bimal Patel appointed as Member of the Committee w.e.f. January 20, 2026

* Mr. Sobhag Mal Jain ceased to be Member of the committee w.e.f. January 27, 2026

**Details of shareholders complaints during Financial Year ended March 31, 2026, are as follows:**

The Company received two (2) shareholder complaints during the financial year ended March 31, 2026. All such complaints were resolved within the prescribed SEBI timelines, and there were no complaints pending as at the end of the financial year.

## 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 thereunder:

**Composition of Corporate Social Responsibility and Sustainability Committee**

| Name of the Director | Position held |
|---|---|
| Mr. V. Chandrasekaran | Chairperson |
| Ms. Indrani Banerjee | 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 Act 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 Act.

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 utilisation 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 and

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 Two (2) times during the financial year 2025-26 on May 6, 2025, and July 21, 2025.

| | Details of attendance | |
|---|---|---|
| **Name of Directors** | **No. of Meetings held** | **No. of Meetings attended** |
| Dr. M. Mathisekaran^ | 2 | 1 |
| Ms. Sonal Desai^ | 2 | 1 |
| Mr. V. Chandrasekaran$ | 2 | 1 |
| Mr. Mehul Pandya | 2 | 2 |
| Ms. Indrani Banerjee# | 2 | 1 |
| Mr. Sobhag Mal Jain* | 2 | 1 |

^ Ms. Sonal Desai and Dr. M. Mathisekaran ceased to be Member and Chairperson of the Committee, respectively, w.e.f. July 10, 2025

$ Mr. V. Chandrasekaran appointed as Chairperson and Member of the Committee w.e.f. July 10, 2025

# Ms. Indrani Banerjee appointed as Member of the Committee w.e.f. July 10, 2025

* Mr. Sobhag Mal Jain appointed as Member of the Committee w.e.f. July 10, 2025, and ceased to be Member of the Committee w.e.f. January 27, 2026

## 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.

**Composition of Risk Management Committee**

| Name of the Director | Position held |
|---|---|
| Mr. Manoj Chugh | Chairperson |
| Mr. Rajiv Bansal | Member |
| Mr. Mehul Pandya | Member |

### *(B) Terms of Reference*

The terms of reference of the Risk Management 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 minimisation 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 2025-26 on April 15, 2025, and October 9, 2025.

| Details of attendance | | |
|---|---|---|
| **Name of Directors** | **No. of Meetings held** | **No. of Meetings attended** |
| Mr. Manoj Chugh | 2 | 2 |
| Mr. Rajiv Bansal[$] | 2 | 1 |
| Dr. M. Mathisekaran^ | 2 | 1 |
| Mr. Mehul Pandya | 2 | 2 |
| Mr. Sobhag Mal Jain* | 2 | 2 |

[$] Mr. Rajiv Bansal appointed as Member and Chairperson of the Committee w.e.f. July 10, 2025

* Mr. Sobhag Mal Jain appointed as Member of the Committee w.e.f. July 10, 2025, and ceased to be Member of the Committee w.e.f. January 27, 2026

^ Dr. M. Mathisekaran ceased to be Member of the Committee w.e.f. July 10, 2025

## 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 | Chairperson |
| Mr. V. Chandrasekaran | Member |
| Ms. Indrani Banerjee | 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

v. Whistle- blower policy for ratings

b) Review the following

- Compliance Status of IOSCO Code of Conduct
- Internal Audit reports on
  - o Semi-annual SEBI mandated Audit (which incorporates Compliance Officer's observation) for the comments of Board
  - o 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.
- 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.

6) The minutes of the Committee shall be placed before the Board.

### *(C) Meetings & attendance of the Rating Sub-Committee*

The Committee met Four (4) times during the financial year 2025-26 on May 6, 2025, July 21, 2025, November 7, 2025, and February 4, 2026.

| | Details of attendance | |
|---|---|---|
| **Name of Directors** | **No. of Meetings held** | **No. of Meetings attended** |
| Mr. Gurumoorthy Mahalingam | 4 | 4 |
| Mr. V. Chandrasekaran | 4 | 4 |
| Ms. Indrani Banerjee# | 4 | 3 |
| Mr. Najib Shah* | 4 | 1 |

* Mr. Najib Shah ceased to be a Member of the Committee w.e.f. July 10, 2025

# Ms. Indrani Banerjee appointed as a Member of the Committee w.e.f. July 10, 2025

## 2.7 Technology Committee

The Technology Committee has been constituted 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. V. Chandrasekaran | Chairperson |
| Mr. Manoj Chugh | Member |
| Mr. Rajiv Bansal | 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 ₹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 2025-26, the Committee met Thrice (3) i.e. on April 16, 2025, September 18, 2025, and December 17, 2025.

| | Details of attendance | |
|---|---|---|
| **Name of Directors** | **No. of Meetings held** | **No. of Meetings attended** |
| Mr. V. Chandrasekaran^ | 3 | 2 |
| Mr. Manoj Chugh | 3 | 3 |
| Mr. Rajiv Bansal# | 3 | 2 |
| Mr. Najib Shah* | 3 | 1 |
| Mr. Gurumoorthy Mahalingam$ | 3 | 1 |

^ Mr. V. Chandrasekaran appointed as Member and Chairperson w.e.f. July 10, 2025

# Mr. Rajiv Bansal appointed as a Member of the Committee w.e.f. July 10, 2025

* Mr. Najib Shah ceased to be a Member of the Committee w.e.f. July 10, 2025

$ Mr. Gurumoorthy Mahalingam ceased to be a Member of the Committee w.e.f. July 10, 2025

## 2.8 Strategy and Investment Committee

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

### *(A) Composition of Strategy and Investment Committee:*

| Name of the Director | Position held |
|---|---|
| Mr. Rajiv Bansal | Chairperson |
| Mr. V. Chandrasekaran | Member |
| Mr. Gurumoorthy Mahalingam | Member |
| Mr. Manoj Chugh | Member |
| Dr. Bimal Patel | Member |

### *(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 financial year 2025-26, the Committee met Thrice (3) i.e. on August 4, 2025, January 28, 2026, and March 17, 2026.

| | Details of attendance | |
|---|---|---|
| **Name of Directors** | **No. of Meetings held** | **No. of Meetings attended** |
| Mr. Rajiv Bansal | 3 | 3 |
| Mr. V. Chandrasekaran | 3 | 3 |
| Mr. Gurumoorthy Mahalingam | 3 | 3 |
| Mr. Manoj Chugh | 3 | 3 |
| Mr. Najib Shah* | 3 | 0 |
| Dr. Bimal Patel$ | 3 | 2 |

* Mr. Najib Shah ceased to be a Member of the Committee w.e.f. July 10, 2025

$ Dr. Bimal Patel appointed as a Member of the Committee w.e.f. January 20, 2026

## 2.9 Independent Directors Meeting

As on March 31, 2026, the Company had Six (6) Independent Directors i.e. Mr. V. Chandrasekaran, Mr. Gurumoorthy Mahalingam, Mr. Manoj Chugh, Mr. Rajiv Bansal, Ms. Indrani Banerjee and Dr. Bimal Patel 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 at least one meeting in a year, without the presence of non-independent directors and members of the Management.

Accordingly, during the financial year 2025-26, one meeting of the Independent Directors was held on March 13, 2026. The meeting was attended by Mr. V. Chandrasekaran, Mr. Gurumoorthy Mahalingam, Mr. Manoj Chugh, Mr. Rajiv Bansal, Ms. Indrani Banerjee and Dr. Bimal Patel 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.

## 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 | Mr. Jinesh Shah | Group Chief Financial Officer |
| 5 | Mr. Anirudhha Sen | Chief Human Resources Officer |
| 6 | Ms. Rashi Shingal | Head - Legal and Compliance (Ratings) |
| 7 | Mr. Nadir Bhalwani[$] | Chief Information and Technology Officer |
| 8 | Ms. Rajani Sinha | Chief Economist |
| 9 | Ms. Smita Rajpurkar | Director - Criteria & Policy and Regulatory Affairs |
| 10 | Mr. Manoj Kumar CV | Company Secretary and Compliance Officer |
| 11 | Dr. A Shiju Rawther[^] | Chief Information and Technology Officer |

[$] Mr. Nadir Bhalwani ceased to be Chief Information and Technology Officer w.e.f. March 31, 2026

[^] Dr. A Shiju Rawther appointed as Chief Information and Technology Officer w.e.f. April 1, 2026

## 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 |
|---|---|---|---|---|
| 2024-25 | The Company conducted AGM through VC/ OAVM pursuant to the MCA Circular issued from time to time and as such there is no requirement to have a venue for the AGM | July 10, 2025 at 3:30 p.m. | 2 | 1. Appointment of Mr. Rajiv Bansal (DIN:00245460) as a Non-Executive Independent Director of the Company<br>2. Appointment of Ms. Indrani Banerjee (DIN:09043941) as a Non-Executive Independent Director of the Company |
| 2023-24 | The Company conducted AGM through VC/ OAVM pursuant to the MCA Circular issued from time to time and as such there is no requirement to have a venue for the AGM | July 9, 2024 at 3:30 p.m. | 1 | Appointment of Mr. Manoj Chugh (DIN:02640995) as a Non-Executive Independent Director of the Company |
| 2022-23 | The Company conducted AGM through VC/ OAVM pursuant to the MCA Circular issued from time to time and as such there is no requirement to have a venue for the AGM | July 28, 2023 at 3:30 p.m. | - | - |

## 5. RESOLUTION PASSED THROUGH POSTAL BALLOT

During the financial year 2025-26, the Company sought the approval of the Members through postal ballot pursuant to Section 110 of the Act read with rules 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 |
|---|---|---|---|
| August 5, 2025 | October 16, 2025 | Re-appointment of Mr. Gurumoorthy Mahalingam (DIN:09660723) as an Independent Director of the Company for a second term | Special Resolution |
| | | Re-appointment of Mr. Venkatadri Chandrasekaran (DIN:03126243) as an Independent Director of the Company for a second term | Special Resolution |
| November 12, 2025 | January 15, 2026 | Appointment of Dr. Bimal Patel (DIN:03006605) as a Non-Executive Independent Director of the Company | Special Resolution |

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

Mr. Mitesh Dhabliwala, Partner of Parikh & Associates, Practicing Company Secretary, was appointed as the Scrutinizer for carrying out all the aforesaid postal ballots in a fair and transparent manner.

### Procedure for Postal Ballot:

In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act read with the relevant Rules and the General Circulars issued by the Ministry of Corporate Affairs from time to time (collectively, "the MCA Circulars"), the Company sent the Notice of Postal Ballot along with the Explanatory Statement setting out the material facts and reasons for the resolutions to the Members/beneficial owners who had registered their email addresses with the Company or with the depositories/depository participants.

The assent or dissent of the Members was obtained through the remote e-voting system. In accordance with the MCA Circulars, 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 purpose of conducting the postal ballot process, the Company engaged the services of National Securities Depository Limited ("NSDL"). The Company also published a notice in the newspaper in accordance with the requirements prescribed under the Act and the applicable Rules. Voting rights of the Members were reckoned on the basis of the paid-up value of shares held as on the cut-off date. Members were requested to cast their votes through the e-voting facility within the prescribed e-voting period.

The Scrutinizer carried out the scrutiny of votes cast through e-voting and submitted the report to the Chairman. The consolidated results of the voting were announced by the Chairman or an authorised officer and were displayed on the Company's website, www.careedge.in. The results were also communicated to the Stock Exchanges, the Depository, and the 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

In accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct applicable to the Directors, Rating Committee members, and employees of CARE.

The Board of Directors has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with the said Regulations. The aforesaid Code are available on the Company's website at www.careedge.in.

## 7. OTHER POLICIES

The 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 2025-26 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 instance of non-compliance with any applicable legal provisions, nor has any penalty or stricture been imposed by the Stock Exchanges, SEBI, or any other statutory authority on any matter relating to the capital markets during the last three years.

Further details relating to certain matters are provided under the section titled "Update regarding certain matters" in the Directors' Report of the Board of Directors, which may be referred to for additional information.

**c) Whistle Blower Policy / Vigil Mechanism:**

The Company's Whistle Blower Policy is in line with the provisions of sub-sections (9) and (10) of Section 177 Act and Regulation 22 of the Listing Regulations. The Policy provides a mechanism for employees to report concerns to the management regarding unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct or ethics policy.

Further, no employee has been denied access to the Audit Committee. The Whistle Blower Policy is available on the Company's website at www.careedge.in.

## 9. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS OF LISTING REGULATIONS

The Company has complied with all the mandatory requirements of the Listing Regulations and has also adopted the following non-mandatory requirements prescribed thereunder:

**i. The Board:**

The Company provides reimbursement of expenses incurred by the Non-Executive Chairperson in the discharge of his official duties.

**ii. Shareholders' right:**

The quarterly, half-yearly, and annual financial results are published in the newspapers and are also hosted on the Company's website. Accordingly, these results are not 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 2025–26.

**iv. Reporting of Internal Auditor:**

The Internal Auditors of the Company report directly to the Audit Committee.

## 10. MEANS OF COMMUNICATION

The Company's corporate website, www.careedge.in, provides comprehensive information to its Members. The quarterly, half-yearly, and annual financial results are published in English and Marathi daily newspapers, namely Business Standard and Navshakti, respectively.

The quarterly and annual financial results, along with the press releases issued by the Company, are also available on the Company's website. Detailed presentations are made to analysts on the Company's unaudited quarterly and audited annual financial results, and such presentations are uploaded on the Company's website.

Disclosures as required under the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, are hosted on the Company's website. The shareholding pattern is updated on a quarterly basis and is also displayed on the website of the Company.

## 11. DIVIDEND

During the financial year 2025–26, the Company declared one interim dividend of ₹ 8/- (₹ Eight only) per equity share. Further, the Board of Directors has recommended a final dividend of ₹ 14/- (₹ Fourteen 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 Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), companies are required to retain dividends for a period of seven years for payment to investors. Upon the expiry of seven years, such unclaimed dividends, along with the shares in respect of which dividends have not been paid or claimed for seven consecutive years or more, are required to be transferred to the Investor Education and Protection Fund ("IEPF").

In compliance with the IEPF Rules and amendments thereto, the Company sent notices to all Members whose shares were due to be transferred to the IEPF Authority and also published the requisite newspaper advertisement in this regard.

During the financial year 2025–26, pursuant to the provisions of the IEPF Rules, unpaid and unclaimed dividends amounting to ₹4,39,998/- and 279 equity shares were transferred to the Investor Education and Protection Fund.

The Company has appointed a Nodal Officer in accordance with the provisions of the IEPF Rules, the details of whom are available on the Company's website at www.careedge.in.

Further, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2026, on its website at www.careedge.in.

## 13. SUBSIDIARY COMPANIES

The financial statements of the subsidiary companies are reviewed by the Audit Committee of the Company. Further, the minutes of the meetings of the Boards of Directors of the subsidiary companies are 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 UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT/QUALIFIED INSTITUTIONAL PLACEMENT

During the financial year 2025-26, 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 2025-26 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 dematerialised 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, the Company has obtained a certificate from a Company Secretary in practice confirming that none of the Directors on the Board of the Company, as on March 31, 2026, has been debarred or disqualified from being appointed or continuing as a Director by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any other statutory authority.

The certificate issued by a Company Secretary in practice for the financial year 2025–26 is annexed to this Report as **Annexure VIIB**.

## 21. RECOMMENDATIONS OF BOARD/ COMMITTEES

During the financial year 2025–26, the recommendations and opinions placed before the Board and its Committees on various matters were duly discussed, deliberated upon, and unanimously approved by the members.

## 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 2025-26 are as under:

| Sr. No. | Services provided | Amount (₹ in Lacs) |
|---|---|---|
| 1 | Audit Fees | 56.45 |
| 2 | Tax Audit Fees | 2.39 |
| 3 | Other Services | 3.20 |
| 4 | Reimbursement of Expenses | 4.08 |
| | **Total** | **66.12** |

## 23. ALL MANDATORY REQUIREMENTS AS PER THE CHAPTER IV OF THE LISTING REGULATIONS HAVE BEEN COMPLIED WITH THE COMPANY

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with requirements as per Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) relating to the dissemination of information on the website of 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: Friday, July 3, 2026**

Time - 3.30 p.m.

Venue- The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated September 22, 2025 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, 2025 to March 31, 2026**

Financial Reporting for the quarter ending June 30, 2026: On or before August 14, 2026

Financial Reporting for the quarter and half year ending September 30, 2026: On or before November 14, 2026

Financial Reporting for the quarter ending December 31, 2026: On or before February 14, 2027

Financial Reporting for the quarter and year ending March 31, 2027: On or before May 30, 2027

**c) Record Date: Friday, June 26, 2026**

**d) Dividend Payment Date:** Final dividend on equity shares for the year ended March 31, 2026 as recommended by the Directors, if approved by the Members at the Annual General Meeting will be paid on or before Saturday, August 1, 2026.

**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 2025-26 have been paid to BSE Limited and National Stock Exchange of India Limited.

**f) Registrar and Share Transfer Agent:**

**KFin Technologies Limited**

Unit: CARE Ratings Limited

Selenium Tower B, Plot 31 and 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032.

Tel: (+91 40) 67162222,
Toll Free No. 1-800-309-4001;

Email: einward.ris@kfintech.com,

Website: www.kfintech.com

Contact Person:
Mr. Anandan K., Senior Manager and Mr. Dnyanesh Gharote, Vice President.

g) **Share Transfer System:** As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialised 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 dematerialisation of shares will continue to be accepted.

100% 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.

### h) Top 10 equity shareholders of the Company as on March 31, 2026

| Sr. No. | Name | Total Shares | % to Equity |
|---|---|---|---|
| 1 | Life Insurance Corporation of India | 28,52,133 | 9.49 |
| 2 | CRISIL Limited | 26,22,431 | 8.73 |
| 3 | Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund | 23,78,717 | 7.92 |
| 4 | Pari Washington India Master Fund, Ltd. | 18,00,944 | 5.99 |
| 5 | ICICI Prudential Smallcap Fund | 8,14,754 | 2.71 |
| 6 | Pari Washington Investment Fund | 7,52,012 | 2.50 |
| 7 | India Insight Value Fund | 7,41,000 | 2.47 |
| 8 | Aquamarine Master Fund L.P | 6,51,756 | 2.17 |
| 9 | Whiteoak Capital Flexi Cap Fund | 6,16,497 | 2.05 |
| 10 | SBI Banking & Financial Services Fund | 5,61,424 | 1.87 |

### i) Distribution Schedule and Shareholding Pattern as on March 31, 2026

| Sr. No. | No. of Equity Shares | No. of Shareholders | | No. of Shares | | % of Equity Capital | |
|---|---|---|---|---|---|---|---|
| | | Physical | Demat | Physical | Demat | Physical | Demat |
| 1 | 1-5000 | - | 56,393 | - | 30,67,365 | - | 10.21 |
| 2 | 5001-10000 | - | 1,277 | - | 9,31,213 | - | 3.10 |
| 3 | 10001-20000 | - | 602 | - | 8,65,460 | - | 2.88 |
| 4 | 20001-30000 | - | 215 | - | 5,35,653 | - | 1.78 |
| 5 | 30001-40000 | - | 96 | - | 3,38,285 | - | 1.13 |
| 6 | 40001-50000 | - | 50 | - | 2,30,033 | - | 0.77 |
| 7 | 50001-100000 | - | 132 | - | 9,54,931 | - | 3.18 |
| 8 | 100001 and above | - | 149 | - | 2,31,24,073 | - | 76.96 |
| | **Total** | **-** | **58,914** | **-** | **3,00,47,013** | **-** | **100** |

### j) Shareholding Pattern as on March 31, 2026

| Sr. No. | Category | No. of Shares held | Percentage (%) |
|---|---|---|---|
| I | Promoters | - | - |
| II | Non-Promoters | | |
| a) | Resident Individuals | 71,77,993 | 23.89 |
| b) | Foreign Portfolio - Corp | 69,81,377 | 23.23 |
| c) | Mutual Funds | 50,93,422 | 16.95 |
| d) | Bodies Corporates | 50,38,345 | 16.77 |
| e) | Qualified Institutional Buyer | 30,71,382 | 10.22 |
| f) | Alternative Investment Fund | 12,65,751 | 4.21 |
| g) | Non-Resident Indian Repatriable | 4,83,022 | 1.61 |
| h) | Employees | 3,14,822 | 1.05 |
| i) | Non-Resident Indian Non Repatriable | 2,68,627 | 0.89 |
| j) | H U F | 2,59,926 | 0.87 |
| k) | Directors And Their Relatives | 72,188 | 0.24 |
| l) | Trusts | 9,415 | 0.03 |
| m) | Key Management Personnel | 5,550 | 0.02 |
| n) | Foreign Portfolio Investors | 3,120 | 0.01 |
| o) | IEPF Authority | 1,307 | 0.00 |
| p) | NBFC | 450 | 0.00 |
| q) | Clearing Members | 203 | 0.00 |
| r) | Foreign Nationals | 101 | 0.00 |
| s) | Banks | 12 | 0.00 |
| | **Total** | **3,00,47,013** | **100** |

### k) Dematerialisation of Shares and Liquidity

As on March 31, 2026, the entire shareholding of the Company is held in dematerialised form. A total of 3,00,47,013 equity shares are in demat mode, as compared to 2,99,31,184 equity shares as on March 31, 2025.

### l) 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

**m) 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**<br>32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015<br>Tel: +91-79-4026 5656 | **Mumbai - Andheri**<br>A Wing - 1102/1103, Kanakia Wall Street, Andheri Kurla Road, Chakala, Andheri (East), Mumbai - 400 093<br>Tel No.: +91-22-6837 4400 |
| **Bengaluru**<br>Unit No. 205 -208, 2nd Floor, Prestige Meridian 1,<br>No. 30, M. G. Road, Bengaluru, Karnataka 560 001<br>Tel: +91-80-46625555 | **Chennai**<br>Unit No. O-509/C, Spencer Plaza, 5th Floor,<br>No. 769, Anna Salai, Chennai – 600 002<br>Tel: +91-44-2849 7812 / 0811 |
| **Hyderabad**<br>401, Ashoka Scintilla, 3-6-520,<br>Himayat Nagar, Hyderabad - 500 029<br>Tel: +91-40-4010 2030 | **Coimbatore**<br>T-3, 3rd Floor, Manchester Square,<br>Puliakulam Road, Coimbatore - 641 037<br>Tel: +91-422-4332399 / 4502399 |

| | |
|---|---|
| **Kolkata**<br>Unit No A / 7 / 4, 7th Floor, Block A, Apeejay House,<br>15 Park Street, Kolkata – 700 016<br>Tel: +91-33- 4018 1600 | **Noida**<br>9th Floor Plot no. C-001 A/2 Sector 16B, Berger Tower, Noida, Gautam Budh Nagar (UP) – 201301<br>Phone: +91-120-4452000 |
| **Pune**<br>9th Floor, Pride Kumar Senate, Plot No. 970,<br>Bhamburda, Senapati Bapat Road,<br>Shivaji Nagar, Pune - 411 015.<br>Tel: +91-20- 4000 9000 | |

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

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

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

**q) Compliance Officer:**

Mr. Manoj Kumar CV
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

**r) Green Initiative:** Pursuant to Section 20 of the Act read with Rule 35 of the Companies (Incorporation) Rules, 2014, companies are permitted to send notices and documents to their Members in electronic form.

Accordingly, to enable the Company to send the Annual Report, Notice of the AGM, and other related documents for the financial year ended March 31, 2026, electronically, Members are requested to register or update (in case of any change) their email addresses with their respective Depository Participants or with the Registrar and Share Transfer Agent at the earliest.

**s) The Company has not received any complaint during the financial year ended March 31, 2026, relating to sexual harassment at Workplace.**

**t) During the year under review, the Company or its subsidiaries has not given loan to any firm/company in which directors are interested.**

**u) Details of Material Subsidiary:**

Name of Material Subsidiary: CARE Analytics and Advisory Private Limited

Date and Place of Incorporation: February 15, 1999 (Mumbai)

Name of Statutory Auditors: M/s. BSR & Co., LLP, Chartered Accountants

Date of appointment of Statutory Auditors: September 8, 2021

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

The Company does not have outstanding Global Depository Receipt, American Depository Receipt or Warrant or any Convertible instrument during the financial year ended March 31, 2026.

**w) 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 Requirement) Regulations, 2015**

**To,**
**The Board of Directors,**
**CARE Ratings Limited**

We, Mehul Pandya, Managing Director & Group Chief Executive Officer and Jinesh Shah, Group 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, 2026 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; and

   (3) instances of significant fraud of which we have become aware and 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/-**
**Mehul Pandya**
**Managing Director & Group CEO**

**Sd/-**
**Jinesh Shah**
**Group Chief Financial Officer**

**Place: Mumbai**
**Date: May 13, 2026**

**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
4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Sion (East), Mumbai 400022

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CARE Ratings Limited** having **CIN L67190MH1993PLC071691** and having registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, 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 Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and 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 & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 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.

| S. No. | Name of Director | DIN | Date of Appointment in Company* |
|---|---|---|---|
| 1. | Mr. Gurumoorthy Mahalingam | 09660723 | 21/11/2022 |
| 2. | Mr. Venkatadri Chandrasekaran | 03126243 | 15/11/2017 |
| 3. | Mr. Mehul Harshadray Pandya | 07610232 | 29/07/2022 |
| 4. | Mr. Manoj Chugh | 02640995 | 09/05/2024 |
| 5. | Mr. Bimalkumar Natvarlal Patel | 03006605 | 12/11/2025 |
| 6. | Mr. Rajiv Bansal | 00245460 | 30/05/2025 |
| 7. | Ms. Indrani Banerjee | 09043941 | 30/05/2025 |

*the date of appointment is as per the MCA Portal.

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 Parikh & Associates**
Company Secretaries

**Sarvari Shah**
Partner
FCS No: 9697 CP No: 11717
UDIN: F009697H000350576
PR No.: 7327/2025

Place: Mumbai
Date: May 13, 2026

**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.careratings.com.

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, 2026.

**For CARE Ratings Limited**

**Sd/-**
**Mehul Pandya**
**Managing Director & Group CEO**

**Place: Mumbai**
**Date: May 13, 2026**

ANNEXURE - VIID

# 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 to the board of directors dated 12 October 2021 and our addendum to the same dated 11 May 2026.

2. We have examined the compliance of conditions of Corporate Governance by CARE Ratings Limited ("the Company"), for the year ended 31 March 2026, 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 2026.

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

**Ajit Viswanath**
Partner
Membership No: 067114
UDIN:26067114YKWCUN2056

Place: Mumbai
Date: 13 May 2026

**ANNEXURE – VIII**

# ANNUAL REPORT ON CSR ACTIVITIES

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

**2. Composition of CSR and Sustainability Committee (as on March 31, 2026):**

| 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. | Mr. V Chandrasekaran^ | Chairman (Independent Director) | 2 | 1 |
| 2. | Ms. Indrani Banerjee@ | Member (Independent Director) | 2 | 1 |
| 3. | Mr. Mehul Pandya | Member (Managing Director and Group CEO) | 2 | 2 |

^ Appointed as a Member of the Committee w.e.f. July 10, 2025

@ Appointed as a Member of the Committee w.e.f. July 10, 2025

**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 are available on the Company's website at the following links:

- **Composition of CSR and Sustainability Committee:** https://www.careratings.com/Uploads/newsfiles/FinancialReports/1769577517_Composition%20of%20Commitees.pdf
- **CSR Policy:** https://www.careratings.com/Uploads/newsfiles/FinancialReports/1679039991_Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf
- **CSR projects approved:** https://www.careratings.com/Uploads/newsfiles/FinancialReports/1779784180_CSR_Committee_and_CSR_projects_March_31_26.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: ₹ 1,64,33,64,285/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 3,28,67,286/-

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: ₹ 4,11,291/-

(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): ₹ 3,30,00,000/-

**6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 3,30,00,000/-

(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): ₹ 3,30,00,000/-

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

| Total Amount Spent for the Financial Year 2025-26 (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | 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 | Fund | Amount | Date of transfer |
| ₹ 3,30,00,000/- | - | - | - | - | - |

(f) Excess amount for set off, if any:

| Sr. No. | Particular | Amount (in ₹) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | ₹ 3,28,67,286/- |
| (ii) | Total amount spent for the Financial Year | ₹ 3,30,00,000/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | ₹ 1,32,714/- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | ₹ 4,11,291- |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | ₹ 5,44,005/- |

**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 ₹) | Balance Amount in Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the Financial Year (in ₹) | 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 ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (in Rs). | Date of transfer | | |
| 1 | FY2024-25 | | | NA | | | | |
| 2 | FY2023-24 | | | NA | | | | |
| 3 | FY2022-23 | | | NA | | | | |

**6**. 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 | | | |

**7. 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/-**
**V. Chandrasekaran**
**Chairman – CSR and Sustainability Committee**

**Place: Mumbai**
**Date: May 13, 2026**

**Sd/-**
**Mehul Pandya**
**Managing Director & Group CEO**

**Place: Mumbai**
**Date: May 13, 2026**

# 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 2026, 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 2026, and its profit and other comprehensive income, 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

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. In addition to the matter(s) described in the Basis for Opinion section, we have determined matter(s) described below to be the key audit matter(s) to be communicated in our report.

| **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).<br><br>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:<br>• Obtained an understanding of the revenue related business process, and assessed the appropriateness of revenue recognition policies adopted by the Company.<br>• Tested the design and implementation, and operative effectiveness of internal controls related to the process of revenue recognition.<br>• On selected samples of contracts, we performed the following procedures:<br>i. Reviewed the terms and conditions in the contracts.<br>ii. Evaluated the identification of the performance obligations for the respective contracts.<br>iii. Evaluated the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent revenue recognition. |

| Key audit matter | |
|---|---|
| | iv. Verified the revenue recognition for cut off transactions to assess whether the timing of revenue recognition is appropriate.<br>• 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 Director's Report, Business Responsibility & Sustainability Report and Management Discussion & Analysis, 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.

2A. 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 between 01 April 2026 and 14 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification 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) of the Act and paragraph 2(B)(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 2026 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 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, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, we did not come across any instance of the audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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:26067114SEVQBA3377

Place: Mumbai
Date: 13 May 2026

# Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CARE Ratings Limited for the year ended 31 March 2026

**(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 in every two years. In accordance with this programme, certain 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.

(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 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 and has not granted any loans or advances in the nature of loans, secured or unsecured, in firms or limited liability partnerships during the year. The Company has not provided any guarantee or security to companies, firms or limited liability partnership or any other parties during the year. Further, the Company has not granted any advance in nature of loans, secured or unsecured to any other parties during the year. The Company has made investment in other party. The Company has granted unsecured loans to any other parties (employee loan) and loan to CAAPL (subsidiary) during the year, in respect of which the requisite information is as below:

| Particulars | Guarantees | Security | Loans (Rs. in lakhs) | Advances in nature of loans |
|---|---|---|---|---|
| **Aggregate amount during the year.** | | | | |
| Subsidiary(CAAPL)* | | | 400.00 | |
| Others(employee loans)* | | | 282.36 | |
| **Balance outstanding as at balance sheet date** | - | - | | - |
| Subsidiary (CAAPL)* | | | 1,450.60 | |
| Others(employee loans)* | | | 320.89 | |

*As per the Companies Act, 2013

(b) The Company has not provided any guarantee or given any security or granted any advances in the nature of loans during the year. In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans 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) | 400.00 | 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. 1450.60 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 but has granted the same without specifying any terms or period of repayment.

(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 products manufactured by it (and/or 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, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or Cess or other statutory dues have been 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 or Cess or other statutory dues were in arrears as at 31 March 2026 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 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 | 180.15 | A.Y. 2018-19 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 143.70 | 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 | 202.69 | A.Y. 2019-20 | Deputy Commissioner 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) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans during the year and the term loans obtained in the previous periods were fully utilised in the respective periods. 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 standalone financial statements 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, associates or joint ventures as defined under the Act.

(f) The Company does not have any joint venture or associate company during the year. According to the infor,mation 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) During the course of our 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 year.

(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) he Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(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:26067114SEVQBA3377

Place: Mumbai
Date: 13 May 2026

# Annexure B to the Independent Auditor's Report on the standalone financial statements of CARE Ratings Limited for the year ended 31 March 2026

**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 2026 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 2026, 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:26067114SEVQBA3377

Place: Mumbai
Date: 13 May 2026

# Standalone Balance Sheet

as at March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **(1) Non-current assets** | | | |
| a. Property plant and equipment | 2 | 7,760.80 | 7,796.92 |
| b. Right-of-use assets | 42 | 1,296.15 | 1,382.70 |
| c. Intangible assets | 3 (a) | 122.40 | 100.78 |
| d. Intangible assets under development | 3 (b) | 488.97 | 292.40 |
| e. Financial assets | | | |
| (i) Investments | 4 | 18,776.17 | 25,549.13 |
| (ii) Loans | 5 | 1,594.16 | 1,360.24 |
| (iii) Other financial assets | 6 | 22,509.80 | 66.70 |
| f. Other non-current assets | 7 | 89.15 | 162.68 |
| **Total non-current assets** | | **52,637.60** | **36,711.55** |
| **(2) Current assets** | | | |
| a. Financial assets | | | |
| (i) Investments | 4 | 1,941.89 | - |
| (ii) Trade receivables | 9 | 2,542.62 | 2,247.51 |
| (iii) Cash and cash equivalents | 8 | 1,727.47 | 2,634.87 |
| (iv) Bank balances other than cash and cash equivalents | 10 | 5,054.45 | 21.62 |
| (v) Loans | 11 | 177.33 | 123.83 |
| (vi) Other financial assets | 12 | 46,045.35 | 54,895.70 |
| b. Current tax asset (Net) | 13 | 308.23 | - |
| c. Other current assets | 14 | 474.12 | 276.66 |
| **Total current assets** | | **58,271.46** | **60,200.19** |
| **Total assets** | | **1,10,909.06** | **96,911.74** |
| **II. EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| a. Equity share capital | 15 | 3,004.70 | 2,993.21 |
| b. Share application money pending allotment | | 13.16 | - |
| c. Other equity | 16 | 95,358.09 | 82,790.81 |
| **Total equity** | | **98,375.95** | **85,784.02** |
| **Liabilities** | | | |
| **(2) Non-current liabilities** | | | |
| a. Financial liabilities | | | |
| (i) Lease liabilities | 42 | 1,328.96 | 1,436.58 |
| (ii) Other Financial liabilities | 17a | 1.80 | - |
| b. Provisions | 17 | 1,375.35 | 1,262.67 |
| c. Deferred tax liabilities (net) | 18 | 602.64 | 660.16 |
| **Total non-current liabilities** | | **3,308.75** | **3,359.41** |
| **(3) Current liabilities** | | | |
| a. Financial liabilities | | | |
| (i) Lease liabilities - | 42 | 228.39 | 134.79 |
| (ii) Trade payables | 22 | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | 17.81 | - |
| (b) Total outstanding dues of other than micro enterprises and small enterprises | | 803.97 | 817.34 |
| (iii) Other financial liabilities | 19 | 3,229.90 | 2,618.21 |
| b. Other current liabilities | 20 | 4,277.85 | 3,745.43 |
| c. Provisions | 21 | 384.49 | 342.61 |
| d. Current tax liabilities (Net) | 13a | 281.95 | 109.93 |
| **Total current liabilities** | | **9,224.36** | **7,768.31** |
| **Total liabilities** | | **12,533.11** | **11,127.72** |
| **Total equity and liabilities** | | **1,10,909.06** | **96,911.74** |
| **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

**Ajit Viswanath**
Partner
Membership No. 067114

Mumbai
May 13, 2026

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

**V. Chandrasekaran**
Chairman

DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN: 07610232

**G. Mahalingam**
Independent Director

DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

Mumbai
May 13, 2026

**Manoj Kumar CV**
Company Secretary
M No.- A15140

# Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| I. Revenue from operations | 23 | 38,772.22 | 33,668.50 |
| II. Other income | 24 | 5,567.97 | 5,139.04 |
| **III. Total income (I + II)** | | **44,340.19** | **38,807.54** |
| **Expenses** | | | |
| IV. Employee benefit expenses | 25 | 16,264.13 | 14,623.86 |
| V. Finance costs | 26 | 158.53 | 158.33 |
| VI. Depreciation and amortisation expense | 27 | 901.56 | 794.26 |
| VII. Other expenses | 28 | 3,768.74 | 3,529.44 |
| **VIII. Total expenses (IV TO VII)** | | **21,092.96** | **19,105.89** |
| **IX. Profit before tax (III- VIII)** | | **23,247.23** | **19,701.65** |
| **Tax expense** | | | |
| (i) Current tax | 34 (A) | 5,863.74 | 4,891.17 |
| (ii) Adjustment of tax relating to earlier periods | 34 (A) | - | (57.35) |
| (iii) Deferred tax | 18 | (55.74) | 68.47 |
| **X. Total tax expense** | | **5,808.00** | **4,902.29** |
| **XI. Profit after tax (IX- X)** | | **17,439.23** | **14,799.36** |
| **Other comprehensive Income** | | | |
| **A** (i) Items that will not be reclassified to profit or loss | 48 | (0.87) | (58.86) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 18 | 1.79 | (44.58) |
| **B** (i) Items that will be reclassified to profit or Loss | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| **XII. Other comprehensive income/ (loss), net of income tax** | | **0.92** | **(103.44)** |
| **XIII. Total comprehensive Income for the year (XI + XII)** | | **17,440.15** | **14,695.92** |
| **XIV. Earnings per equity share (Rs)** | | | |
| **(Face value Rs. 10/- each):** | | | |
| 1. Basic | 33 | 58.13 | 49.49 |
| 2. Diluted | 33 | 57.90 | 49.27 |
| **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

**Ajit Viswanath**
Partner
Membership No. 067114

Mumbai
May 13, 2026

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

**V. Chandrasekaran**
Chairman
DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN: 07610232

**G. Mahalingam**
Independent Director
DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

Mumbai
May 13, 2026

**Manoj Kumar CV**
Company Secretary
M No.- A15140

# Standalone Statement of Cash flow

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **A. Cash flow from operating activities** | | | |
| **Profit before tax** | | **23,247.23** | **19,701.65** |
| **Adjustments for** | | | |
| Interest income | 24 | (4,618.25) | (4,244.45) |
| Dividend income from equity securities | 24 | (283.60) | (180.93) |
| Realized gain on sale of investments | 24 | (320.11) | (184.99) |
| Unrealized gain on fair valuation of investments through profit and loss | 24 | (2.17) | (251.35) |
| Provision for bad debts | 28 | (39.88) | 57.08 |
| Bad debts written off | 28 | 1.83 | 0.64 |
| Rental Income | | (80.62) | - |
| Loss/(Profit) on sale of property, plant and equipment | | (24.78) | 8.22 |
| Share based payment expenses | 25 | 114.54 | 141.67 |
| Finance costs on lease liabilities | 26 | 158.53 | 158.33 |
| Depreciation and amortization expenses | 27 | 901.56 | 794.26 |
| **Operating cash flow before working capital changes** | | **19,054.28** | **16,000.13** |
| **Movements in working capital** | | | |
| Decrease/(Increase) in financial assets | | 66.59 | (1,128.72) |
| Decrease in other assets non current | | 0.06 | 2.28 |
| Decrease/(Increase) in other current assets | | (197.46) | 170.72 |
| Increase in financial liabilities | | 621.67 | 1,045.98 |
| Increase in other liabilities and provisions | | 687.90 | 666.84 |
| **Total movements in working capital** | | **1,178.76** | **757.10** |
| Taxes paid (net of refund) | | (6,001.74) | (4,666.46) |
| **Net cash generated from operating activities (A)** | | **14,231.30** | **12,090.77** |
| **(B) Cash flow from investing activities** | | | |
| Interest received | | 3,799.39 | 4,403.81 |
| Interest received on loan to subsidiaries | | 120.08 | 115.09 |
| Dividend received | 24 | 283.60 | 180.93 |
| Proceeds from fixed deposits | | 44,703.99 | 54,563.71 |
| Investment in Fixed deposits | | (62,964.96) | (53,279.33) |
| Investment in new subsidiary - CareEdge Global IFSC Limited | | - | (3,000.00) |
| Acquisition of property, plant & equipment, Intangible assets under development and capital advances | | (751.54) | (992.23) |
| Buyback of property, plant & equipment, Intangible assets under development and capital advances | | 24.78 | - |
| Loan given to subsidiary | | (400.00) | - |
| Loan repayment by subsidiary | | 200.00 | - |
| Investment in subsidiary through preference shares | | - | (600.00) |
| Purchase of investments | | (35,257.84) | (8,893.51) |
| Redemption of investments | | 40,411.19 | 310.55 |
| **Net cash generated /(used) from investing activities (B)** | | **(9,831.31)** | **(7,190.98)** |

# Standalone Statement of Cash flow

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **(C) Cash flow from financing activities** | | | |
| Dividend Paid | | (5,696.46) | (5,380.10) |
| Share application money pending allotment | | 13.16 | - |
| Proceeds from exercise of share options | | 659.35 | 354.91 |
| ESOP cost recharge from subsidiary | | 61.19 | 45.96 |
| Repayment of lease liability | | (186.10) | (155.90) |
| Payment of interest on lease liability | | (158.53) | (158.33) |
| **Net cash used in financing activities (C)** | | **(5,307.39)** | **(5,293.46)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | | **(907.40)** | **(393.67)** |
| Add: Cash and cash equivalents at the beginning of year | | 2,634.87 | 3,028.54 |
| **Cash and cash equivalents at the end of the year** | | **1,727.47** | **2,634.87** |
| **Components of Cash and cash equivalents (refer note 8)** | | | |
| **Balances with Banks** | | | |
| On current account | 8 | 726.80 | 1,701.01 |
| **Cash on hand** | 8 | 0.26 | 0.45 |
| **Others** | | | |
| Liquid Mutual fund | 8 | 999.41 | 932.79 |
| Prepaid cards | 8 | 1.00 | 0.62 |
| **Cash and cash equivalents at the end of the year** | | **1,727.47** | **2,634.87** |

**Notes:**

(i) Cash flow statement 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, 2026 and March 31, 2025.

**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
May 13, 2026

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

**V. Chandrasekaran**
Chairman
DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN: 07610232

**G. Mahalingam**
Independent Director
DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

Mumbai
May 13, 2026

**Manoj Kumar CV**
Company Secretary
M No.- A15140

# Standalone statement of Changes in Equity

**for the year ended March 31, 2026**

## A. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

| Balance as at April 01, 2025 | Changes in equity share capital during the year | Balance as at March 31, 2026 |
|---|---|---|
| 2,993.21 | 11.49 | 3,004.70 |

(Rs. in Lakhs)

| Balance as at April 01, 2024 | Changes in equity share capital during the year | Balance as at March 31, 2025 |
|---|---|---|
| 2,985.21 | 8.00 | 2,993.21 |

## B. OTHER EQUITY

**for the year ended March 31, 2026**

(Rs. in Lakhs)

| 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, 2025** | **541.35** | **22.92** | **9,256.35** | **22,184.38** | **49,779.46** | **1,006.35** | **82,790.81** |
| Profit for the year (1) | - | - | - | - | 17,439.23 | - | 17,439.23 |
| Other comprehensive income/ (loss), net of income tax (2) | - | - | - | - | 0.92 | - | 0.92 |
| **Total comprehensive income/(loss) for the year (1+2)** | **-** | **-** | **-** | **-** | **17,440.15** | **-** | **17,440.15** |
| Dividends | - | - | - | - | (5,696.46) | - | (5,696.46) |
| Premium on share issued | - | - | 883.16 | - | - | - | 883.16 |
| Fair value of employee stock option exercised | (235.30) | - | - | - | - | - | (235.30) |
| Employee stock option granted/charge for this period* | 175.73 | - | - | - | - | - | 175.73 |
| **Balance as at March 31, 2026** | **481.78** | **22.92** | **10,139.51** | **22,184.38** | **61,523.15** | **1,006.35** | **95,358.09** |

*Amount of Rs. 175.73 Lakhs includes Rs. 61.19 Lakhs relating to options issued to employees of subsidiaries.

# Standalone statement of Changes in Equity

**for the year ended March 31, 2026**

**For the year ended March 31, 2025**

(Rs. in Lakhs)

| 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, 2024** | **509.51** | **22.92** | **8,753.65** | **22,184.38** | **40,442.82** | **1,027.17** | **72,940.45** |
| Profit for the year (1) | - | - | - | - | 14,799.36 | - | 14,799.36 |
| Other comprehensive income/ (loss), net of income tax (2) | - | - | - | - | (82.62) | (20.82) | (103.44) |
| **Total comprehensive income/(loss) for the year (1+2)** | **-** | **-** | **-** | **-** | **14,716.74** | **(20.82)** | **14,695.92** |
| Dividends | - | - | - | - | (5,380.10) | - | (5,380.10) |
| Premium on share issued | - | - | 346.87 | - | - | - | 346.87 |
| Fair value of employee stock option exercised | (155.83) | - | 155.83 | - | - | - | - |
| Employee stock option granted/charge for this period* | 187.67 | - | - | - | - | - | 187.67 |
| **Balance as at March 31, 2025** | **541.35** | **22.92** | **9,256.35** | **22,184.38** | **49,779.46** | **1,006.35** | **82,790.81** |

*Amount of Rs. 187.67 Lakhs includes Rs. 45.96 Lakhs relating to options issued to employees of subsidiaries.

**Note 1** - Retained Earning -The Company has transferred Net profit/(Loss) for the year to retained earnings.

**Note 2** - OCI: Re-measurement (comprising actuarial gains and losses, return on plan assets, etc.) of defined benefit plans in respect of post-employment are charged to Other Comprehensive Income. Re-measurement recognized in Other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

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.

# Standalone statement of Changes in Equity

for the year ended March 31, 2026

### 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.

**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
May 13, 2026

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

**V. Chandrasekaran**
Chairman
DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN: 07610232

**G. Mahalingam**
Independent Director
DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

Mumbai
May 13, 2026

**Manoj Kumar CV**
Company Secretary
M No.- A15140

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## 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 of India Limited and BSE ltd. 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 Limited has regional offices at Ahmedabad, Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, Noida 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 13, 2026. 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) 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events

### (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 payments

The Schemes for Employees Stock Options ('ESOP(s)') provide for the grant of ESOPs to acquire equity shares of the Company to its eligible employees. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at grant date of equity settled share-based payment arrangements granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the ESOPs. The amount recognised as expense is based on the estimate of the number of ESOPs for which the related service and non-market performance conditions, as applicable are expected to be met, such that the amount ultimately recognised as an expense is based on the number of ESOPs that do meet the related service and non-market performance conditions, as applicable at the vesting date. At the end of each reporting period, the Company revisits its estimate of the number of ESOPs expected to vest. Such compensation cost is amortised over the vesting period of the respective tranches of such grant.

### (iv) Impairment of non-financial assets and investment in subsidiaries

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.

Investment in subsidiaries are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or CGU's to which these pertain is less than its carrying value.

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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period

## 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.

### *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 INR, 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 Statement of 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 37 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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

- 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.

- **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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

### 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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 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 non current assets

### h. *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

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)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 Schemes for Employees Stock Options ('ESOP(s)') provide for the grant of ESOPs to acquire equity shares of the Company to its eligible employees. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at grant date of equity settled share-based payment arrangements granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the ESOPs. The amount recognised as expense is based on the estimate of the number of ESOPs for which the related service and non-market performance conditions, as applicable are expected to be met, such that the amount ultimately recognised as an expense is based on the number of ESOPs that do meet the related service and non-market performance conditions, as applicable at the vesting date. At the end of each reporting period, the Company revisits its estimate of the number of ESOPs expected to vest. Such compensation cost is amortised over the vesting period of the respective tranches of such grant.

### *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.

##### *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:

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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.

***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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 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.

### s. *Cash and cash equivalents*

Cash and cash equivalents presented in the balance sheet include cash at banks, cash on hand, liquid and money market mutual funds held for short-term liquidity management, and short-term deposits with original maturities of three months or less that are readily convertible into known amounts 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 Company's cash management.

### t. *Investment in subsidiaries*

Investment in subsidiaries is carried at cost less impairment in the financial statements.

### u. *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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025.

The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification ofliabilities as current or non-current and non-current liabilities with covenants.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financialstatements.

3. Ind AS 12, International Tax Reform – Pillar Two odel Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively."

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 2:

**Property, Plant and Equipment****

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2025 | Additions during the year | Deductions during the year | As at March 31, 2026 | As at April 01, 2025 | For the year | On deletions/ disposals during the year | As at March 31, 2026 | As at March 31, 2026 | As at March 31, 2025 |
| **Property, plant and equipment*** | | | | | | | | | | |
| Furniture and fixtures | 776.93 | 4.58 | (96.64) | 684.88 | 324.82 | 69.07 | (96.03) | 297.86 | 387.02 | 452.11 |
| Office equipment | 563.71 | 9.97 | (91.42) | 482.26 | 370.87 | 80.44 | (91.26) | 360.05 | 122.20 | 192.84 |
| Computers | 1,142.21 | 440.88 | (390.66) | 1,192.43 | 924.35 | 204.93 | (390.25) | 739.03 | 453.39 | 217.86 |
| Vehicles | 208.75 | 53.99 | (24.20) | 238.55 | 56.89 | 27.56 | (13.86) | 70.59 | 167.96 | 151.86 |
| Electrical installations | 333.97 | 0.92 | (20.59) | 314.30 | 119.83 | 30.97 | (20.59) | 130.21 | 184.09 | 214.14 |
| Buildings | 7,507.07 | 42.69 | - | 7,549.76 | 1,079.55 | 140.76 | - | 1,220.31 | 6,329.45 | 6,427.52 |
| Leasehold improvements | 177.96 | - | - | 177.96 | 37.36 | 23.91 | - | 61.27 | 116.69 | 140.60 |
| **Total Property, plant and equipment** | **10,710.59** | **553.05** | **(623.51)** | **10,640.13** | **2,913.67** | **577.64** | **(611.98)** | **2,879.33** | **7,760.80** | **7,796.92** |

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2024 | Additions during the year | Deductions during the year | As at March 31, 2025 | As at April 01, 2024 | For the year | On deletions/ disposals during the year | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| **Property, plant and equipment*** | | | | | | | | | | |
| Furniture and fixtures | 716.62 | 60.51 | (0.20) | 776.93 | 256.29 | 68.55 | (0.02) | 324.82 | 452.11 | 460.33 |
| Office equipment | 512.04 | 57.66 | (5.99) | 563.71 | 289.61 | 81.69 | (0.43) | 370.87 | 192.84 | 222.43 |
| Computers | 993.74 | 148.47 | - | 1,142.21 | 783.47 | 140.88 | - | 924.35 | 217.86 | 210.27 |
| Vehicles | 177.36 | 85.86 | (54.47) | 208.75 | 49.83 | 25.74 | (18.68) | 56.89 | 151.86 | 127.53 |
| Electrical installations | 259.97 | 74.24 | (0.24) | 333.97 | 90.71 | 29.14 | (0.02) | 119.83 | 214.14 | 169.26 |
| Buildings | 7,299.47 | 207.60 | - | 7,507.07 | 941.17 | 138.38 | - | 1,079.55 | 6,427.52 | 6,358.30 |
| Leasehold improvements | 145.12 | 32.84 | - | 177.96 | 16.61 | 20.75 | - | 37.36 | 140.60 | 128.51 |
| **Total Property, plant and equipment** | **10,104.32** | **667.17** | **(60.90)** | **10,710.59** | **2,427.69** | **505.13** | **(19.15)** | **2,913.67** | **7,796.92** | **7,676.63** |

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

for the year ended March 31, 2026

## NOTE 3

### (a) Intangible assets**

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated amortisation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2025 | Additions during the year | Deductions during the year | As at March 31, 2026 | As at April 01, 2025 | For the year | On deletions/ disposals during the year | As at March 31, 2026 | As at March 31, 2026 | As at March 31, 2025 |
| Computer software | 438.99 | 76.57 | - | 515.55 | 338.21 | 57.74 | - | 395.95 | 119.60 | 100.78 |
| Trade Mark | - | 2.80 | - | 2.80 | - | - | - | - | 2.80 | - |
| **Total Intangible assets** | **438.99** | **79.37** | **-** | **518.35** | **338.21** | **57.74** | **-** | **395.95** | **122.40** | **100.78** |

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated amortisation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2024 | Additions during the year | Deductions during the year | As at March 31, 2025 | As at April 01, 2024 | For the year | On deletions/ disposals during the year | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| Computer software | 347.89 | 91.10 | - | 438.99 | 297.39 | 40.82 | - | 338.21 | 100.78 | 50.50 |
| **Total Intangible assets** | **347.89** | **91.10** | **-** | **438.99** | **297.39** | **40.82** | **-** | **338.21** | **100.78** | **50.50** |

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

### (b) Intangible assets under development

(Rs. in Lakhs)

| Description | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Balance at the beginning** | 292.40 | 147.14 |
| Additions | 203.73 | 206.58 |
| Capitalised during the year | (7.17) | (61.32) |
| **Balance at the end** | **488.97** | **292.40** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

### (c) Intangible assets under development Ageing Schedule

(Rs. in Lakhs)

| As at March 31, 2026 | 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 | 99.17 | 324.99 | 64.80 | - | 488.97 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **99.17** | **324.99** | **64.80** | **-** | **488.97** |

(Rs. in Lakhs)

| As at March 31, 2025 | 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 | 187.60 | 64.80 | - | 40.00 | 292.40 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **187.60** | **64.80** | **-** | **40.00** | **292.40** |

## NOTE 4

## Investments

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Non current investments** | | | | |
| **Unquoted:** | | | | |
| **Investments measured at cost** | | | | |
| Investment in Subsidiaries | | | | |
| **Equity Instruments:** | | | | |
| Face value of Rs. 10 each fully paid: | | | | |
| CARE Analytics and Advisory Private Limited | 4,92,97,730 | 5,186.26 | 4,92,97,730 | 5,186.26 |
| Less Provision for impairment | | (523.26) | | (523.26) |
| **Total** | | **4,663.00** | | **4,663.00** |
| Face value of Rs. 10 each fully paid: | | | | |
| CARE ESG Ratings Limited | 1,40,95,450 | 1,450.00 | 1,40,95,450 | 1,450.00 |
| Face value of Rs. 10 each fully paid: | | | | |
| CareEdge Global IFSC Limited | 3,00,00,000 | 3,000.00 | 3,00,00,000 | 3,000.00 |
| 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 | 224.81 |
| **Preference shares:** | | | | |
| Optionally convertible cumulative redeemable preference Shares | | | | |
| CARE Analytics and Advisory Private Limited | 2,65,00,000 | 2,650.00 | 2,65,00,000 | 2,650.00 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Investment measured at Fair value through Other comprehensive income** | | | | |
| Face value of USD 22,600 each fully paid: | | | | |
| Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) | 20 | 209.85 | 20 | 209.85 |
| Face value of RM 1 each fully paid: | | | | |
| Malaysian Rating Corporation Berhad | 20,00,000 | 2,348.54 | 20,00,000 | 2,334.10 |
| Investments in Association of Indian Rating Agencies | | 0.53 | | 0.53 |
| **Total unquoted investments** | | **14,706.64** | | **14,692.20** |
| **Quoted:** | | | | |
| **Investment measured at amortized cost** | | | | |
| Tax free bonds* | | 1,871.39 | | 1,880.28 |
| PSU Bonds** | | 2,198.14 | | - |
| **Investment measured at Fair value through Profit and loss account** | | | | |
| **Mutual funds** | | | | |
| DSP Strategic Bond Fund - Direct Plan - Growth | | - | | 6,666.20 |
| Quantum Dynamic Bond Fund - Direct Plan Growth Option | | - | | 2,310.46 |
| **Total quoted investments** | | **4,069.53** | | **10,856.93** |
| **Total investments** | | **18,776.17** | | **25,549.13** |
| **Market value of quoted investments** | | **4,162.42** | | **10,972.15** |
| **Aggregate amount of unquoted investments** | | **14,706.64** | | **14,692.20** |
| **Aggregate amount of impairment in value of investment** | | **523.26** | | **523.26** |

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

**This includes accrued interest of Rs. 90.96 Lakhs (Previous year: Rs. NIL)

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Current investments** | | | | |
| **Quoted** | | | | |
| **Investment measured at amortized cost** | | | | |
| PSU Bonds* | | 1,941.89 | | - |
| **Total quoted investments** | | **1,941.89** | | - |
| **Market value of quoted investments** | | **1,978.17** | | - |

*This includes accrued interest of Rs. 42.45 Lakhs (Previous year: Rs. NIL)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 5

### Loans

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Loan to CARE Analytics and Advisory Private Limited (Refer Note 44) | 1,450.60 | 1,250.60 |
| Loans to employees# | 143.56 | 109.64 |
| **Total** | **1,594.16** | **1,360.24** |

# This includes Rs. 24.25 Lakhs accrued interest on loans to subsidiary company (Previous Year = Nil)

(Rs. in Lakhs)

| Type of borrower | As at March 31, 2026 | % of total Loans and Advances | As at March 31, 2025 | % 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 – CARE Analytics and Advisory Private Limited (Wholly owned subsidiary) | 1450.60 | 90.99% | 1250.60 | 91.94% |
| **Total** | **1450.60** | **90.99%** | **1250.60** | **91.94%** |

## NOTE 6

### Other financial assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Deposits with banks (with more than 12 months of original maturity)* | 22,425.06 | 14.09 |
| Security deposits - unsecured | 84.74 | 52.61 |
| **Total** | **22,509.80** | **66.70** |

*This includes accrued interest of Rs. 336.53 Lakhs (Previous year: Rs. 2.09 Lakhs)

## NOTE 7

### Other non - current assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured, considered Good** | | |
| Capital advances | 53.95 | 127.42 |
| Others | 35.20 | 35.26 |
| **Total** | **89.15** | **162.68** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 8

### Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Balances with Banks** | | |
| On current account | 726.80 | 1,701.01 |
| **Cash on hand** | 0.26 | 0.45 |
| **Others** | | |
| Prepaid cards | 1.00 | 0.62 |
| Liquid Mutual fund/Money Market Fund | 999.41 | 932.79 |
| **Total** | **1,727.47** | **2,634.87** |

## NOTE 9

### Trade receivables

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured** | | |
| (a) Trade receivables - Considered good secured; | - | - |
| (b) Trade receivables - Considered good unsecured; | 2,542.62 | 2,247.51 |
| (c) Trade receivables which have significant increase in credit risk; | 23.70 | 63.58 |
| (d) Trade receivables – credit impaired | - | - |
| **Total trade receivables** | **2,566.32** | **2,311.09** |
| Less: Allowance for credit losses (refer Note 38 (B)) | (23.70) | (63.58) |
| **Net trade receivables** | **2,542.62** | **2,247.51** |

### Trade receivables ageing schedule

**As at March 31, 2026**

(Rs. in Lakhs)

| Particulars | Less than 6 Months | 6 Months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | 2,476.54 | 89.78 | - | - | - | 2,566.32 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (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** | **2,476.54** | **89.78** | **-** | **-** | **-** | **2,566.32** |
| Less: Allowance for credit losses (refer Note 38 (B)) | | | | | | (23.70) |
| **Net trade receivables** | | | | | | **2,542.62** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

### Trade receivables ageing schedule

**As at March 31, 2025**

(Rs. in Lakhs)

| Particulars | Less than 6 Months | 6 Months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables – considered good | 2,138.97 | 171.29 | 0.82 | - | - | 2,311.09 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| (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** | **2,138.97** | **171.29** | **0.82** | **-** | **-** | **2,311.09** |
| Less: Allowance for credit losses (refer Note 38 (B)) | | | | | | (63.58) |
| **Net trade receivables** | | | | | | **2,247.51** |

**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 10

### Bank Balances other than Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Balances with Banks** | | |
| Fixed deposits* (More than 3 months but less than 12 months) | 5,030.15 | - |
| Lienmarked Deposit ** (More than 3 months but less than 12 months) | 6.42 | - |
| **Earmarked balances with banks** | | |
| Unclaimed dividend account | 17.88 | 21.62 |
| **Total** | **5,054.45** | **21.62** |

*This includes accrued interest of Rs. 22.80 Lakhs (Previous year: Rs. Nil)

**This includes accrued interest of Rs. 0.29 Lakhs (Previous year: Rs. Nil)

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 11

### Loans

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured and considered good** | | |
| Loan to employees* | 177.33 | 123.83 |
| **Total** | **177.33** | **123.83** |

*- This includes accrued interest of Rs. 2.21 Lakhs (previous year – Rs. 14.06 Lakhs)

(Rs. in Lakhs)

| Type of borrower | As at March 31, 2026 | % of total Loans and Advances | As at March 31, 2025 | % 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 Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Fixed Deposits with banks (with more than 12 months of original maturity)#* | 45,799.33 | 54,294.55 |
| Security deposits | 22.14 | 53.53 |
| Other receivables | 223.88 | 541.00 |
| Lienmarked Deposit | - | 6.62 |
| **Total** | **46,045.35** | **54,895.70** |

#- This includes accrued interest of Rs. 1,595.11 Lakhs (previous year – Rs. 1,263.39 Lakhs)

*-The remaining maturity of these deposits are less than 12 months from the reporting date.

## NOTE 13

### Current tax assets (Net)

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Advance payment of taxes (Net of Provision for tax) | 308.23 | - |
| **Total** | **308.23** | **-** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 13 a

### Current tax liability (Net)

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Provision for tax (Net of Advance tax payment) | 281.94 | 109.93 |
| **Total** | **281.94** | **109.93** |

## NOTE 14

### Other current assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Contract Assets | 35.30 | 16.71 |
| Prepaid expenses | 313.02 | 105.83 |
| Deposits with statutory authorities | 26.41 | 25.00 |
| Other advances | 99.39 | 129.12 |
| **Total** | **474.12** | **276.66** |

## NOTE 15

### Equity share capital

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Numbers | Amount (In Lakhs) | Numbers | Amount (In Lakhs) |
| **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** | | | | |
| Equity shares of Rs. 10/- each | | | | |
| Opening balance | 2,99,32,148 | 2,993.21 | 2,98,52,113 | 2,985.21 |
| Issued during the year for options | 1,14,865 | 11.49 | 80,035 | 8.00 |
| **Total** | **3,00,47,013** | **3,004.70** | **2,99,32,148** | **2,993.21** |

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

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Numbers | % Holding | Numbers | % Holding |
| Life Insurance Corporation Of India | 28,52,133 | 9.49% | 28,68,230 | 9.58% |
| CRISIL Limited | 26,22,431 | 8.73% | 26,22,431 | 8.76% |
| Nippon Life India Trustee Ltd A/C Nippon India (MUL) | 23,78,717 | 7.92% | 23,90,187 | 7.99% |
| Pari Washington India Master Fund Ltd. | 18,00,944 | 5.99% | 17,50,956 | 5.85% |
| **Total** | **96,54,225** | **32.13%** | **96,31,804** | **32.18%** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| | Numbers | Numbers |
| Equity shares at the beginning of the year | 2,99,32,148 | 2,98,52,113 |
| Add: Shares issued under employee stock options scheme (ESOS) | 1,14,865 | 80,035 |
| **Equity Shares at the end of the year** | **3,00,47,013** | **2,99,32,148** |

### 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.

**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 Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Capital redemption reserve | 22.92 | 22.92 |
| Securities premium | 10,139.51 | 9,256.35 |
| Share options outstanding account | 481.78 | 541.35 |
| General reserve | 22,184.38 | 22,184.38 |
| Retained earnings | 61,523.15 | 49,779.46 |
| Equity instruments through other comprehensive income | 1,006.35 | 1,006.35 |
| **Total Other Equity** | **95,358.09** | **82,790.81** |

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 17

### Provisions

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 31) | 553.35 | 509.34 |
| Compensated absence | 822.00 | 753.33 |
| **Total** | **1,375.35** | **1,262.67** |

## Note 17a

### Other financial liability

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Security deposit - Payable | 1.80 | - |
| **Total** | **1.80** | **-** |

## NOTE 18

### Deferred tax liabilities (net)

(Rs. in Lakhs)

| Particulars | April 01, 2025 | Recognised in statement of profit and loss account | Recognised in other comprehensive income | March 31, 2026 |
|---|---|---|---|---|
| **Deferred tax liability** | | | | |
| Depreciation on property, plant and equipment & intangible assets | 1,250.72 | 6.17 | - | 1,256.89 |
| Unrealized gain on fair valuation of investments. | 229.95 | (38.37) | 2.06 | 193.64 |
| **Deferred tax asset** | | | | |
| Provisions for employee benefits | (378.85) | (35.05) | (3.85) | (417.75) |
| Others | (441.66) | 11.52 | - | (430.14) |
| **Total** | **660.16** | **(55.73)** | **(1.79)** | **602.64** |

(Rs. in Lakhs)

| Particulars | April 01, 2024 | Recognised in statement of profit and loss account | Recognised in other comprehensive income | March 31, 2025 |
|---|---|---|---|---|
| **Deferred tax liability** | | | | |
| Depreciation on property, plant and equipment & intangible assets | 1,263.94 | (13.22) | - | 1,250.72 |
| Unrealized gain on fair valuation of investments. | 94.11 | 63.46 | 72.38 | 229.95 |
| **Deferred tax asset** | | | | |
| Provisions for employee benefits | (365.13) | 14.08 | (27.80) | (378.85) |
| Others | (445.80) | 4.14 | - | (441.66) |
| **Total** | **547.11** | **68.46** | **44.58** | **660.16** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 19

### Other financial liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Others | 6.52 | 6.59 |
| Unclaimed dividend | 17.88 | 21.62 |
| Provision for Salary, Performance related pay and commission | 3,205.50 | 2,590.00 |
| **Total** | **3,229.90** | **2,618.21** |

## NOTE 20

### Other current liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Statutory dues | 938.86 | 865.69 |
| Contract Liabilities* | 3,338.99 | 2,879.74 |
| **Total** | **4,277.85** | **3,745.43** |

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

## NOTE 21

### Provisions

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Provision for employee benefits** | | |
| Compensated absence | 284.49 | 242.61 |
| **Provision for others** | | |
| Other provisions (refer note 29) | 100.00 | 100.00 |
| **Total** | **384.49** | **342.61** |

## NOTE 22

### Trade Payables

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Trade payables** | | |
| (a) Total outstanding dues of micro enterprises and small enterprises (refer Note 41) | 17.81 | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 803.97 | 817.34 |
| **Total** | **821.78** | **817.34** |

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Trade payables to Related Parties | - | - |
| Trade payables to Others | 821.78 | 817.34 |
| **Total** | **821.78** | **817.34** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

### Trade payables ageing schedule

(Rs. in Lakhs)

| Particulars<br>As at March 31, 2026 | 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 | |
| (i) MSME | - | 17.81 | - | - | - | 17.81 |
| (ii) Others | 799.79 | 4.18 | - | - | - | 803.97 |
| (iii) Disputed Dues – MSME | - | - | - | - | - | - |
| (iv) Disputed Dues – Others | - | - | - | - | - | - |
| **Total** | **799.79** | **21.99** | **-** | **-** | **-** | **821.78** |

(Rs. in Lakhs)

| Particulars<br>As at March 31, 2025 | 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 | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 780.27 | 37.07 | - | - | - | 817.34 |
| (iii) Disputed Dues – MSME | - | - | - | - | - | - |
| (iv) Disputed Dues – Others | - | - | - | - | - | - |
| **Total** | **780.27** | **37.07** | **-** | **-** | **-** | **817.34** |

## NOTE 23

### Revenue from operations

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| **Sale of Services** | | |
| Rating Income (including Surveillance)* | 38,772.22 | 33,668.50 |
| **Total revenue from operations** | **38,772.22** | **33,668.50** |

*Rating Income (including Surveillance) includes Provision for discount/credit note of Rs. 8.15 lakhs (PY Rs. 24.28 lakhs).

### (a) Revenue recognized from past performance obligations

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Rating Income | 259.44 | 107.37 |
| **Total** | **259.44** | **107.37** |

### (b) Unearned revenue

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Revenue to be recognised in:** | | |
| FY 26-27 | 1,296.72 | - |
| FY 25-26 | - | 1,144.79 |
| **Total** | **1,296.72** | **1,144.79** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Rating income | 1,403.69 | 1,078.49 |
| **Total** | **1,403.69** | **1,078.49** |

**(d) Transaction price allocated to remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2026 are, as follows:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Within one year | 1,296.72 | 1,144.79 |
| More than one year | - | - |
| **Total** | **1,296.72** | **1,144.79** |

**(e) Disaggregation of revenue**

*Timing of recognition of revenue*

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| At a point in time | 2,083.79 | 2,103.69 |
| Over time | 36,688.43 | 31,564.81 |
| **Total** | **38,772.22** | **33,668.50** |

*Geographic revenue*

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Within India | 38,680.01 | 33,653.16 |
| Outside India | 92.21 | 15.34 |
| **Total** | **38,772.22** | **33,668.50** |

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

**(g) Contract balances**

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

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Receivables, which are included in trade receivables | 2,542.62 | 2,247.51 |
| Contract assets | 35.30 | 16.71 |
| Contract liabilities | 3,338.99 | 2,879.74 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 24
### Other Income

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Interest income | 4,610.81 | 4,237.27 |
| Dividend income | 283.60 | 180.93 |
| Interest on Income Tax Refund | - | 48.64 |
| Gain on fair valuation of investments through profit and loss -unrealised | 2.17 | 251.35 |
| Gain on fair valuation of investments through profit and loss - realised | 320.11 | 184.99 |
| Miscellaneous income | 351.28 | 235.86 |
| **Total** | **5,567.97** | **5,139.04** |

## NOTE 25
### Employee benefits expense

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Salaries and other allowances | 14,846.85 | 13,371.02 |
| Contribution to provident, gratuity and other funds (refer Note 31) | 889.64 | 722.47 |
| Employee shared-based payment expense (refer Note 35) | 114.54 | 141.67 |
| Staff welfare expenses | 413.10 | 388.7 |
| **Total** | **16,264.13** | **14,623.86** |

## NOTE 26
### Finance costs

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Interest on lease liabilities (refer note 42) | 158.53 | 158.33 |
| **Total Finance costs** | **158.53** | **158.33** |

## NOTE 27
### Depreciation and amortization expense

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Property, plant and equipment (refer note 2) | 577.64 | 505.12 |
| Right-of-use assets (refer note 42) | 266.18 | 248.32 |
| Intangible assets (refer note 3 (a)) | 57.74 | 40.82 |
| **Total depreciation and amortization expense** | **901.56** | **794.26** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 28

### Other expenses

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Electricity Charges | 104.00 | 103.80 |
| Postage and telephone charges | 59.17 | 90.38 |
| Rent | 3.28 | 12.55 |
| Travelling and conveyance expenses | 450.59 | 406.78 |
| Directors' sitting fees | 96.50 | 66.00 |
| Commission paid to independent directors | 186.13 | - |
| Insurance premium | 40.36 | 45.62 |
| Legal expenses | 136.01 | 65.68 |
| Professional fees | 568.63 | 473.19 |
| Off-roll manpower cost | 119.31 | 96.85 |
| Rates and taxes | 114.19 | 77.73 |
| Repairs and maintenance | | |
| - Buildings | 122.96 | 154.99 |
| - Others | 63.89 | 81.96 |
| Advertisement and sponsorship expenses | 109.25 | 95.34 |
| Security, housekeeping and office supplies | 183.10 | 188.03 |
| Membership and subscription | 121.45 | 99.40 |
| Provision for bad and doubtful debts | (39.88) | 57.08 |
| Bad debts written off | 1.83 | 0.64 |
| Auditors remuneration | | |
| - Audit fees (including limited review fees) | 38.09 | 39.30 |
| - Tax audit fees | 1.69 | 1.50 |
| - Other services | 3.20 | 3.10 |
| - Reimbursement to auditors | 2.70 | 0.80 |
| Corporate social responsibility (refer note 43) | 330.00 | 275.00 |
| Technology Cost | 784.06 | 686.46 |
| Recruitment expenses | 55.71 | 105.51 |
| Miscellaneous expenses | 112.52 | 301.75 |
| **Total** | **3,768.74** | **3,529.44** |

## 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 31 March 2026 aggregates Rs 100.00 Lakhs (Previous year Rs. 100 lakhs) This includes provision of Rs. 100.00 Lakhs 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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 Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Opening balance** | **100.00** | **121.00** |
| Charge/(Reversal) for the year | - | (7.95) |
| Payment | - | (13.05) |
| **Closing balance** | **100.00** | **100.00** |

**(C)** Guarantees given by Bank on behalf of the subsidiary company in respect of lien marked deposits placed by the Company is Nil (Previous Year Nil)

## 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. 214.67 Lakhs (March 31, 2025 – Rs. 695.51 Lakhs).

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 losses 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.

***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 Lakhs)

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | As at March 31, 2026 | As at March 31, 2025 |
| **i. Change in present value of obligations:** | | |
| **Opening defined benefit obligation** | **1,577.74** | **1,471.50** |
| Current service cost | 162.04 | 135.94 |
| Past service cost | 60.08 | - |
| Interest cost | 97.82 | 93.73 |
| Actuarial (gain)/loss on obligations due to change in financial assumptions | (27.16) | 2.15 |
| Actuarial (gains)/losses on obligations - due to change in demographic assumptions | - | 10.64 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | As at March 31, 2026 | As at March 31, 2025 |
| Actuarial (gain)/loss on obligations due to experience | 68.18 | 52.41 |
| Benefits payment from plan assets | (129.65) | (167.01) |
| Benefits paid by the employer | - | (21.62) |
| **Closing defined benefit obligations** | **1,809.04** | **1,577.74** |
| **ii. Change in fair value of plan assets:** | | |
| Opening fair value of the plan assets | 1,068.40 | 1,007.11 |
| Expected return on plan assets | 70.19 | 72.31 |
| Contribution by the employer | 221.04 | 201.20 |
| Benefits payment from plan assets | (129.65) | (167.01) |
| Actuarial Gain/(Loss) on plan assets | 25.71 | (45.21) |
| **Closing fair value of the plan assets** | **1,255.69** | **1,068.40** |
| **iii. Net asset / (liability) recognized in the balance sheet** | | |
| Defined benefit obligation | (1,809.04) | (1,577.74) |
| Fair value of plan assets | 1,255.69 | 1,068.40 |
| **Net asset / (liability)** | **(553.36)** | **(509.34)** |
| **iv. Expenses recognized in the statement of profit and loss** | | |
| Current service cost | 162.04 | 135.94 |
| Past service cost | 60.08 | - |
| Interest on defined benefit obligations | 27.62 | 21.42 |
| Past service cost | - | - |
| **Amount recognized in statement of profit and loss** | **249.74** | **157.36** |
| **v. Re-measurements recognized in other comprehensive income (OCI):** | | |
| Actuarial (gains)/losses on obligation for the period | 41.02 | 65.20 |
| Expected return on plan assets ((greater)/less than discount rate) | (25.71) | 45.21 |
| **Amount recognized (gain)/loss in other comprehensive income (OCI)** | **15.31** | **110.41** |
| **vi. Maturity profile of defined benefit obligation:** | | |
| Within the next 12 months | 308.99 | 253.02 |
| Between 1 and 5 years | 1,002.21 | 853.06 |
| Between 5 and 10 years | 709.26 | 607.29 |
| 10 Years and above | 638.72 | 614.10 |
| **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.) | 6.89% | 6.57% |
| Expected return on plan assets (p.a.) | 6.89% | 6.57% |
| Withdrawal rate | For service 4 years and below 30.00% p.a. For service 5 years and above 15.00% p.a. | For service 4 years and below 30.00% p.a. For service 5 years and above 15.00% p.a. |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | As at March 31, 2026 | As at March 31, 2025 |
| Mortality tables | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |
| Salary escalation Rate (p.a.) | 9.00% p.a | 9.00% p.a |
| Retirement age | 60 years | 60 years |
| **ix. Weighted average expected future working life (years)** | 3.09 years | 3.08 years |
| **x. Sensitivity analysis for significant assumptions:*** | | |
| Increase present value of defined benefits obligation at the end of the year | 1,816.16 | 1,577.86 |
| 1% increase in discount rate | (79.78) | (73.02) |
| 1% decrease in discount rate | 87.75 | 80.73 |
| 1% increase in salary escalation rate | 37.43 | 45.53 |
| 1% decrease in salary escalation rate | (36.82) | (45.13) |
| 1% increase in employee turnover rate | 7.12 | 0.12 |
| 1% decrease in employee turnover rate | (8.10) | (0.20) |

*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. 183.21 Lakhs.***

**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. 320.1 Lakhs (March 31, 2025 - Rs. 250.67 Lakhs).

**C. Defined contribution plans:**

Amount recognized as an expense and included in Note 25 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss is Rs. 596.07 Lakhs (March 31, 2025- Rs. 519.98 Lakhs).

**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 25 under the head "Contribution to Provident and other Funds" is Rs. 43.84 Lakhs (March 31,2025 – Rs. 45.14 Lakhs).

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

### E. Long term incentive:

Amount recognized as an expense and included in Note 25 under the head "Salaries and other allowances " of Statement of Profit and Loss is Rs. 209.46 Lakhs (March 31, 2025 - Rs. 138.62 Lakhs).

### E. Movement in Statutory Bonus and Performance related pay:

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **(a): Statutory Bonus** | | |
| Opening Balance | 125.16 | 117.80 |
| Add: Provision for the year | 45.21 | 43.96 |
| Less: Paid during the year | (32.48) | (36.61) |
| Less: Reversal during the year | (92.68) | - |
| Closing Balance | 45.21 | 125.16 |
| **(b): Performance related pay** | | |
| Opening Balance | 2,008.74 | 1,459.25 |
| Add: Provision for the year | 2,445.53 | 2,009.92 |
| Less: Paid during the year | (1,812.96) | (1,345.05) |
| Less: Reversal during the year | (195.78) | (115.37) |
| Closing Balance | 2,445.53 | 2,008.74 |

## 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, 2026 | As at March 31, 2025 |
| **Related party where control exists** | | | |
| CARE Analytics and Advisory Private Limited | Wholly Owned Subsidiary | 100.00% | 100.00% |
| CARE ESG Ratings Limited | Wholly Owned Subsidiary | 100.00% | 100.00% |
| CareEdge Global IFSC Limited (w.e.f April 29,2024) | Wholly Owned Subsidiary | 100.00% | 100.00% |
| CARE Ratings (Africa) Private Limited | Subsidiary | 78.00% | 78.00% |
| CARE Ratings South Africa (Pty) Limited | Subsidiary | 78.00% | 78.00% |
| CARE Ratings (Nepal) Limited | Subsidiary | 51.00% | 51.00% |

### B. Other Related Parties:

| Name of Related Parties | Nature of Relationship |
|---|---|
| **Key management personnel:** | |
| Mr. Mehul Pandya | Managing Director & Group CEO |
| Mr. Najib Shah | Independent Director upto 10th July, 2025 |
| Mr. Venkatadri Chandrasekaran | Independent Director |
| Mr. Adesh Kumar Gupta | Independent Director upto 9th July, 2024 |
| Ms. Sonal Gunvant Desai | Independent Director upto 10th July, 2025 |
| Dr. M Mathisekaran | Independent Director upto 10th July, 2025 |
| Mr. Gurumoorthy Mahalingam | Independent Director |
| Mr. S.M. Jain | Non-Executive Non-Independent Director upto 27th January, 2026 |
| Mr. Manoj Chugh | Independent Director w.e.f. 9th May, 2024 |
| Mr. Rajiv Bansal | Independent Director w.e.f. 30th May, 2025 |
| Ms. Indrani Banerjee | Independent Director w.e.f. 30th May, 2025 |
| Dr. Bimal Patel | Independent Director w.e.f. 12th November, 2025 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

(Rs. in Lakhs)

| Name of the related party | Relationship | Nature of transactions | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|---|
| CARE Analytics and Advisory Private Limited | Wholly owned subsidiary | Loan given to | 400.00 | - |
| | | Loan repaid by | (200.00) | - |
| | | Investments in Preference shares | - | 600.00 |
| | | **CARE as a provider of service** | | |
| | | Interest income | 120.08 | 115.09 |
| | | Personal recharge cost | 12.00 | 14.29 |
| | | Reimbursement of expenses | 2.52 | - |
| | | ESOP Recharge | 13.99 | 39.82 |
| | | Issue rating tracker sale of service | 3.50 | 3.50 |
| | | IT recharge cost | - | 7.41 |
| | | Rent income | - | 57.31 |
| | | **CARE as a receiver of service** | | |
| | | Computer software purchased | - | 9.63 |
| | | Professional fees for advisory service | 34.73 | 32.25 |
| | | Consultancy fees paid to | 23.98 | - |
| | | Asset under development | 33.75 | - |
| | | AMC of software | 1.80 | 3.60 |
| CARE ESG Ratings Limited | Wholly owned subsidiary | **CARE as a provider of service** | | |
| | | Rent income | 56.56 | 56.56 |
| | | Personal recharge cost | 12.00 | 12.00 |
| | | Manpower cost recharge | - | 4.75 |
| | | Reimbursement of expenses | 2.02 | - |
| | | IT recharge cost | - | 3.10 |
| | | Business sourcing fees | 15.91 | 5.49 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Name of the related party | Relationship | Nature of transactions | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|---|
| CareEdge Global IFSC Limited (w.e.f April 29,2024) | Wholly owned subsidiary | Investment in Equity shares | - | 3,000.00 |
| | | **CARE as a provider of service** | | |
| | | ESOP Recharge | 47.20 | 6.15 |
| | | Royalty | 44.93 | 9.81 |
| | | Business sourcing | 79.05 | 20.72 |
| | | Manpower cost recharge | 2.01 | 11.84 |
| | | Personal Recharge | 12.00 | 12.00 |
| | | Professional fees | 5.23 | 14.25 |
| | | Salary & related benefits reimbursement | 51.35 | 59.47 |
| | | Other expenses - reimbursement | 0.38 | 16.60 |
| | | Rent | 20.46 | - |
| | | IT Recharge Cost | - | 11.08 |
| | | Preliminary expe - reimbursement | - | 55.88 |
| | | **CARE as a receiver of service** | | |
| | | Other expenses - reimbursement | 14.34 | - |
| CARE Ratings (Africa) Private Limited (CRAF) | Subsidiary | **CARE as a provider of service** | | |
| | | Royalty | 59.41 | 46.78 |
| | | IT Recharge Cost | 27.46 | 10.89 |
| | | Other expenses - reimbursement | 0.87 | 4.60 |
| | | Dividend income | 167.85 | 67.75 |
| CARE Ratings Nepal Limited (CRNL) | Subsidiary | **CARE as a provider of service** | | |
| | | Dividend income | 95.54 | 95.54 |
| | | IT recharge Cost | 17.87 | 8.88 |
| | | Sitting fees income | 0.50 | 0.35 |
| | | Royalty | 37.53 | 31.45 |
| Mr. Mehul Pandya | Managing Director & Group CEO | Remuneration (excl. ESOP) | 668.69 | 542.70 |
| Mr. Najib Shah | Independent Director | Director sitting fees | 5.00 | 9.50 |
| | | Commission expense | 8.74 | 36.36 |
| Mr. Adesh Kumar Gupta | Independent Director | Director sitting fees | - | 2.00 |
| | | Commission expense | - | 4.55 |
| Dr. M Mathisekaran | Independent Director | Director sitting fees | 4.00 | 8.00 |
| | | Commission expense | 5.82 | 18.18 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Name of the related party | Relationship | Nature of transactions | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|---|
| Mrs. Sonal Gunvant Desai | Independent Director | Director sitting fees | 5.50 | 10.50 |
| | | Commission expense | 5.82 | 18.18 |
| Mr. Venkatadri Chandrasekaran | Independent Director | Director sitting fees | 16.50 | 11.50 |
| | | Commission expense | 32.03 | 18.18 |
| Mr. Gurumoorthy Mahalingam | Independent Director | Director sitting fees | 15.50 | 10.00 |
| | | Commission expense | 23.29 | 18.18 |
| Mr. S.M. Jain | Non-Executive Non-Independent Director | Director sitting fees | 9.00 | 8.50 |
| | | Commission expense* | 23.29 | 18.18 |
| Mr. Rajiv Bansal | Independent Director | Director sitting fees | 11.50 | - |
| | | Commission expense | 23.29 | - |
| Dr. Bimal Patel | Independent Director | Director sitting fees | 5.00 | - |
| | | Commission expense | 9.71 | - |
| Ms. Indrani Banerjee | Independent Director | Director sitting fees | 11.00 | - |
| | | Commission expense | 23.29 | - |
| Mr. Manoj Chugh | Independent Director | Director sitting fees | 13.50 | 6.00 |
| | | Commission expense | 23.29 | 18.18 |

*The LIC has nominated director, hence commission expenses is directly paid/Payable to LIC.

## D. Outstanding balances:

(Rs. in Lakhs)

| Name of the related party | Relationship | Nature of transactions | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|
| CARE Analytics and Advisory Private Limited | Wholly owned subsidiary | ESOP amount receivable/ (Payable) | (3.22) | 18.36 |
| | | Other amount receivable | 5.98 | - |
| | | Other liabilties | - | 15.96 |
| | | Investments in preference share | 2,650.00 | 2,650.00 |
| | | Loan given | 1,450.60 | 1,250.60 |
| CARE ESG Ratings Limited | Wholly owned subsidiary | Other receivable | 9.53 | 5.49 |
| CareEdge Global IFSC Limited (w.e.f April 29,2024) | Wholly owned subsidiary | ESOP amount receivable | 4.34 | 4.93 |
| | | Reimbursement salary cost receivable | - | 45.71 |
| | | Manpower cost recharge receivable | - | 16.45 |
| | | Professional cost receivable | - | 14.25 |
| | | Other expenses reimbursement | - | 11.75 |
| | | IT recharge cost receivable | - | 11.08 |
| | | Royalty receivable | 44.93 | 9.81 |
| | | Other receivable | 25.08 | 20.72 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Name of the related party | Relationship | Nature of transactions | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|
| CARE Ratings (Africa) Private Limited (CRAF) | Subsidiary | Other receivables IT cost | 27.46 | - |
| | | Royalty receivable | 59.41 | 46.50 |
| | | Other receivable | 0.87 | - |
| CARE Ratings Nepal Limited (CRNL) | Subsidiary | Other receivables | - | 15.49 |
| | | Sitting fees receivable | 0.30 | 0.24 |
| | | Other receivables - IT cost | 15.75 | 12.16 |
| | | Royalty receivable | 25.10 | 19.52 |

## E. Compensation of Key Management Personnel of the company

(Rs. in Lakhs)

| Nature of Transaction/Relationship | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **A.** | | |
| - Short term employee benefits | 658.87 | 534.51 |
| - Other long terms benefits | 9.83 | 8.19 |
| - Share based payments* | 5.53 | 25.91 |
| **Total (A)** | **674.23** | **568.61** |
| **B.** Director's sitting fees | 96.50 | 66.00 |
| **C.** 'Director's commission | 186.13 | 150.00 |
| **Total Compensation (A+B+C)** | **956.86** | **784.61** |

*Share based payments refer to amounts charged to the statement of Profit and Loss account, being charge on ESOP granted to Key Management Personnel as per ESOS 2020 schemes based on Fair Value method. (Refer Note No.35 for more details related to ESOP)

## NOTE 33: EARNINGS PER EQUITY SHARE (EPS):

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **A) Basic EPS** | | |
| (i) Net Profit attributable to Equity shareholders | 17,439.23 | 14,799.36 |
| (ii) Weighted average number of Equity shares outstanding | 3,00,01,377 | 2,99,03,876 |
| **Basic Earnings Per Share (i)/(ii)** | **58.13** | **49.49** |
| **B) Diluted EPS** | | |
| (i) Weighted average number of Equity shares outstanding | 3,00,01,377 | 2,99,03,876 |
| (ii) Add: Potential Equity shares on exercise of option | 1,19,281 | 1,35,029 |
| (iii) Weighted average number of Equity shares outstanding for calculation of Dilutive EPS | 3,01,20,658 | 3,00,38,904 |
| **Diluted EPS {(A)(i)/(B)(iii)}** | **57.90** | **49.27** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 34: INCOME TAXES:

**The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **A. Income tax expense recognized in Statement of Profit and Loss:** | | |
| **Current tax** | | |
| Income Tax for Current Year | 5,863.74 | 4,891.17 |
| Tax Adjustment for earlier years | - | (57.35) |
| **Total** | **5,863.74** | **4,833.82** |
| **Deferred tax** | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | (55.74) | 68.47 |
| **Total** | **(55.74)** | **68.47** |
| **Total tax expense recognized in the standalone statement of profit and loss** | **5,808.00** | **4,902.29** |

**B. Deferred tax recognized in other comprehensive income:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Remeasurements of defined benefit obligation | 3.85 | 27.79 |
| Fair value of investments | (2.06) | (72.37) |
| **Income tax (charged) / credited to other comprehensive income** | **1.79** | **(44.58)** |

**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 Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Accounting profit before tax | 23,247.23 | 19,701.65 |
| Tax using Comapany's domestic tax rate 25.168% (previous year 25.168%) | 5,850.86 | 4,958.51 |
| **Effect of:** | | |
| Non-deductible expenses | 121.40 | 15.45 |
| Tax Adjustment for earlier years | - | (57.35) |
| Exempt Income | (108.52) | (82.79) |
| Others | (55.74) | 68.47 |
| **Total tax expense** | **5,808.00** | **4,902.29** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 35: SHARE BASED PAYMENTS:

The company has granted 851000 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 | 322000 to others | 123500 to others | 25000 to others | 1,00,000 to others | 72000 to others | 10000 to others | 105000 to others | 6000 to others | 22000 to others | 26000 to others | 7500 to others | 27000 to others | 5000 to others |
| Method of Accounting | Fair Value method | | | | | | | | | | | | |
| Vesting Plan | 1/3rd on completion of one year from the grant date<br>1/3rd on completion of two years from the grant date<br>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 | August 7, 2024 | October 22, 2024 | May 10, 2025 | November 08, 2025 | November 12, 2025 |
| 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 | Rs. 939/ share | Rs. 1122/ share | Rs. 1214/ share | Rs. 1567/ share | Rs. 1567/ share |
| Fair value on the date of grant of option (Per share) | Rs. 249.24/ share<br>Rs. 282.97/ share<br>Rs. 310.18/ share | Rs. 187.89/ share<br>Rs. 232.29/ share<br>Rs. 269.57/ share | Rs. 103.04/ share<br>Rs. 145.44/ share<br>Rs. 150.02/ share | Rs. 109.41/ share<br>Rs. 148.04/ share<br>Rs. 151.59/ share | Rs. 119.29/ share<br>Rs. 164.91/ share<br>Rs. 182.99/ share | Rs. 149.56/ share<br>Rs. 205.08/ share<br>Rs. 234.40/ share | Rs. 191.20/ share<br>Rs. 251.62/ share<br>Rs. 305.91/ share | Rs. 191.20/ share<br>Rs. 251.62/ share<br>Rs. 305.91/ share | Rs. 185.72/ share<br>Rs. 242.20/ share<br>Rs. 298.16/ share | Rs. 185.72/ share<br>Rs. 242.20/ share<br>Rs. 298.16/ share | Rs. 296.57/ share<br>Rs. 354.92/ share<br>Rs. 414.03/ share | Rs. 301.82/ share<br>Rs. 370.39/ share<br>Rs. 435.31/ share | Rs. 272.99/ share<br>Rs. 341.02/ share<br>Rs. 404.23/ share |
| Method of Settlement | Equity | | | | | | | | | | | | |

### B. Movement of Options granted:

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| | ESOS (2020) (Others) | ESOS (2020) (Others) |
| **Options outstanding at beginning of the year** | **3,40,700** | **3,69,434** |
| Granted during the year | 39,500 | 48,000 |
| Exercised during the year | (1,16,715) | (63,234) |
| Lapsed during the year | (3,334) | (13,500) |
| **Options outstanding at the end of the year** | **2,60,151** | **3,40,700** |
| **Options unvested at the end of year** | **1,00,168** | **2,92,700** |
| **Options exercisable at the end of the year** | **1,59,983** | **48,000** |
| Weighted Average exercise price | Rs. 416 - Rs. 1,567 | Rs. 416 - Rs. 939 |
| Weighted average remaining contractual life (years) | 0.39 to 3.62 | 0.62 to 3.36 |

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. 114.54 Lakhs (Previous Year Rs. 141.67 Lakhs) has been charged to the current year Statement of Profit and Loss.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

### 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 the date of grant using Black – Scholes-Merton Formula. The key assumptions and the Fair Value are as under:

| Particular | ESOS 2020 Other employees |
|---|---|
| Risk free interest rate (%) | 4.01%-7.59% |
| Option life (Years) | 3 years to 5 years |
| Expected volatility | 28.81% - 60.25% |
| Expected dividend yield (%) | 0.96% - 3.83% |
| Weighted average fair value per option | Rs. 107.77 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 Lakhs)

| Nature of Transaction/Relationship | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total Carrying Amount | 481.78 | 541.35 |

## NOTE 36: FINANCIAL INSTRUMENTS: DISCLOSURE:

### A. Classification of financial assets and liabilities:

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Financial assets at amortized cost:** | | |
| Investment (non-current) | 4,069.53 | 1,880.28 |
| Loans (non-current) | 1,594.16 | 1,360.24 |
| Investment (current) | 1,941.89 | - |
| Loans (current) | 177.33 | 123.83 |
| Trade receivables | 2,542.62 | 2,247.51 |
| Cash and cash equivalents | 1,727.47 | 2,634.87 |
| Other bank balances | 5,054.45 | 21.62 |
| Other financial assets (non-current) | 22,509.80 | 66.70 |
| Other financial assets (current) | 46,045.35 | 54,895.70 |
| **Financial assets at fair value through profit and loss:** | | |
| Investments (non-current) | - | 8,976.65 |
| **Financial assets at fair value through OCI:** | | |
| Investment (non-current) | 2,558.92 | 2,544.48 |
| **Total** | **88,221.51** | **74,751.88** |
| **Financial liabilities at amortized cost:** | | |
| Lease liabilities (non current) | 1,328.96 | 1,436.58 |
| Lease liabilities (current) | 228.39 | 134.79 |
| Trade payables | 821.78 | 817.34 |
| Other Financial Liabilities (Non current) | 1.80 | - |
| Other financial liabilities (current) | 3,229.90 | 2,618.21 |
| **Total** | **5,610.83** | **5,006.92** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

As on March 31, 2026 and March 31, 2025, The Company has investments in Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) 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 Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Financial assets at fair value through OCI: | | |
| - Malaysian Rating Corporation Berhad | 2,348.54 | 2,334.10 |
| - Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) | 209.85 | 209.85 |
| **Total** | **2,558.39** | **2,543.95** |

The Company has received Rs. 20.21 Lakhs (Previous Year Rs. 17.64 Lakhs) as Dividend from Malaysian Rating Corporation Berhad and has recognized in the Statement of Profit and Loss under Note –24 - Other Income.

## 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 Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) is classified under Level 3. The details are given in the table below:

(Rs. in Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **As at March 31, 2026** | | | |
| **Investments measured at** | | | |
| Fair Value through OCI | - | - | 2,558.39 |
| Fair Value through Profit and Loss | - | - | - |
| Amortised cost | 6,140.59 | - | - |
| **As at March 31, 2025** | | | |
| **Investments measured at** | | | |
| Fair Value through OCI | - | - | 2,543.95 |
| Fair Value through Profit and Loss | - | 8,976.65 | - |
| Amortised cost | 1,955.50 | - | - |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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, 2026 and 2025.

The Group has utilized the expertise of its external valuer to value the investments in Malaysian Rating Corporation Berhad and for Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company), valuation has been done based on NAV.

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 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 & net asset value of the underlying investee company. 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 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company is a Debt Free Company. The principal financial liabilities of the Company comprise of lease liability, 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:**

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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

***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 Lakhs)

| Description | Currency | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|---|
| | | Amount in FC | Amount in Rs. | Amount in FC | Amount in Rs. |
| Other Receivable | NPR | 65.35 | 40.85 | 51.09 | 31.93 |
| Other Receivable | USD | 0.29 | 27.46 | 0.96 | 81.65 |
| Other payable | USD | 0.23 | 21.81 | 0.01 | 0.56 |
| Trade Receivables | USD | 1.00 | 94.86 | 0.45 | 37.50 |

***Foreign Currency Sensitivity on unhedged exposure:***

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

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| USD | 1.44 | 1.63 |
| NPR | 0.41 | 2.18 |

**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 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, 2026 is Rs. 2,542.62 Lakhs (March 31, 2025 - Rs. 2,247.51 Lakhs). 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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Opening Provision** | **63.58** | **6.50** |
| Add: Provided during the Year | (39.88) | 57.08 |
| Less: Utilized during the Year | - | - |
| **Closing Provision (refer note 9)** | **23.70** | **63.58** |

## (C) Liquidity Risk

**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 Scheduled Commercial 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 PSU Banks etc. These Mutual Funds and Counterparties have low credit 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 & financial assets based on contractual undiscounted payments.

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Financial assets at amortized cost:** | | |
| Investment (non-current) | 4,069.53 | 1,880.28 |
| Loans (non-current) | 1,594.16 | 1,360.24 |
| Loans (current) | 177.33 | 123.83 |
| Trade receivables | 2,542.62 | 2,247.51 |
| Cash and cash equivalents | 1,727.47 | 2,634.87 |
| Other bank balances | 5,054.45 | 21.62 |
| Other financial assets (non-current) | 22,509.80 | 66.70 |
| Other financial assets (current) | 46,045.35 | 54,895.70 |
| **Financial assets at fair value through OCI:** | | |
| Investment (non-current) | 2,558.92 | 2,544.48 |
| **Total** | **88,221.51** | **74,751.88** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| As at March 31, 2026 | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Trade payables | 821.78 | - | - | 821.78 |
| **Other current financial liabilities** | | | | |
| Other Liabilities | 6.52 | - | - | 6.52 |
| Unclaimed Dividend | 17.88 | - | - | 17.88 |
| Provision for Salary, Performance Related Pay and Commission | 3,205.50 | - | - | 3,205.50 |
| Lease liabilities. (refer Note 42) | 366.70 | - | - | 366.70 |
| Other Financial liabilities | - | 1.80 | - | 1.80 |
| Lease liabilities (refer Note 42) | - | 1,369.17 | 296.11 | 1,665.28 |
| **Total** | **4,418.38** | **1,370.97** | **296.11** | **6,085.46** |

(Rs. in Lakhs)

| As at March 31, 2025 | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Trade payables | 817.34 | - | - | 817.34 |
| **Other current financial liabilities** | | | | |
| Other Liabilities | 6.59 | - | - | 6.59 |
| Unclaimed Dividend | 21.62 | - | - | 21.62 |
| Provision for Salary, Performance Related Pay and Commission | 2,590.00 | - | - | 2,590.00 |
| Lease liabilities. (refer Note 42) | 280.27 | - | - | 280.27 |
| **Other non current financial liabilities** | | | | |
| Lease liabilities (refer Note 42) | - | 1,267.94 | 632.59 | 1,900.53 |
| **Total** | **3,715.82** | **1,267.94** | **632.59** | **5,616.35** |

## NOTE 39: DISTRIBUTION MADE AND PROPOSED:

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Cash dividends on equity shares declared and paid for the Company:** | | |
| Final dividend paid in FY 26 for the year ended on March 31, 2025: Rs. 11.00/- per share for 2,99,58,081 equity shares. (Final dividend paid in FY 25 for the year ended on March 31, 2024: Rs. 11.00/- per share) | 3,295.39 | 3,286.50 |
| Interim Dividend declared and paid for the year ended March 31,2026 Rs. 8/- per share for 3,00,13,363 equity shares (March 31, 2025: Interim Rs. 7.00/- per share) | 2,401.07 | 2,093.60 |
| **Total Dividend paid** | **5,696.46** | **5,380.10** |
| **For FY 26, proposed dividends on equity shares are subject to approval at the AGM (not recognized as a liability):** | | |
| Final dividend declared for the year ended on March 31, 2026: Rs. 14 /- Per share, (March 31, 2025: Rs. 11.00/-per share) | 4,206.58 | 3,292.53 |
| **Total dividend proposed** | **4,206.58** | **3,292.53** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## 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 Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **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 | 17.81 | - |
| 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, 2026 and March 31, 2025:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Balance at the beginning of the year** | **1382.70** | **1570.38** |
| Additions made during the year | 179.63 | 60.64 |
| Depreciation charged | (266.18) | (248.32) |
| **Balance as at end of the year** | **1,296.15** | **1,382.70** |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

**Amounts recognized in profit and loss:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Depreciation expense on Right-of-use assets | 266.18 | 248.32 |
| Interest expense on Lease liabilities | 158.53 | 158.33 |
| Expense relating to short-term leases | 3.28 | 12.55 |
| **Total** | **427.99** | **419.20** |

**The following is the break-up of current and non-current Lease liabilities as at March 31, 2026 and March 31, 2025:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Lease Liabilities - Current | 228.39 | 134.79 |
| Lease Liabilities - Non-current | 1,328.96 | 1,436.58 |
| **Total** | **1,557.35** | **1,571.37** |

**The following is the movement in Lease liabilities during the year ended March 31,2026 and March 31,2025:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Balance at the beginning of the year** | **1,571.38** | **1,669.17** |
| Additions made during the year | 172.08 | 58.10 |
| Reversal during the year | - | - |
| Finance costs accrued during the period | 158.53 | 158.33 |
| Payment of lease liabilities | (344.63) | (314.22) |
| **Balance at the end of the year** | **1,557.35** | **1,571.38** |

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

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Not later than one year | 366.70 | 280.27 |
| Later than one year but not later than five years | 1,369.17 | 1,267.94 |
| Later than five years | 296.11 | 632.59 |

**The total cash outflow for leases is Rs. 344.63 Lakhs for the year ended March 31, 2026, including cash outflow for short term and low value leases.**

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 43: CORPORATE SOCIAL RESPONSIBILITY

Gross amount required to be spent by the Company during the year is Rs. 330.00 Lakhs (Previous Year Rs. 275.00 Lakhs)

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Amount required to be spent during the year | 330.00 | 275.00 |
| Amount of expenditure incurred during the year | 330.00 | 275.00 |
| 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, Employment and Local Area Development. |
| 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 FY26 the company had granted unsecured loan amounting of Rs. 400.00 lakhs to its wholly owned subsidiary CARE Analytics and Advisory Private Limited for meeting working capital requirements, however repayment of Rs. 200.00 lakhs has been made (previous year = Rs. Nil Lakhs). The outstanding loan balance of CARE Analytics and Advisory Private Limited as at 31 March 2026 is Rs. 1,450.60 lakhs. The rate of interest was to be determined with reference to specific benchmark rates. There are no specified repayment dates for these loans.

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

(Rs. in Lakhs)

| Name of the Company | Holding / Subsidiary / Associate | For the year Ended March 31, 2026 | For the year Ended March 31, 2025 |
|---|---|---|---|
| CARE Analytics and Advisory Private Limited | Wholly owned subsidiary | - | 600.00 |
| CareEdge Global IFSC Limited | Wholly owned subsidiary | - | 3,000.00 |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## NOTE 45 : RATIO ANALYSIS

| Ratio | Numerator | Denominator | March 31, 2026 | March 31, 2025 | % Change | Reasons for major variance |
|---|---|---|---|---|---|---|
| Current Ratio | Total current assets | Total current liabilities | 6.32 | 7.75 | (18.47)% | NA |
| Debt-Equity Ratio | Borrowings and lease liabilities | Total equity | 0.02 | 0.02 | (8.09)% | NA |
| 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 | 53.61 | 50.16 | 6.87% | NA |
| Return on Equity Ratio | Profit for the year less preference dividend (if any) | Average total equity | 0.19 | 0.18 | 6.55% | NA |
| Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 16.19 | 18.11 | (10.61)% | NA |
| Trade payables turnover ratio | Net Credit Purchases/ Other expenses | Average trade payables | 4.65 | 5.71 | (18.58)% | NA |
| Net capital turnover ratio | Revenue from operations | Average working capital (i.e. Total Current assets - Total Current liabilities) | 0.76 | 0.62 | 23.25% | NA |
| Net profit ratio | Profit for the year | Revenue from operations | 0.45 | 0.44 | 1.94% | NA |
| Return on Capital employed | EBIT | Capital Employed= Net worth+ Lease Liabilities+ Deferred tax Liabilities | 0.23 | 0.23 | 1.22% | NA |
| Return on investment | Income generated from invested funds | Average invested funds in tresaury investments | 0.05 | 0.07 | (30.73)% | ROI declined due to an increase in the capital base without a proportionate increase in returns. |

# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## 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

Other comprehensive income

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Items that will not be reclassified to profit or loss** | | |
| (i) Remeasurement gain/(loss) on defined benefit liability / (asset) | (15.31) | (110.41) |
| (ii) Investment measured at Fair value | 14.44 | 51.55 |
| (iii) Income tax relating to items that will not be reclassified to profit or loss | 1.79 | (44.58) |
| **Other comprehensive income/ (loss), net of income tax** | **0.92** | **(103.44)** |

## NOTE 49 LABOUR CODE

On 21st November 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 – Consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of changes, consistent with the Labour Codes, draft rules and FAQs and legal opinion. The incremental gratuity impact of Rs. 58.05 lakhs, arising primarly from the change in wage definition has been recognized under Employee Benefit Expenses for the year ended 31st March 2026. The Management will continue to track and evaluate the impact of the rules notified by the Central/State Government post 31 March 2026 and consider the appropriate accounting effect in the relevant periods, as needed.

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# Notes to the Standalone Financial Statements

for the year ended March 31, 2026

## 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 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

(vi) Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

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

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

(ix) The Company does not have borrowings from bank & financial institutions on the basis of security of current assets.

**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
May 13, 2026

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

**V. Chandrasekaran**
Chairman
DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN: 07610232

**G. Mahalingam**
Independent Director
DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

**Manoj Kumar CV**
Company Secretary
M No.- A15140

Mumbai
May 13, 2026

# 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 2026, 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 2026, of its consolidated profit and other comprehensive income, 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

Key audit matters are those matters that, in our professional judgment, 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.

| **Key audit matter** | |
|---|---|
| See Note 25 to consolidated financial statements | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| The Holding Company's revenue from operations primarily comprises of income from providing rating services to customers. Refer note 25 for details of revenue from operations (i.e. Rating income (including surveillance)) 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).<br><br>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:<br>• Obtained an understanding of the revenue related business process, and assessed the appropriateness of revenue recognition policies adopted by the Company.<br>• Tested the design and implementation, and operative effectiveness of internal controls related to the process of revenue recognition.<br>• On selected samples of contracts, we performed the following procedures:<br>i. Reviewed the terms and conditions in the contracts.<br>ii. Evaluated the identification of the performance obligations for the respective contracts.<br>iii. Evaluated the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent revenue recognition |

| Key audit matter | |
|---|---|
| | iv. iv. Verified the revenue recognition for cut off transactions to assess whether the timing of revenue recognition is appropriate.<br>• Evaluated the appropriateness and adequacy of the disclosures made in the standalone financial statements for the revenue recognized during the year. |

## 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 Director's Report, Business Responsibility & Sustainability Report and Management & Discussion Analysis 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, 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 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 audit 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. 3916 lakhs as at 31 March 2026, total revenues (before consolidation adjustments) of Rs. 2863.10 lakhs, total net profit after tax(before consolidation adjustments) of Rs. 714.05 lakhs and total net cash inflows (before consolidation adjustments) amounting to Rs. 242.46 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.

2A. As required by Section 143(3) of the Act, 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 between 01 April 2026 and 14 April 2026, taken on record by the Board of Directors of the Holding Company and subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification 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) of the Act and paragraph 2(B)(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 Holding Company and its subsidiary companies 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 consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 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 2026.

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 2026.

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 47 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 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.

d. The final dividend paid by the Holding 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 Holding 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 consolidated financial statements, the Board of Directors of the Holding 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.

e. Based on our examination which included test checks, in respect of the Holding Company and its three subsidiary companies incorporated in India, the Company and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account which has 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 software. Further, during the course of our audit, we did not come across any instance of audit trail (edit log) facility being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per statutory requirements for record retention.

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 and based on the reports of the statutory auditors of such components incorporated in India which were 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 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:26067114OAGRLN2762

Place: Mumbai
Date: 13 May 2026

# Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of CARE Ratings Limited for the year ended 31 March 2026

**(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 companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entities | CIN | Holding Company/ Subsidiary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---|---|---|---|---|
| 1 | CARE ESG Ratings Limited | U66190MH2016PLC285575 | Subsidiary | (xvii) |
| 2 | CareEdge Global IFSC Limited | U66190GJ2024PLC151103 | 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:26067114OAGRLN2762

Place: Mumbai
Date: 13 May 2026

# Annexure B to the Independent Auditor's Report on the consolidated financial statements of CARE Ratings Limited for the year ended 31 March 2026

**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 2026, 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 2026, 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:26067114OAGRLN2762

Place: Mumbai
Date: 13 May 2026

# Consolidated Balance Sheet

as at March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **(1) Non-current assets** | | | |
| a. Property plant and equipment | 2 | 8,132.70 | 7,993.57 |
| b. Right-of-use assets | 45 | 2,315.70 | 2,162.11 |
| c. Goodwill | 3 (d) | 795.03 | 795.03 |
| d. Other intangible assets | 3 (a) | 996.38 | 970.65 |
| e. Intangible assets under development | 3 (b) | 532.34 | 292.40 |
| f. Financial Assets | | | |
| (i) Investments | 4 | 6,634.30 | 13,407.17 |
| (ii) Loans | 5 | 143.56 | 114.34 |
| (iii) Other financial assets | 6 | 23,099.88 | 642.89 |
| g. Deferred tax assets | 7 | 16.98 | 1.25 |
| h. Other non-current assets | 8 | 75.94 | 182.34 |
| **Total Non-current Assets** | | **42,742.81** | **26,561.75** |
| **(2) Current assets** | | | |
| a. Financial assets | | | |
| (i) Investments | 4 | 2,053.55 | - |
| (ii) Trade receivables | 10 | 3,503.51 | 3,208.53 |
| (iii) Cash and cash equivalents | 9 | 4,259.95 | 4,881.52 |
| (iv) Bank balances other than cash and cash equivalents | 11 | 8,641.89 | 4,818.68 |
| (v) Loans | 12 | 180.50 | 123.92 |
| (vi) Other financial assets | 13 | 47,167.87 | 55,024.45 |
| b. Current tax asset (Net) | 14 | 791.91 | 417.70 |
| c. Other current assets | 15 | 1,131.71 | 737.87 |
| **Total current assets** | | **67,730.89** | **69,212.67** |
| **Total assets** | | **1,10,473.70** | **95,774.42** |
| **(II) EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| a. Equity share capital | 16 | 3,004.70 | 2,993.21 |
| b. Share application money pending allotment | | 13.16 | - |
| c. Other equity | 17 | 90,226.66 | 77,633.60 |
| **Equity attributable to equity holders of the parent** | | **93,244.52** | **80,626.81** |
| Non-controlling interests | 16 (h) | 1,067.99 | 923.44 |
| **Total equity** | | **94,312.51** | **81,550.25** |
| **Liabilities** | | | |
| **(2) Non-current liabilities** | | | |
| a. Financial liabilities | | | |
| (i) Lease liabilities | 45 | 2,180.45 | 2,049.42 |
| (ii) Other Financial Liabilities | 19a | 1.80 | - |
| b. Provisions | 19 | 1,607.97 | 1,734.14 |
| c. Deferred tax liabilities | 20 | 602.64 | 660.16 |
| **Total Non-Current Liabilities** | | **4,392.86** | **4,443.72** |
| **(3) Current liabilities** | | | |
| a. Financial liabilities | | | |
| (i) Lease liabilities | 45 | 437.95 | 327.48 |
| (ii) Trade payables | 18 | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | 80.03 | - |
| (b) Total outstanding dues of other than micro enterprises and small enterprises | | 1,409.32 | 1,514.16 |
| (iii) Other financial liabilities | 21 | 3,930.67 | 2,715.98 |
| b. Other current liabilities | 22 | 5,058.08 | 4,509.02 |
| c. Provisions | 23 | 531.61 | 557.74 |
| d. Current tax liabilities (Net) | 24 | 320.67 | 156.07 |
| **Total current liabilities** | | **11,768.33** | **9,780.45** |
| **Total liabilities** | | **16,161.19** | **14,224.17** |
| **Total equity and liabilities** | | **1,10,473.70** | **95,774.42** |
| **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
May 13, 2026

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

**V. Chandrasekaran**
Chairman
DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN - 07610232

**G. Mahalingam**
Independent Director
DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

**Manoj Kumar CV**
Company Secretary
M No.- A15140

Mumbai
May 13, 2026

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | For the year ended 2026 | For the year ended 2025 |
|---|---|---|---|
| **Income** | | | |
| I. Revenue from operations | 25 | 47,307.05 | 40,231.75 |
| II. Other income | 26 | 5,481.48 | 5,075.38 |
| **III. Total income (I + II)** | | **52,788.53** | **45,307.13** |
| **Expenses** | | | |
| IV. Employee benefit expenses | 27 | 21,467.14 | 18,892.48 |
| V. Finance costs | 28 | 248.61 | 210.82 |
| VI. Depreciation and amortisation expense | 29 | 1,437.18 | 1,172.17 |
| VII. Other expenses | 30 | 6,100.25 | 5,805.08 |
| **VIII. Total expenses (IV TO VII)** | | **29,253.18** | **26,080.55** |
| **IX. Profit before exceptional item and tax** | | **23,535.35** | **19,226.58** |
| X. Exceptional items | | - | - |
| **XI. Profit before tax expense (IX- X)** | | **23,535.35** | **19,226.58** |
| **Tax expenses** | | | |
| (i) Current tax | 35 (A) | 6,217.66 | 5,146.24 |
| (ii) Adjustment of tax relating to earlier periods | 35 (A) | 3.94 | 18.13 |
| (iii) Deferred tax | 35 (A) | (55.84) | 62.02 |
| **XII. Total tax expense** | | **6,165.76** | **5,226.39** |
| **XIII. Profit for the year (XI -XII)** | | **17,369.59** | **14,000.19** |
| **XIV. Profit for the year attributable to:** | | | |
| (i) Non-controlling interest | | 251.90 | 276.32 |
| (ii) Owners of the parent | | 17,117.69 | 13,723.87 |
| **Other Comprehensive Income/(Expense)** | | | |
| A. (i) Items that will not be reclassified to profit or loss | 49 | (9.83) | (35.74) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 49 | 1.79 | (44.58) |
| B. (i) Items that will be reclassified to profit or loss | 49 | 267.02 | 54.03 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | 49 | - | - |
| **XV. Other comprehensive income/(Expense) for the year** | | **258.98** | **(26.29)** |
| **XVI. Other comprehensive income for the year attributable to:** | | | |
| Non-controlling interest | | 3.75 | (0.64) |
| Owners of the parent | | 255.23 | (25.65) |
| **XVII. Total Comprehensive Income for the year** | | **17,628.57** | **13,973.90** |
| **XVIII. Total Comprehensive Income for the year attributable to:** | | | |
| (i) Non-controlling interest | | 255.65 | 275.68 |
| (ii) Owners of the parent | | 17,372.92 | 13,698.22 |
| **XIX. Earnings per equity share (Face Value Rs.10/- each)** | 36 | | |
| - Basic | | 57.06 | 45.89 |
| - Diluted | | 56.83 | 45.69 |
| **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
May 13, 2026

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

**V. Chandrasekaran**
Chairman
DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN - 07610232

**G. Mahalingam**
Independent Director
DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

Mumbai
May 13, 2026

**Manoj Kumar CV**
Company Secretary
M No.- A15140

# Consolidated Statement of Cash flow

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **A. Cash flow from operating activities** | | | |
| **Profit before tax** | | **23,535.35** | **19,226.58** |
| **Adjustments for** | | | |
| Interest income | 26 | (4,850.53) | (4,504.10) |
| Dividend income from equity securities | 26 | (20.21) | (17.64) |
| Unrealized gain on fair valuation of investments through profit and loss | | (4.55) | (251.84) |
| Realized gain on sale of investments | | (339.81) | (184.50) |
| Provision for bad debts | | 24.60 | 267.91 |
| Bad debts written off | | 58.41 | 77.23 |
| Loss/(Profit) on sale of property, plant and equipment | | (320.11) | 8.22 |
| Share based payment expenses | 27 | 175.73 | 187.67 |
| Unrealised foreign exchange gain | 26 | - | (16.90) |
| Finance costs on lease liabilities | 28 | 248.61 | 210.82 |
| Depreciation and amortization expenses | 29 | 1,437.18 | 1,172.17 |
| **Operating cash flow before working capital changes** | | **19,944.67** | **16,175.62** |
| **Movements in working capital** | | | |
| (Increase) in financial assets | | (386.68) | (1,465.77) |
| Decrease/(Increase) in Other current Assets | | (546.69) | 658.99 |
| Increase in Financial Liabilities | | 1,655.80 | 913.77 |
| Increase in other liabilities and provisions | | 538.74 | 1,077.41 |
| **Total Movements in working capital** | | **1,261.17** | **1,184.40** |
| Taxes paid (Net of refund) | | (6,448.66) | (5,064.63) |
| **Net cash generated from operating activities (A)** | | **14,757.18** | **12,295.39** |
| **(B) Cash flow from investing activities** | | | |
| Interest received | | 10,485.90 | 4,802.71 |
| Dividend received | 26 | 20.21 | 17.64 |
| Proceeds from fixed deposits | | 40,772.39 | 52,699.46 |
| Investment in Fixed deposits | | (64,982.43) | (53,279.33) |
| Acquisition of property, plant & equipment, Intangible assets under development and capital advances | | (829.96) | (1,473.77) |
| Buyback of property, plant & equipment, Intangible assets under development and capital advances | | 24.78 | - |
| Purchase of Investments | | (36,048.89) | (8,920.08) |
| Redemption of Investments | | 41,112.57 | 310.55 |
| **Net cash generated /(used) from investing activities (B)** | | **(9,445.43)** | **(5,842.82)** |
| **(C) Cash flow from financing activities** | | | |
| Dividend paid | | (5,835.68) | (5,491.12) |
| Proceeds from exercise of share options | | 659.36 | 421.41 |
| ESOP Application money received | | 13.16 | - |
| Repayment of lease liability | | (521.55) | (119.08) |
| Payment of interest on lease liability | 28 | (248.61) | (210.82) |
| **Net cash used in financing activities (C)** | | **(5,933.32)** | **(5,399.61)** |

# Consolidated Statement of Cash flow

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Note Number | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | | **(621.57)** | **1,052.96** |
| Add: Cash and cash equivalents at the beginning of year | | **4,881.52** | **3,828.56** |
| **Cash and cash equivalents at the end of the year** | | **4,259.95** | **4,881.52** |
| **Components of Cash and cash equivalents** | | | |
| **Balances with Banks** | | | |
| - On Current Account | 9 | 1,412.71 | 2,045.18 |
| - Deposit accounts (with original maturity of less than three months) | 9 | 1,612.51 | 1,642.90 |
| **Cash on hand** | 9 | 232.48 | 260.03 |
| **Others** | | | |
| - Prepaid Cards | 9 | 2.84 | 0.62 |
| - Liquid Mutual fund | 9 | 999.41 | 932.79 |
| **Total** | | **4,259.95** | **4,881.52** |

**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, 2026 and March 31, 2025.

**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
May 13, 2026

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

**V. Chandrasekaran**
Chairman
DIN: 03126243

**Mehul Pandya**
Managing Director & Group CEO
DIN - 07610232

**G. Mahalingam**
Independent Director
DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

Mumbai
May 13, 2026

**Manoj Kumar CV**
Company Secretary
M No.- A15140

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

## A. EQUITY SHARE CAPITAL

**For the year ended March 31, 2026**

(Rs. in Lakhs)

| Balance as at April 01, 2025 | Changes in equity share capital during the year | Balance as at March 31, 2026 |
|---|---|---|
| 2,993.21 | 11.49 | 3,004.70 |

**for the year ended March 31, 2025**

(Rs. in Lakhs)

| Balance as at April 01, 2024 | Changes in equity share capital during the year | Balance as at March 31, 2025 |
|---|---|---|
| 2,985.21 | 8.00 | 2,993.21 |

## B. OTHER EQUITY

(Rs. in Lakhs)

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | | Total equity | Non-controlling interest |
|---|---|---|---|---|---|---|---|---|---|
| | Share options outstanding account | Capital redemption reserve | Securities premium | General reserve | Retained earnings | Foreign currency translation reserve | Equity instruments through other comprehensive income | | |
| **Balance as at April 01, 2025** | **541.34** | **22.92** | **9,256.35** | **22,182.12** | **44,542.17** | **36.08** | **1,052.62** | **77,633.60** | **923.44** |
| Profit after tax for the year | - | - | - | - | 17,117.69 | - | - | 17,117.69 | 251.90 |
| Other comprehensive income/ (loss), net of tax | - | - | - | - | (11.79) | 267.02 | - | 255.23 | 3.75 |
| **Total comprehensive income/ (loss) for the year** | **541.34** | **22.92** | **9,256.35** | **22,182.12** | **61,648.07** | **303.10** | **1,052.62** | **95,006.52** | **1,179.09** |
| **Contribution by and Distribution to owners** | | | | | | | | | |
| Dividends | - | - | - | - | (5,696.46) | - | - | (5,696.46) | (139.22) |
| Other Consolidation adjustments | | - | - | - | 93.00 | | - | 93.00 | 28.12 |
| Premium on share issued | - | - | 883.16 | - | - | - | - | 883.16 | - |
| ESOP Exercised During the period | (235.30) | - | - | - | - | - | - | (235.30) | - |
| Employee stock option granted/charge for the period | 175.73 | - | | - | - | - | - | 175.73 | - |
| **Balance as at March 31, 2026** | **481.77** | **22.92** | **10,139.51** | **22,182.12** | **56,044.61** | **303.10** | **1,052.62** | **90,226.66** | **1,067.99** |

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

**for the year ended March 31, 2025**

(Rs. in Lakhs)

| Particulars | Reserves and Surplus | | | | | Other comprehensive income | | Total equity | Non-controlling interest 745.64 |
|---|---|---|---|---|---|---|---|---|---|
| | Share options outstanding account | Capital redemption reserve | Securities premium | General reserve | Retained earnings | Foreign currency translation reserve | Equity instruments through other comprehensive income | | |
| **Balance as at April 01, 2024** | **509.50** | **22.92** | **8,753.65** | **22,182.12** | **36,203.91** | **(17.95)** | **1,073.44** | **68,727.59** | **745.64** |
| Profit after tax for the year | - | - | - | - | 13,723.87 | - | - | 13,723.87 | 276.32 |
| Other comprehensive income/ (loss), net of tax | - | - | - | - | (58.86) | 54.03 | (20.82) | (25.65) | (0.64) |
| **Total comprehensive income/ (loss) for the year** | **509.50** | **22.92** | **8,753.65** | **22,182.12** | **49,868.92** | **36.08** | **1,052.62** | **82,425.81** | **1,021.32** |
| **Contribution by and Distribution to owners** | | | | | | | | | |
| Dividends | - | - | - | - | (5,380.10) | - | - | (5,380.10) | (111.06) |
| Other Consolidation adjustments | - | - | - | - | 53.35 | | - | 53.35 | 13.19 |
| Premium on share issued | - | - | 346.87 | - | - | - | - | 346.87 | - |
| ESOP Exercised During the period | (155.83) | - | 155.83 | - | - | - | - | - | - |
| Employee stock option granted/charge for the period | 187.67 | - | | - | - | - | - | 187.67 | - |
| **Balance as at March 31, 2025** | **541.34** | **22.92** | **9,256.35** | **22,182.12** | **44,542.17** | **36.08** | **1,052.62** | **77,633.60** | **923.44** |

Note 1 - Retained Earning -The Company has transferred Net profit/(Loss) for the year to retained earnings.

Note 2 - OCI: Re-measurement (comprising actuarial gains and losses, return on plan assets, etc.) of defined benefit plans in respect of post-employment are charged to Other Comprehensive Income. Re-measurement recognized in Other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

Material accounting policies (Refer note 1.3 )

**The accompanying notes are an integral part of the consoliday 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
May 13, 2026

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

**V. Chandrasekaran**
Chairman

DIN: 03126243

**Mehul Pandya**
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DIN: 09660723

**Jinesh Shah**
Group Chief Financial Officer
M No.- 117833

Mumbai
May 13, 2026

**Manoj Kumar CV**
Company Secretary
M No.- A15140

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## 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 of India Ltd and BSE Ltd 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 Limited has regional offices at Ahmedabad, Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, Noida and Pune.

| | |
|---|---|
| The details of subsidiaries are as under: | |
| Name of the Company : | **CARE Analytics and Advisory Private Limited (CAAPL)** |
| 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)** |
| 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: | **CareEdge Global IFSC Limited w.e.f 29th April, 2024** |
| 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 South (Africa) Pty Limited (Refer note 1 below)** |
| Country of Incorporation: | **Africa** |
| Ownership in % either directly or through Subsidiaries: | **78%** |
| (Note1:CARE Ratings (Africa) Private Limited ("CRAF") is holding 100% in CARE Ratings South (Africa) Pty Limited | |
| The financial statements of CARE Ratings South (Africa) Pty Limited are consolidated with CRAF. | |
| The Financial year for CRAF 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 16th July to 15th July, however the accounts for the purpose of consolidation are prepared from April 2025 to March 2026. | |
| The financial statements are for the Group consisting of the Company and its subsidiaries. | |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## 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 13, 2026. There are no subsequent events that impacts the consolidated financial statement.

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 2026. 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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) Non-controlling interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

(d) 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.

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.

(e) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

- 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. Leases

The Group 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.

#### *Estimates and assumptions 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 at an entity level.

#### iii. Share based payment

The Schemes for Employees Stock Options ('ESOP(s)') provide for the grant

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

of ESOPs to acquire equity shares of the Company to its eligible employees. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at grant date of equity settled share-based payment arrangements granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the ESOPs. The amount recognised as expense is based on the estimate of the number of ESOPs for which the related service and non-market performance conditions, as applicable are expected to be met, such that the amount ultimately recognised as an expense is based on the number of ESOPs that do meet the related service and non-market performance conditions, as applicable at the vesting date. At the end of each reporting period, the Company revisits its estimate of the number of ESOPs expected to vest. Such compensation cost is amortised over the vesting period of the respective tranches of such grant.

### iv. 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.

### v. 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.

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal,

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 INR, 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 statement of 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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 39 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

- 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 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

*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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 to 5 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

### *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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 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 Schemes for Employees Stock Options ('ESOP(s)') provide for the grant of ESOPs to acquire equity shares of the Company to its eligible employees. The period of vesting and period of exercise are as specified within the respective schemes. The fair value at grant date of equity settled share-based payment arrangements granted to employees is recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the ESOPs. The amount recognised as expense is based on the estimate of the number of ESOPs for which the related service and non-market performance conditions, as applicable are expected to be met, such that the amount ultimately recognised as an expense is based on the number of ESOPs that do meet the related service and non-market performance conditions, as applicable at the vesting date. At the end of each reporting period, the Company revisits its estimate of the number of ESOPs expected to vest. Such compensation cost is amortised over the vesting period of the respective tranches of such grant.

***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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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.

### *r. Cash and cash equivalents*

Cash and cash equivalents presented in the balance sheet include cash at banks, cash on hand, liquid and money market mutual funds held for short-term liquidity management, and short-term deposits with original maturities of three months or less that are readily convertible into known amounts 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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f April 1, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments - Disclosures, applicable w.e.f April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 2:

### Property, Plant and Equipment**

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2025 | Additions during the year | Deductions during the year | As at March 31, 2026 | As at April 01, 2025 | For the year | On deletions/ disposals during the year | As at March 31, 2026 | As at March 31, 2026 | As at March 31, 2025 |
| **Property, plant and equipment*** | | | | | | | | | | |
| Furniture and fixtures | 886.21 | 20.06 | (166.78) | 739.49 | 372.55 | 88.03 | (161.20) | 299.38 | 440.11 | 513.65 |
| Office equipment | 608.23 | 49.44 | (91.80) | 565.87 | 391.93 | 90.99 | (78.99) | 403.94 | 161.93 | 216.30 |
| Computers | 1,502.53 | 487.00 | (405.44) | 1584.10 | 1,200.07 | 246.66 | (415.57) | 1031.16 | 552.94 | 302.47 |
| Vehicles | 278.15 | 101.60 | (24.20) | 355.55 | 103.93 | 50.13 | (7.49) | 146.56 | 208.99 | 174.22 |
| Electrical installations | 333.97 | 0.92 | (20.59) | 314.30 | 119.83 | 30.97 | (20.57) | 130.22 | 184.08 | 214.15 |
| Buildings | 7,507.07 | 42.69 | - | 7549.76 | 1,079.55 | 140.76 | - | 1220.31 | 6,329.45 | 6,427.51 |
| Leasehold improvements | 200.24 | 150.20 | - | 350.44 | 54.98 | 39.65 | 0.60 | 95.23 | 255.21 | 145.26 |
| **Total Property, plant and equipment** | **11,316.40** | **851.91** | **(708.80)** | **11,459.51** | **3,322.84** | **687.18** | **(683.21)** | **3,326.81** | **8,132.70** | **7,993.57** |

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated depreciation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2024 | Additions during the year | Deductions during the year | As at March 31, 2025 | As at April 01, 2024 | For the year | On deletions/ disposals during the year | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| **Property, plant and equipment*** | | | | | | | | | | |
| Furniture and fixtures | 825.90 | 60.51 | (0.20) | 886.21 | 285.45 | 87.13 | (0.02) | 372.55 | 513.65 | 540.45 |
| Office equipment | 532.56 | 81.66 | (5.99) | 608.23 | 301.74 | 90.62 | (0.43) | 391.93 | 216.30 | 230.81 |
| Computers | 1,323.96 | 178.58 | - | 1,502.53 | 983.00 | 217.07 | - | 1,200.07 | 302.47 | 340.96 |
| Vehicles | 246.76 | 85.86 | (54.47) | 278.15 | 78.75 | 43.86 | (18.68) | 103.93 | 174.22 | 168.01 |
| Electrical installations | 259.97 | 74.24 | (0.24) | 333.97 | 90.71 | 29.14 | (0.02) | 119.83 | 214.15 | 169.27 |
| Buildings | 7,299.47 | 207.60 | - | 7,507.07 | 941.17 | 138.38 | - | 1,079.55 | 6,427.51 | 6,358.30 |
| Leasehold improvements | 167.40 | 32.84 | - | 200.24 | 30.87 | 24.11 | - | 54.98 | 145.26 | 136.53 |
| **Total Property, plant and equipment** | **10,656.00** | **721.29** | **(60.90)** | **11,316.40** | **2,711.69** | **630.30** | **(19.15)** | **3,322.84** | **7,993.57** | **7,944.33** |

**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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 3

### (a) Intangible assets**

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated amortisation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2025 | Additions during the year | Deductions during the year | As at March 31, 2026 | As at April 01, 2025 | For the year | On deletions/ disposals during the year | As at March 31, 2026 | As at March 31, 2026 | As at March 31, 2025 |
| Computer software | 604.76 | 85.94 | 10.77 | 701.47 | 392.29 | 86.55 | 2.11 | 480.95 | 220.52 | 212.47 |
| Trade Mark | 805.59 | 2.80 | - | 808.39 | 47.41 | - | - | 47.41 | 760.98 | - |
| Software development | - | 182.00 | - | 182.00 | - | 167.12 | - | 167.12 | 14.88 | 758.18 |
| **Total Intangible assets** | **1,410.35** | **270.74** | **10.77** | **1,691.86** | **439.70** | **253.67** | **2.11** | **695.48** | **996.38** | **970.65** |

(Rs. in Lakhs)

| Description of Assets | Gross block | | | | Accumulated amortisation | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 01, 2024 | Additions during the year | Deductions during the year | As at March 31, 2025 | As at April 01, 2024 | For the year | On deletions/ disposals during the year | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| Computer software | 574.93 | 204.54 | (180.85) | 604.76 | 390.78 | 87.58 | (86.07) | 392.29 | 212.47 | 184.14 |
| Software development | 121.03 | 684.56 | - | 805.59 | 3.07 | 44.34 | - | 47.41 | 758.18 | 117.96 |
| **Total Intangible assets** | **695.96** | **889.10** | **(180.85)** | **1,410.35** | **393.86** | **131.92** | **(86.07)** | **439.70** | **970.65** | **302.10** |

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

### (b) Intangible assets under development

(Rs. in Lakhs)

| Description | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Balance at the beginning** | 292.40 | 598.62 |
| Additions | 247.11 | 439.67 |
| Capitalised during the year | (7.17) | (745.88) |
| **Balance at the end** | **532.34** | **292.40** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

### (c) Intangible assets under development Ageing Schedule

(Rs. in Lakhs)

| As at March 31, 2026 | 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 | 142.54 | 324.99 | 64.80 | - | 532.34 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **142.54** | **324.99** | **64.80** | **-** | **532.34** |

(Rs. in Lakhs)

| As at March 31, 2025 | 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 | 187.60 | 64.80 | - | 40.00 | 292.40 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **187.60** | **64.80** | **-** | **40.00** | **292.40** |

### (d)Goodwill

Goodwill arising from consolidation as of 31 March 2026 and 31 March 2025 aggregated Rs.795.03 Lakhs. This relates to the business of a wholly owned subsidiary CARE Analytics and Advisory 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 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 Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Numbers | Amount | Numbers | Amount |
| **Non current investments** | | | | |
| **Unquoted:** | | | | |
| **Investment measured at Fair value through other comprehensive income** | | | | |
| Face value of USD 22,600 each fully paid: | | | | |
| Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) | 20 | 209.85 | 20.00 | 209.85 |
| Face value of RM 1 each fully paid: | | | | |
| Malaysian Rating Corporation Berhad | 20,00,000 | 2,348.54 | 20,00,000 | 2,334.10 |
| Investments in Association of Indian Rating Agencies | - | 0.53 | - | 0.53 |
| **Total unquoted investments** | | **2,558.92** | | **2,544.48** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Numbers | Amount | Numbers | Amount |
| **Quoted:** | | | | |
| **Investment measured at amortized cost:** | | | | |
| Tax free bonds* | | 1,871.39 | | 1,880.28 |
| PSU Bonds** | | 2,198.14 | | - |
| 7.50% Everest Bank Limited Debenture*** | | 5.85 | | 5.76 |
| **Investment measured at Fair value through Profit and loss account** | | | | |
| Mutual funds | | - | | **8,976.65** |
| DSP Strategic Bond Fund – Direct - Growth | | - | | 6,666.20 |
| Quantum Dynamic Bond Fund - Direct Plan Growth Option | | - | | 2,310.46 |
| **Total quoted investments** | | **4,075.38** | | **10,862.69** |
| **Total investments** | | **6,634.30** | | **13,407.17** |
| **Market value of quoted investments** | | **4,168.27** | | **10,977.91** |
| **Aggregate amount of unquoted investments** | | **2,558.92** | | **2,544.48** |

*This includes accrued interest of Rs. 63.92 Lakhs (Previous year: Rs. 64.35 Lakhs)

**This includes accrued interest of Rs. 90.96 Lakhs (Previous year: Rs. NIL Lakhs)

***This includes accrued interest of Rs.0.09 Lakhs (Previous year: Rs. 0.21 Lakhs)

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Numbers | Amount | Numbers | Amount |
| **Current investments** | | | | |
| **Quoted** | | | | |
| **Investment measured at amortized cost** | | | | |
| PSU Bonds* | | 1,941.89 | | - |
| **Investments carried at fair value through profit or loss** | | | | |
| **Investment in mutual funds** | | | | |
| TRUSTMF Money Market Fund | | 20.64 | | - |
| TRUSTMF Short Term Fund | | 41.01 | | - |
| Franklin India Money Market Fund | | 50.01 | | - |
| **Aggregate amount of quoted investments** | | **2,053.55** | | **-** |
| **Market value of quoted investments** | | **2,089.83** | | **-** |

- This includes accrued interest of Rs. 42.45 Lakhs ( Previous year : Rs. NIL Lakhs )

## NOTE 5

### Loans – Non-current

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Loans to employees | 143.56 | 114.34 |
| **Total** | **143.56** | **114.34** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 6

### Other financial assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Deposits with banks (with more than 12 months of original maturity)* | 22,809.14 | 464.82 |
| Lienmarked Deposit with banks (with more than 12 months of original maturity)** | 101.95 | - |
| Security Deposits - unsecured | 167.62 | 87.16 |
| Earnest Money Deposit | 9.28 | 76.98 |
| Other Receivable - non current | 11.89 | 13.93 |
| **Total** | **23,099.88** | **642.89** |

*This includes accrued interest of Rs.340.53 Lakhs (Previous year: Rs. 6.63 Lakhs)

**This includes accrued interest of Rs.2.56 Lakhs (Previous year: Rs. NIL Lakhs)

## NOTE 7 : DEFERRED TAX ASSET

(Rs. in Lakhs)

| Particulars | As at April 1, 2025 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at March 31, 2026 |
|---|---|---|---|---|
| **Deferred tax asset** | | | | |
| Provisions for employee benefits | - | 2.86 | - | 2.86 |
| Others | - | 22.68 | - | 22.68 |
| **Deferred tax liability** | | | | |
| Depreciation on property, plant and equipment | 1.25 | (9.81) | - | (8.56) |
| Fair valuation of investments | | | | - |
| **Total** | **1.25** | **15.73** | **-** | **16.98** |

(Rs. in Lakhs)

| Particulars | As at April 1, 2024 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at March 31, 2025 |
|---|---|---|---|---|
| **Deferred tax asset** | | | | |
| Provisions for employee benefits | - | - | - | - |
| Others | - | - | - | - |
| **Deferred tax liability** | | | | |
| Depreciation on property, plant and equipment | - | 1.25 | - | 1.25 |
| Fair valuation of investments | - | - | - | - |
| **Total** | **-** | **1.25** | **-** | **1.25** |

## NOTE 8

### Other non-current assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Capital advances | 20.20 | 127.42 |
| Prepaid expenses | 55.74 | 54.92 |
| **Total** | **75.94** | **182.34** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 9

### Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Balances with Banks** | | |
| On current account* | 1,412.71 | 2,045.18 |
| Fixed Deposit accounts (with original maturity of less than three months)** | 1,612.51 | 1,642.90 |
| **Cash on hand** | 232.48 | 260.03 |
| **Others** | | |
| Prepaid cards | 2.84 | 0.62 |
| Liquid Mutual fund | 999.41 | 932.79 |
| **Total** | **4,259.95** | **4,881.52** |

*- This includes accrued interest of Rs.0.35 Lakhs (Previous year - 0.34 Lakhs)

**- This includes accrued interest of Rs.18.53 Lakhs (Previous year – Rs. 0.4 Lakhs)

## NOTE 10

### Trade receivables

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured** | | |
| (a) Trade receivables - Considered good secured; | - | - |
| (b) Trade receivables - Considered good unsecured; | 3,377.31 | 3,193.69 |
| (c) Trade receivables which have significant increase in credit risk; | 519.22 | 399.71 |
| (d) Trade receivables – credit impaired | - | - |
| **Total trade receivables** | **3,896.53** | **3,593.40** |
| Less: Allowance for credit losses (Refer Note 43 (B)) | (393.03) | (384.87) |
| **Net Trade receivable** | **3,503.51** | **3,208.53** |

### Trade receivables ageing schedule

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| **As at March 31, 2026** | **Less than 6 Months** | **6 Months to 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Undisputed Trade receivables – considered good | 3,267.89 | 133.14 | - | - | - | 3,401.03 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | - | 103.43 | 92.42 | 223.28 | 76.38 | 495.51 |
| (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** | **3,267.89** | **236.57** | **92.42** | **223.28** | **76.38** | **3,896.54** |
| Allowance for bad and doubtful debts | | | | | | (393.03) |
| **Net trade receivables** | | | | | | **3,503.51** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| **As at March 31, 2025** | **Less than 6 Months** | **6 Months to 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Undisputed Trade receivables – considered good | 3,029.99 | 221.08 | 6.20 | - | - | 3,257.27 |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk | 10.81 | 46.25 | 200.90 | - | 78.17 | 336.13 |
| (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** | **3,040.81** | **267.32** | **207.10** | **-** | **78.17** | **3,593.40** |
| Allowance for bad and doubtful debts | | | - | - | - | (384.87) |
| **Net trade receivables** | | | | | | **3,208.53** |

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

## NOTE 11

### Bank Balances other than Cash and cash equivalents

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Balances with Banks** | | |
| Fixed deposits* (More than 3 months but less than 12 months) | 8,569.02 | 4,492.21 |
| Lienmarked Deposit** (More than 3 months but less than 12 months) | 54.99 | 304.85 |
| **Earmarked balances with banks** | | |
| Unclaimed dividend account | 17.88 | 21.62 |
| **Total** | **8,641.89** | **4,818.68** |

*- This includes accrued interest of Rs 76.21 Lakhs (previous year – Rs. 76.11 Lakhs)

**Deposits with banks includes accrued interest of Rs.1.68 Lakhs (previous year Rs. 0.44 Lakhs) on fixed deposits

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 12

### Loans

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Unsecured and considered good** | | |
| Loan to employees* | 180.50 | 123.92 |
| **Total** | **180.50** | **123.92** |

* - This includes accrued interest of Rs 2.21 Lakhs (previous year – Rs. 14.06 Lakhs)

## NOTE 13

### Other financial assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Fixed Deposits with banks (with more than 12 months of original maturity)*# | 47,048.00 | 54,752.70 |
| Security deposits | 25.96 | 63.96 |
| Other Receivables | 69.74 | 201.18 |
| Lienmarked Deposit (with more than 12 months of original maturity)**# | 24.17 | 6.62 |
| **Total** | **47,167.87** | **55,024.45** |

*This includes accrued interest Rs. 1648.09 Lakhs (previous year – Rs. 1268.41 Lakhs)

**This includes accrued interest Rs. 0.73 Lakhs (previous year – Rs. NIL Lakhs)

#- The remaining maturity of these deposits are less than 12 months from the reporting date.

## NOTE 14

### Current tax assets (Net)

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Advance payment of taxes (Net of provision for tax) | 791.91 | 417.70 |
| **Total** | **791.91** | **417.70** |

## NOTE 15

### Other current assets

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Contract asset | 1,188.17 | 1,020.82 |
| Less: Loss allowance | (744.36) | (734.32) |
| Capital advance | 0.25 | - |
| Prepaid expenses | 435.24 | 216.26 |
| Security Deposit | 9.44 | - |
| Deposits with statutory authorities | 37.12 | 59.95 |
| Other advances | 154.03 | 169.14 |
| Advances to suppliers | 51.82 | 6.02 |
| **Total** | **1,131.71** | **737.87** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 16

### Equity share capital

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Number | Amount (In Lakhs) | Number | Amount (In Lakhs) |
| **Authorized** | | | | |
| Equity shares of Rs.10/- each | 3,50,00,000 | 3,500.00 | 3,50,00,000 | 3,500.00 |
| **Issued, subscribed and fully paid up** | | | | |
| Equity shares of Rs.10/- each | | | | |
| Opening balance | 2,99,32,148 | 2,993.21 | 2,98,52,113 | 2,985.21 |
| Issued during the year | 1,14,865 | 11.49 | 80,035 | 8.00 |
| **Total** | **3,00,47,013** | **3,004.70** | **2,99,32,148** | **2,993.21** |

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

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|
| | Numbers | % Holding | Numbers | % Holding |
| Life Insurance Corporation Of India | 28,52,133 | 9.49% | 28,68,230 | 9.58% |
| CRISIL Limited | 26,22,431 | 8.73% | 26,22,431 | 8.76% |
| Nippon Life India Trustee Ltd-A/C Nippon India (MUL) | 23,78,717 | 7.92% | 23,90,187 | 7.99% |
| Pari Washington India Master Fund, Ltd. | 18,00,944 | 5.99% | 17,50,956 | 5.80% |
| **Total** | **96,54,225** | **32.13%** | **96,31,804** | **32.13%** |

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

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| | Numbers | Numbers |
| Equity shares at the beginning of the year | 2,99,32,148 | 2,98,52,113 |
| Add: Shares issued under employee stock options scheme (ESOS) | 1,14,865 | 80,035 |
| **Equity Shares at the end of the year** | **3,00,47,013** | **2,99,32,148** |

### 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

**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 Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| | Numbers | Numbers |
| **CARE Ratings Africa Limited** | | |
| Share in equity capital | 57.86 | 57.86 |
| Share in Reserves and Surplus | 382.08 | 318.29 |
| Share in Other Comprehensive Income (if any) | - | - |
| **Total (A)** | **439.94** | **376.15** |
| **CARE Ratings Nepal Limited** | | |
| Share in equity capital | 153.13 | 153.13 |
| Share in Reserves and Surplus | 474.93 | 394.16 |
| Share in Other Comprehensive Income (if any) | - | - |
| **Total (B)** | **628.05** | **547.29** |
| **Total Non-controlling interests (A+B)** | **1,067.99** | **923.43** |

## NOTE 17: OTHER EQUITY

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| | Numbers | Numbers |
| Capital redemption reserve | 22.92 | 22.92 |
| Securities premium | 10,139.51 | 9,256.35 |
| Share options outstanding account | 481.77 | 541.34 |
| General reserve | 22,182.12 | 22,182.12 |
| Retained earnings | 56,044.61 | 44,542.17 |
| Foreign currency translation reserve | 303.10 | 36.08 |
| Equity instruments through other comprehensive income | 1,052.62 | 1,052.62 |
| **Total Other Equity** | **90,226.66** | **77,633.60** |

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

## NOTE 18

### Trade Payables

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Trade payables** | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 80.03 | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,409.32 | 1,514.16 |
| **Total** | **1,489.34** | **1,514.16** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Trade payables to Related Parties | - | - |
| Trade payables to Others | 1,489.34 | 1,514.16 |
| **Total** | **1,489.34** | **1,514.16** |

### Trade payables ageing schedule

(Rs. in Lakhs)

| Particulars<br>As at March 31, 2026 | 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 | |
| (i) MSME | 1.03 | 79.00 | - | - | - | 80.03 |
| (ii) Others | 1,361.28 | 3.23 | 44.61 | 0.19 | - | 1,409.31 |
| (iii) Disputed Dues – MSME | - | - | - | - | - | - |
| (iv) Disputed Dues – Others | - | - | - | - | - | - |
| **Total** | **1,362.32** | **82.23** | **44.61** | **0.19** | **-** | **1,489.34** |

(Rs. in Lakhs)

| Particulars<br>As at March 31, 2025 | 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 | |
| (i) MSME | - | 118.40 | - | - | - | 118.40 |
| (ii) Others | 1,128.65 | 226.35 | 40.76 | - | - | 1,395.76 |
| (iii) Disputed Dues – MSME | - | - | - | - | - | - |
| (iv) Disputed Dues – Others | - | - | - | - | - | - |
| **Total** | **1,128.65** | **344.75** | **40.76** | **-** | **-** | **1,514.16** |

## NOTE 19

### Provisions

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Provision for employee benefit** | | |
| Gratuity (refer note 33) | 639.40 | 548.41 |
| Compensated absences | 966.73 | 864.79 |
| Cash Settled Share Based Payment Liability (refer note 33(F)) | 1.84 | - |
| **Provision for others** | | |
| Other Provision | - | 320.94 |
| **Total** | **1,607.97** | **1,734.14** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## Note 19 a
## Other financial Liabilties

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Security deposit - Payable | 1.80 | - |
| **Total** | **1.80** | **-** |

## NOTE 20
## Deferred tax liabilities

(Rs. in Lakhs)

| Particulars | April 01, 2025 | Recognised in statement of profit and loss account | Recognised in other comprehensive income | March 31, 2026 |
|---|---|---|---|---|
| **Deferred tax liability** | | | | |
| Depreciation on property, plant and equipment | 1250.72 | 6.17 | - | 1256.89 |
| Unrealized gain on fair valuation of investments. | 229.95 | (38.37) | 2.06 | 193.64 |
| **Deferred tax asset** | | | | |
| Provisions for employee benefits | (378.85) | (35.05) | (3.85) | (417.75) |
| Others | (441.66) | 11.52 | - | (430.14) |
| **Total** | **660.16** | **(55.73)** | **(1.79)** | **602.64** |

(Rs. in Lakhs)

| Particulars | April 01, 2024 | Recognised in statement of profit and loss account | Recognised in other comprehensive income | March 31, 2025 |
|---|---|---|---|---|
| **Deferred tax liability** | | | | |
| Depreciation on property, plant and equipment | 1266.48 | 15.76 | - | 1250.72 |
| Unrealized gain on fair valuation of investments. | 94.11 | 63.46 | 72.38 | 229.95 |
| **Deferred tax asset** | | | | |
| Provisions for employee benefits | (365.68) | 14.63 | (27.80) | (378.85) |
| Others | (446.72) | 5.06 | - | (441.66) |
| **Total** | **548.19** | **98.91** | **44.58** | **660.16** |

## NOTE 21
## Other financial liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Others | 78.04 | 51.75 |
| Unclaimed Dividend | 17.88 | 21.62 |
| Provision for Salary, Performance Related Pay and Commission | 3,834.75 | 2,642.61 |
| **Total** | **3,930.67** | **2,715.98** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 22

### Other current liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Statutory dues | 1,123.40 | 1,019.97 |
| Contract Liabilities* | 3,934.68 | 3,489.05 |
| **Total** | **5058.08** | **4509.02** |

*For contract liabilities (refer Note 25(b) and Note 25(c))

## NOTE 23

### Provisions

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Provision for employee benefit** | | |
| Compensated absence | 369.98 | 307.38 |
| Gratuity (refer note 33) | 14.61 | 6.95 |
| **Provision for others** | | |
| Other provisions bonus, others | 147.03 | 243.41 |
| **Total** | **531.61** | **557.74** |

## NOTE 24

### Current tax liabilities (net)

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Provision for income tax (net of advance tax and TDS) | 320.67 | 156.07 |
| **Total** | **320.67** | **156.07** |

## NOTE 25

### Revenue from operations

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Revenue from contracts with customer** | | |
| **Sale of services** | | |
| Rating income (including surveillance)* | 42,336.81 | 36,008.65 |
| Fees for license and implementation fees | 1,034.33 | 816.65 |
| Advisory Services | 3,736.81 | 3,406.45 |
| Other rating income | 199.10 | - |
| **Total revenue from operations** | **47,307.05** | **40,231.75** |

*Rating Income (including Surveillance) includes Provision for discount/credit note of Rs. 8.15 Lakhs (previous year Rs. 24.28 Lakhs) pertaining to parent company.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## (a) Revenue recognized from past performance obligations

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Rating Income | 1,159.73 | 107.37 |
| Sale of Licenses and services | - | 65.54 |
| Advisory Services | 3,796.48 | 193.58 |
| **Total** | **4,956.21** | **366.49** |

## (b) Unearned revenue

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Revenue to be recognised in:** | | |
| FY 26-27 | 529.63 | - |
| FY 25-26 | - | 1,456.57 |
| **Total** | **529.63** | **1,456.57** |

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

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Rating income | 1,412.93 | 1,078.49 |
| **Total** | **1,412.93** | **1,078.49** |

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

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Within one year | 1,826.35 | 4,248.79 |
| More than one year | - | 1,105.38 |
| **Total** | **1,826.35** | **5,354.17** |

## (e) Disaggregation of revenue

*Timing of recognition of revenue*

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| At a point in time | 4,485.64 | 4,935.94 |
| Over time | 42,821.40 | 35,295.81 |
| **Total** | **47,307.05** | **40,231.75** |

*Geographic revenue*

(Rs. in Lakhs)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Within India | 43,052.02 | 37,266.27 |
| Outside India | 4,255.03 | 2,965.48 |
| **Total** | **47,307.05** | **40,231.75** |

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

**(g) Contract balances**

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

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Receivables, which are included in ( ' trade receivables ' ) | 3,294.72 | 3,117.33 |
| Contract assets | 1,188.16 | 1,020.82 |
| Contract liabilities | 3,868.62 | 3,402.69 |

## NOTE 26

## Other Income

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Interest income | 4,844.37 | 4,492.71 |
| Dividend income | 20.21 | 17.64 |
| Interest on Income Tax Refund | 18.81 | 60.17 |
| Gain on fair valuation of investments through profit and loss -unrealised | 3.36 | 255.56 |
| Gain on fair valuation of investments through profit and loss - realised | 329.96 | 184.99 |
| Miscellaneous income | 119.35 | 42.24 |
| Gain on termination of lease | 22.77 | - |
| Notional Income on Fair Value of Security Deposits | 6.16 | - |
| Foreign Exchange Gain | 116.49 | 22.07 |
| **Total** | **5,481.48** | **5,075.38** |

## NOTE 27

## Employee benefits expense

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Salaries and other allowances | 19,676.18 | 17,296.12 |
| Contribution to provident, gratuity and other funds (refer note 33) | 1,090.95 | 901.77 |
| Expense share – based payment expenses (refer note 37) | 175.73 | 187.67 |
| Employee stock appreciation right expenses | 1.84 | - |
| Staff welfare expenses | 522.44 | 506.92 |
| **Total** | **21,467.14** | **18,892.48** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 28

### Finance costs

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Finance cost on lease liabilities (refer note 45) | 248.61 | 210.81 |
| Interest on Unsecured Loan | - | 0.01 |
| **Total Finance costs** | **248.61** | **210.82** |

## NOTE 29

### Depreciation and amortization expense

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Property, plant and equipment (refer note 2) | 687.18 | 637.53 |
| Right-of-use assets (refer note 45) | 496.33 | 400.12 |
| Intangible assets - Amortization (refer note 3 (a)) | 253.67 | 134.52 |
| **Total depreciation and amortization expense** | **1,437.18** | **1,172.17** |

## NOTE 30

### Other expenses

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Electricity charges | 124.21 | 127.17 |
| Postage and telephone charges | 67.84 | 96.26 |
| Rent | 26.51 | 27.70 |
| Travelling and conveyance expenses | 722.26 | 570.97 |
| Directors' sitting fees | 134.45 | 122.37 |
| Commission paid to independent directors | 215.07 | - |
| Insurance premium | 53.19 | 55.32 |
| Legal expenses | 146.50 | 91.86 |
| Professional fees | 1,180.65 | 1,184.17 |
| Off-roll manpower cost | 159.29 | 109.16 |
| Rates and taxes | 162.72 | 170.12 |
| Repairs and maintenance | | |
| - Buildings | 126.49 | 156.10 |
| - Others | 66.18 | 84.35 |
| Advertisement and sponsorship expenses | 444.23 | 288.41 |
| Security, housekeeping and office supplies | 204.87 | 206.75 |
| Membership and subscription | 181.25 | 158.94 |
| Provision for bad and doubtful debts | 24.60 | 267.91 |
| Bad debts written off | 58.41 | 77.23 |
| Auditors remuneration | | |
| - Audit fees (including limited review fees) | 65.18 | 64.12 |
| - Tax audit fees | 2.39 | 4.33 |
| - Other services | 3.20 | 4.13 |
| - Reimbursement to auditors | 4.08 | 0.80 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Corporate social responsibility (refer note 46) | 331.15 | 275.00 |
| Technology Cost | 982.13 | 893.79 |
| Recruitment expenses | 74.79 | 159.40 |
| Miscellaneous expenses | 268.86 | 442.23 |
| Printing & Stationary | 3.93 | 5.13 |
| Office Expenses | 8.80 | 7.77 |
| Commission | 115.34 | 79.68 |
| Sub Contracting Charges | 141.69 | 73.93 |
| **Total** | **6,100.25** | **5,805.08** |

## NOTE 31: PROVISIONS AND CONTINGENT LIABILITIES

### (A) Contingent Liabilities

One of the subsidary has the Service Tax Liability amounting to Rs 38.58 lacs for the FY 2015-16 is currently pending in Appeal under Customs, Excise and Service Tax Appellate Tribunalv(CESTAT).

### (B) Provisions

The closing balance of provisions as of 31 March 2026 aggregates Rs 100.00 Lakhs (Previous year Rs. 130 lakhs) This includes provision of Rs. 100.00 Lakhs 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.

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.

For one of the subsidary, the closing balance of provisions as of 31 March 2026 aggregates Rs Nil lakhs (March 31, 2025 - Rs. 30 lakhs). This provision was recognized in the previous year towards expected cost of cancellation of a long term contract for procurement of services.

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Opening balance** | **130.00** | **161.00** |
| Charge/(Reversal) for the year | - | (17.95) |
| Payment | (30.00) | (13.05) |
| **Closing balance** | **100.00** | **130.00** |

C) Guarantees given by Bank on behalf of the Group in respect of lien marked Deposits for Rs. 137.82 Lakhs (Previous Year Rs. 282.75 Lakhs)

## 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 Rs.238.17 Lakhs (March 31, 2025 – 864.76 Lakhs).

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 losses on such long-term contracts has been made in the books of account.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## 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 Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | As at March 31, 2026 | As at March 31, 2025 |
| **Change in present value of obligations:** | | |
| Opening defined benefit obligation | **1,621.16** | **1,546.78** |
| Current service cost | 178.33 | 163.85 |
| Past service cost | 81.25 | - |
| Interest cost | 100.86 | 107.61 |
| Actuarial (gain)/loss on obligations due to change in financial assumptions | (19.88) | 6.01 |
| Actuarial (gains)/losses on obligations - due to change in demographic assumptions | - | 10.64 |
| Actuarial (gain)/loss on obligations due to experience | 69.96 | 52.41 |
| Benefits payment from plan assets | (131.83) | (187.82) |
| Benefits paid by the employer | - | (21.62) |
| **Closing defined benefit obligations** | **1899.85** | **1677.86** |
| **Change in fair value of plan assets:** | | |
| Opening fair value of the plan assets | 1079.43 | 1017.12 |
| Adjustment to Opening Fair Value | (11.89) | - |
| Interest income | - | - |
| Expected return on plan assets | 70.91 | 72.78 |
| Contribution by the employer | 221.04 | 203.20 |
| Benefits payment from plan assets | (131.83) | (167.01) |
| Actuarial Gain/(Loss) on plan assets | 25.83 | (45.21) |
| Return on plan assets, excluding interest income | - | 0.08 |
| **Closing fair value of the plan assets** | **1253.50** | **1080.96** |
| **Net asset / (liability) recognized in the balance sheet** | | |
| Defined benefit obligation | (1737.20) | (1498.88) |
| Fair value of plan assets | 1255.69 | 1055.83 |
| Funded Status (Surplus / Deficit) | 2.41 | - |
| **Net asset / (liability)** | **(479.10)** | **(443.05)** |
| **Expenses recognized in the statement of profit and loss** | | |
| Current service cost | 178.33 | 163.85 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | As at March 31, 2026 | As at March 31, 2025 |
| Interest on defined benefit obligations | 30.66 | 34.54 |
| Past service cost | 63.22 | 63.22 |
| Expected Return on Plan Assets | (0.72) | - |
| **Amount recognized in statement of profit and loss** | **271.49** | **198.39** |
| **Re-measurements recognized in other comprehensive income (OCI):** | | |
| Actuarial (gains)/losses on obligation for the period | 50.81 | 70.35 |
| Changes in financial assumptions | - | - |
| Changes in demographic assumptions | - | - |
| Experience adjustments | (0.73) | (0.73) |
| Expected return on plan assets | (25.83) | 44.73 |
| **Amount recognized in other comprehensive income (OCI)** | **24.25** | **115.08** |
| **Maturity profile of defined benefit obligation:** | | |
| Within the next 12 months | 323.65 | 274.29 |
| Between 1 and 5 years | 1,068.76 | 906.91 |
| Between 5 and 10 years | 738.12 | 627.05 |
| 10 Years and above | 643.37 | 617.30 |
| **Sensitivity analysis for significant assumptions:*** | | |
| Increase/(Decrease) on present value of defined benefits obligation at the end of the year | 1,825.64 | 1,577.86 |
| 1% increase in discount rate | 7.98 | 3.70 |
| 1% decrease in discount rate | 161.99 | 161.86 |
| 1% increase in salary escalation rate | 129.87 | 126.73 |
| 1% decrease in salary escalation rate | 33.62 | 31.45 |
| 1% increase in employee turnover rate | 96.11 | 78.15 |
| 1% decrease in employee turnover rate | 64.94 | 79.52 |
| **The major categories of plan assets as a percentage of total plan** | | |
| insurer managed funds** | 100% | 100% |
| **Actuarial assumptions:** | | |
| Discount rate (p.a.) | 6.55% - 6.89% | 7.18% - 7.30% |
| Expected return on plan assets (p.a.) | 6.55% - 6.89% | 7.18% - 7.30% |
| Turnover rate | 5% - 36% | 5% - 36% |
| Mortality tables | IIndian 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 expected future working life (years)** | 2.52 years – 2.84 years | 2.52 years – 2.84 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 is funded through a trust whereas CAAPL, CERL and CGIL is unfunded.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

***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.183.21 Lakhs.

**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.429.56 Lakhs (March 31, 2025 - Rs. 250.67 Lakhs).

**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.782.29 Lakhs (March 31, 2025- Rs. 519.98Lakhs).

**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. 43.84 Lakhs (March 31, 2025 – Rs. 45.14 Lakhs).

**E. Long term incentive plans:**

The Group has Long Term Incentive Plan (LTIP) for certain class of employees. The total cost of LTIP is recognized over the period of scheme. During the year 2025, the Company has recognized an expense in the statement of Profit and Loss amounting Rs.209.46 Lakhs (March 31, 2025 - Rs. 142.13 Lakhs).

**F. Cash settled share based payment liability:**

The ESAR 2025 is established with effect from April 1, 2025 ("Effective Date") and will continue to be in force until earlier of:

one of the subsidiary has granted total 9,68,701 number of options respectively to its employees that entitle them to a cash payment after the vesting date as mentioned in the grant offer letter. The amount of the cash payment is determined based on the increase in the share price of the Company between grant date and the time of exercise.

***(i). Reconciliation of ESARs***

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Outstanding at beginning | - | - |
| Granted during the year | 9,68,701 | - |
| Less: Forfeited during the year | - | - |
| Less: Exercised during the year | - | - |
| Outstanding at 31st March | 9,68,701 | - |
| Exercisable at 31st March | - | - |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

The options outstanding as at March 31, 2026 had an excerise price of Rs.11.05 (March 31, 2025 : Not applicable). No options excerised during the year 2025-2026

***(ii). Liability arising from ESARs were as follows:***

(Rs. in Lakhs)

| Particulars | Note No. | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|---|
| Total carrying amount of liability | 27 | 1.84 | - |
| Intrinsic value of vested ESARs | | - | - |

***(iii). ESAR Liability Computation***

(Rs. in Lakhs)

| Particulars | Value in Rs. |
|---|---|
| No. of ESAR | 9,68,701 |
| Vesting % | 33% |
| Fair Value per Share | 11.05 |
| Exercise Price | 10.00 |
| Intrinsic Value | 1.05 |
| Total Liability (Rs. In Lacs) | 1.84 |

***(v) Expense recognised in Statement of Profit or Loss***

For details of the related employee benefits expense, see Note No. 27.

## 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. Najib Shah | Independent Director upto 10th July, 2025 |
| Mr. Venkatadri Chandrasekaran | Independent Director |
| Mr. Adesh Kumar Gupta | Independent Director upto 9th July, 2024 |
| Ms. Sonal Gunvant Desai | Independent Director upto 10th July, 2025 |
| Dr. M Mathisekaran | Independent Director upto 10th July, 2025 |
| Mr. Gurumoorthy Mahalingam | Independent Director |
| Mr. S.M.Jain | Non-Executive Non-Independent Director upto 27th January, 2026 |
| Mr. Manoj Chugh | Independent Director w.e.f. 9th May, 2024 |
| Mr. Rajiv Bansal | Independent Director w.e.f. 30th May, 2025 |
| Ms. Indrani Banerjee | Independent Director w.e.f. 30th May, 2025 |
| Dr. Bimal Patel | Independent Director w.e.f. 12th November, 2025 |

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

(Rs. in Lakhs)

| Name of the related party | Relationship | Nature of transactions | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|
| Mr. Mehul Pandya | Managing Director & Group CEO | Remuneration (excl. ESOP) | 668.69 | 542.70 |
| Mr. Najib Shah | Independent Director | Director sitting fees | 7.15 | 9.50 |
| | | Commssion expense | 8.74 | 36.36 |
| Mr. Adesh Kumar Gupta | Independent Director | Director sitting fees | - | 2.00 |
| | | Commssion expense | - | 4.55 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Name of the related party | Relationship | Nature of transactions | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|---|---|
| Dr. M Mathisekaran | Independent Director | Director sitting fees | 4.35 | 8.00 |
| | | Commssion expense | 5.82 | 18.18 |
| Mrs. Sonal Gunvant Desai | Independent Director | Director sitting fees | 7.15 | 10.50 |
| | | Commssion expense | 5.82 | 18.18 |
| Mr. Venkatadri Chandrasekaran | Independent Director | Director sitting fees | 23.06 | 11.50 |
| | | Commssion expense | 39.00 | 18.18 |
| Mr. Gurumoorthy Mahalingam | Independent Director | Director sitting fees | 15.80 | 10.00 |
| | | Commssion expense | 23.29 | 18.18 |
| Mr. S.M.Jain | Non-Executive Non-Independent Director | Director sitting fees | 9.00 | 8.50 |
| | | Commssion expense* | 23.29 | 18.18 |
| Mr. Rajiv Bansal | Independent Director | Director sitting fees | 11.50 | - |
| | | Commssion expense | 23.29 | - |
| Dr. Bimal Patel | Independent Director | Director sitting fees | 6.75 | - |
| | | Commssion expense | 9.71 | - |
| Ms. Indrani Banerjee | Independent Director | Director sitting fees | 11.00 | - |
| | | Commssion expense | 23.29 | - |
| Mr. Manoj Chugh | Independent Director | Director sitting fees | 15.00 | 6.00 |
| | | Commission expense | 35.29 | 18.18 |

*The LIC has nominated director, hence commission expenses is directly paid/Payable to LIC.

## C. Compensation of Key Management Personnel of the Group:

(Rs. in Lakhs)

| Nature of Transaction/Relationship | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **A.** | | |
| - Short term employee benefits | 658.87 | 534.51 |
| - Other long terms benefits | 9.83 | 8.19 |
| - Share based payments* | 5.53 | 25.91 |
| **Total** | **674.23** | **568.60** |
| **B.** Director's sitting fees | 96.50 | 66.00 |
| **C.** Director's commission | 186.13 | 150.00 |
| **Total Compensation (A+B+C)** | **956.86** | **784.60** |

*Share based payments refer to amounts charged to the statement of Profit and Loss account, being charge on ESOP granted to Key Management Personnel as per ESOS 2020 and ESOS 2017 schemes based on Fair Value method. (Refer Note No.37) for more details related to ESOP granted to MD and other KMPs).

## NOTE 35: INCOME TAXES:

**The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:**

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **A. Income tax expense recognized in Statement of Profit and Loss:** | | |
| Income Tax for Current Year | 6,217.66 | 5,146.24 |
| Tax Adjustment for earlier years | 3.94 | 18.13 |
| **Deferred tax** | | |
| Attributable to - | | |
| Origination and reversal of temporary differences | (55.84) | 62.02 |
| **Total tax expense recognized in the Consolidated statement of profit and loss** | **6,165.76** | **5,226.39** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

**B. Deferred tax recognized in Other comprehensive income:**

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Remeasurements of defined benefit obligation | 3.85 | 27.79 |
| Fair Value of investments | (2.06) | (72.37) |
| **Income tax (charged) / credited to other comprehensive income** | **1.79** | **(44.58)** |

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 Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Accounting profit before tax | 23,535.35 | 19,226.58 |
| Tax of consolidated entities | 276.19 | 5,168.08 |
| **Effect of:** | | |
| Non-deductible expenses | - | 60.95 |
| Tax Adjustment for earlier years | 3.94 | 18.13 |
| Exempt Income | - | (82.79) |
| Effect of Different tax rate | - | |
| Others | (0.10) | 62.02 |
| **Total tax expense** | **280.03** | **5,226.39** |

## NOTE 36: EARNINGS PER EQUITY SHARE (EPS):

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **A) Basic EPS** | | |
| (i) Net Profit attributable to Equity Shareholders | 17,117.69 | 13,723.87 |
| (ii) Weighted average number of Equity shares outstanding | 3,00,01,377 | 2,99,03,876 |
| **Basic Earnings Per equity Share (i)/(ii)** | **57.06** | **45.89** |
| **B) Diluted EPS** | | |
| (i) Weighted average number of Equity shares outstanding | 3,00,01,377 | 2,99,03,876 |
| (ii) Add: Potential Equity Shares on exercise of option | 1,19,281 | 1,35,029 |
| (iii) Weighted average number of Equity Shares Outstanding for calculation of Dilutive EPS | 3,01,20,658 | 3,00,38,904 |
| **Diluted EPS {(A)(i)/(B)(iii)}** | **56.83** | **45.69** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 37: SHARE BASED PAYMENTS:

The Group has granted 8,51,000 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 | 322000 to others | 123500 to others | 25000 to others | 1,00,000 to others | 72000 to others | 10000 to others | 105000 to others | 6000 to others | 22000 to others | 26000 to others | 7500 to others | 27000 to others | 5000 to others |
| Method of Accounting | Fair Value method | | | | | | | | | | | | |
| Vesting Plan | 1/3rd on completion of one year from the grant date<br>1/3rd on completion of two years from the grant date<br>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 | August 7, 2024 | October 22, 2024 | May 10, 2025 | November 08, 2025 | November 12, 2025 |
| 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 | Rs. 939/ share | Rs. 1122/ share | Rs. 1214/ share | Rs. 1567/ share | Rs. 1567/ share |
| Fair value on the date of grant of option (Per share) | Rs.249.24/ share<br>Rs.282.97/ share<br>Rs.310.18/ share | Rs.187.89/ share<br>Rs.232.29/ share<br>Rs.269.57/ share | Rs.103.04/ share<br>Rs.145.44/ share<br>Rs.150.02/ share | Rs.109.41/ share<br>Rs.148.04/ share<br>Rs.151.59/ share | Rs.119.29/ share<br>Rs.164.91/ share<br>Rs.182.99/ share | Rs.149.56/ share<br>Rs.205.08/ share<br>Rs.234.40/ share | Rs.191.20/ share<br>Rs.251.62/ share<br>Rs.305.91/ share | Rs.191.20/ share<br>Rs.251.62/ share<br>Rs.305.91/ share | Rs.185.72/ share<br>Rs.242.20/ share<br>Rs.298.16/ share | Rs.185.72/ share<br>Rs.242.20/ share<br>Rs.298.16/ share | Rs.296.57/ share<br>Rs.354.92/ share<br>Rs.414.03/ share | Rs.301.82/ share<br>Rs.370.39/ share<br>Rs.435.31/ share | Rs.272.99/ share<br>Rs.341.02/ share<br>Rs.404.23/ share |
| Method of Settlement | Equity | | | | | | | | | | | | |

### B Movement of Options granted:

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| | ESOS (2020) (Others) | ESOS (2020) (Others) |
| **Options outstanding at beginning of the year** | **3,40,700** | **3,69,434** |
| Granted during the year | 39,500 | 48,000 |
| Exercised during the year | (1,16,715) | (63,234) |
| Lapsed during the year | (3,334) | (13,500) |
| **Options outstanding at the end of the year** | **2,60,151** | **3,40,700** |
| **Options unvested at the end of year** | **1,00,168** | **2,92,700** |
| **Options exercisable at the end of the year** | **1,59,983** | **48,000** |
| Weighted Average exercise price | Rs. 416 - Rs.1567 | Rs. 416 - Rs.939 |
| Weighted average remaining contractual life (years) | 0.39 to 3.62 | 0.62 to 3.36 |

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. 175.73 Lakhs (Previous Year Rs.187.67 Lakhs) 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 Other employees |
|---|---|
| Risk free interest rate (%) | 4.01%-7.59% |
| Option life (Years) | 3 years to 5 years |
| Expected volatility | 28.81% - 60.25% |
| Expected dividend yield (%) | 0.96% - 3.83% |
| Weighted average fair value per option | Rs. 107.77 to Rs.616.10 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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 Lakhs)

| Nature of Transaction/Relationship | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Total Carrying Amount | 481.77 | 541.34 |

## NOTE 38: FINANCIAL INSTRUMENTS: DISCLOSURE:

### A. Classification of financial assets and liabilities:

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Financial assets at amortized cost:** | | |
| Investment (non-current) | 4,069.53 | 1,880.28 |
| Investment (current) | 1,941.89 | - |
| Loans (non-current) | 143.56 | 114.34 |
| Loans (current) | 180.50 | 123.92 |
| Trade receivables | 3,503.51 | 3,208.53 |
| Cash and cash equivalents | 4,259.95 | 4,881.52 |
| Other bank balances | 8,641.89 | 4,818.68 |
| Other financial assets (non-current) | 23,099.88 | 642.89 |
| Other financial assets (current) | 47,167.87 | 55,024.45 |
| **Financial assets at fair value through profit and loss:** | | |
| Investment (Non current) | - | 8976.65 |
| Investment (Current) | 111.66 | - |
| **Financial assets at fair value through OCI:** | | |
| Investment (non-current) | 2,558.92 | 2,544.48 |
| **Total** | **95,679.14** | **82,215.74** |
| **Financial liabilities at amortized cost:** | | |
| Lease liabilities (non current) | 2180.45 | 2049.42 |
| Lease liabilities (current) | 437.95 | 327.48 |
| Trade payables | 1489.34 | 1514.16 |
| Other Financial Liabilities (Non current) | 1.80 | - |
| Other financial liabilities (current) | 3,930.67 | 2,715.98 |
| **Total** | **8,040.22** | **6,607.04** |

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

As on March 31, 2026 and March 31, 2025, the Company has investments in Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) 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 to the Consolidated Financial Statements

for the year ended March 31, 2026

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

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Financial assets at fair value through OCI: | | |
| - Malaysian Rating Corporation Berhad | 2,348.54 | 2,334.10 |
| - Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) | 209.85 | 209.85 |
| **Total** | **2,558.39** | **2,543.95** |

The Company has received Rs.20.21 Lakhs (Previous Year Rs. 17.64 Lakhs) 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 Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company) is classified under Level 3. The details are given in the table below:

(Rs. in Lakhs)

| Particulars | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **As at March 31, 2026** | | | |
| **Investments measured at** | | | |
| Fair Value through OCI | - | - | 2,558.39 |
| Fair Value through Profit and Loss | - | 112.19 | - |
| Amortised cost | 6,140.59 | - | - |
| **As at March 31, 2025** | | | |
| **Investments measured at** | | | |
| Fair Value through OCI | - | - | 2,543.95 |
| Fair Value through Profit and Loss | - | 8,976.65 | - |
| Amortised cost | 1,961.45 | - | - |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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, 2026 and 2025

The Group has utilized the expertise of its external valuer to value the investments in Malaysian Rating Corporation Berhad and for Kunsmatige Intelligensie Beleggings Limited (Formerly known as ARC Risk Group Limited BVI Company), valuation has been done based on NAV.

**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 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 & net asset value of the underlying investee company. 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 lease liabilities, 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Description | Currency | As at March 31, 2026 | | As at March 31, 2025 | |
|---|---|---|---|---|---|
| | | Amount in FC | Amount in Rs. | Amount in FC | Amount in Rs. |
| Trade receivables | USD | 1.00 | 94.86 | 6.00 | 512.06 |
| Unbilled revenue | USD | 7.71 | 727.49 | 7.38 | 631.50 |
| Other receivable | NPR | 65.35 | 40.85 | 51.09 | 31.93 |
| Other receivable | USD | 4.72 | 445.39 | 0.96 | 81.65 |
| Other payable | USD | 0.23 | 21.81 | 0.01 | 0.56 |
| **Bank Balances** | | | | | |
| Bank Balance in current account | USD | 0.06 | 5.74 | - | - |

***Foreign Currency Sensitivity on unhedged exposure:***

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

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| USD | 12.95 | 12.26 |
| NPR | 0.41 | 0.32 |

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 a 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 activities (primarily trade receivables) and 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 31st March, 2026 is Rs. 3503.51 Lakhs (31st March, 2025 is Rs. 3208.53 Lakhs).

The Group does not have higher concentration of credit risks to a single customer. As per the 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 a longer period and involves higher risk. Refer Note : Trade receivables for ageing of trade receivables which reflects the credit risk exposure of the Company. As per the provision matrix, receivables are classified into different buckets based on the overdue period ranging from 12 months–18 months, 18 months–24 months and more than 24 months. The norms of provisioning for the same range from 25% to 100%. Management may, on a case-to-case basis, decide to provide or write off receivables at a higher rate with appropriate reasons whenever felt necessary.

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Opening Provision** | 384.87 | 303.98 |
| Add: Provided/(Utilised) during the Year (Refer Note 10) | 8.16 | 80.89 |
| **Closing Provision** | **393.03** | **384.87** |

***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 with Scheduled Commercial 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 PSU etc. These Mutual Funds and Counterparties have low credit risk.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## (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.

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.

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **Financial assets at amortized cost:** | | |
| Investment (non-current) | 4,069.53 | 1,880.28 |
| Investment (current) | 1,941.89 | - |
| Loans (non-current) | 143.56 | 114.34 |
| Loans (current) | 180.50 | 123.92 |
| Trade receivables | 3,503.51 | 3,208.53 |
| Cash and cash equivalents | 4,259.95 | 4,881.52 |
| Other bank balances | 8,641.89 | 4,818.68 |
| Other financial assets (non-current) | 23,099.88 | 642.89 |
| Other financial assets (current) | 47,167.87 | 55,024.45 |
| **Financial assets at fair value through profit and loss:** | | |
| Investment (Non current) | - | 8,976.65 |
| Investment (Current) | 111.66 | - |
| **Financial assets at fair value through OCI:** | | |
| Investment (non-current) | 2,558.92 | 2,544.48 |
| **Total** | **95,679.14** | **82,215.74** |

(Rs. in Lakhs)

| As at March 31, 2026 | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Trade payables | 1409.32 | - | - | 1,409.32 |
| **Other current financial liabilities** | | | | - |
| Other Liabilities | 78.04 | - | - | 78.04 |
| Unclaimed Dividend | 17.88 | - | - | 17.88 |
| Provision for Salary, Performance Related Pay and Commission | 3834.75 | - | - | 3,834.75 |
| Lease liabilities. (Refer Note 45) | 437.95 | - | - | 437.95 |
| Other Financial liabilities | - | 1.80 | - | 1.80 |
| **Other non current financial liabilities** | | | | |
| Lease liabilities. (Refer Note 45) | - | 1811.95 | 366.70 | 2,178.65 |
| **Total** | **5,777.94** | **1,813.75** | **366.70** | **7958.39** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| As at March 31, 2025 | Less than 1 Year | 1 to 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Trade payables | 1514.16 | - | - | 1,514.16 |
| **Other current financial liabilities** | | | | |
| Other Liabilities | 51.75 | - | - | 51.75 |
| Unclaimed Dividend | 21.62 | - | - | 21.62 |
| Provision for Salary, Performance Related Pay and Commission | 2,642.61 | - | - | 2,049.42 |
| Lease liabilities. (Refer Note 45) | 327.48 | - | - | 327.48 |
| **Other non current financial liabilities** | | | | |
| Lease liabilities. (Refer Note 45) | - | 1416.84 | 632.59 | 2,049.42 |
| **Total** | **4,557.62** | **1,416.84** | **632.59** | **6,607.04** |

## NOTE 41: DISTRIBUTION MADE AND PROPOSED:

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Cash dividends on equity shares declared and paid for the Company:** | | |
| Final dividend paid in FY 26 for the year ended on March 31, 2025: Rs. 11.00/- per share for 2,99,58,081 equity shares. (Final dividend paid in FY 25 for the year ended on March 31, 2024: Rs. 11.00/- per share) | 3,295.39 | 3,286.50 |
| Interim Dividend declared and paid for the year ended March 31,2026 Rs. 8/- per share for 3,00,13,363 equity shares (March 31, 2025: Interim Rs.7.00/- per share) | 2,401.07 | 2,093.60 |
| **Total Dividend paid** | **5,696.46** | **5,380.10** |
| **For FY 26, proposed dividends on equity shares are subject to approval at the AGM (not recognized as a liability):** | | |
| "Final dividend declared for the year ended on March 31, 2026: Rs. 14 /- Per share, (March 31, 2025: Rs.11.00/-per share)" | 4,206.58 | 3,292.53 |
| **Total dividend proposed** | **4,206.58** | **3,292.53** |

## 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| **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 | 80.03 | - |
| 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 Lakhs)

| Particulars | For the year ended March 31, 2026 | | | |
|---|---|---|---|---|
| | Ratings and related services | Others | Unallocable | Total |
| **Segment Revenue** | | | | |
| Revenue from Services | 42,340.31 | 5,058.66 | - | 47,398.97 |
| **Total Revenue (A)** | **42,340.31** | **5,058.66** | **-** | **47,398.97** |
| Less: Inter Segment Revenue if any (B) | 3.50 | 88.42 | - | 91.92 |
| **Total Segment Revenue (C = A-B)** | **42,336.81** | **4,970.23** | **-** | **47,307.05** |
| Add: Interest Income | 4,741.88 | 102.48 | - | 4,844.37 |
| Add: Other Income other than interest income | - | - | 637.11 | 637.11 |
| Less: Employee benefit expenses | 17,958.27 | 3,508.87 | - | 21,467.14 |
| Less: Other expenses | 4,906.20 | 1,194.04 | - | 6,100.25 |
| **Segment Results (Profit Before Interest, Depreciation & Tax)** | **24,214.22** | **369.81** | **637.11** | **25,221.14** |
| Less: Depreciation & Amortization | 1,053.61 | 383.57 | - | 1,437.18 |
| **Total Segment Result (D)** | **23,160.61** | **(13.76)** | **637.11** | **23,783.96** |
| Less: Finance Costs | 184.98 | 63.63 | - | 248.61 |
| Less : Other unallocable corporate expenses | - | - | - | - |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | | | |
|---|---|---|---|---|
| | Ratings and related services | Others | Unallocable | Total |
| **Profit Before Exceptional Item & Tax** | **22,975.63** | **(77.39)** | **637.11** | **23,535.34** |
| Exceptional Items - Income/Expenses | - | - | - | - |
| **Profit Before Tax** | **22,975.63** | **(77.39)** | **637.11** | **23,535.34** |
| **Tax Expenses** | | | | |
| - Current Tax | 6,136.86 | 80.80 | - | 6,217.66 |
| - Deferred Tax Charge/(Credit) | (55.84) | - | - | (55.84) |
| Add /(Less) : Income tax adjustment for earlier years | - | 3.94 | - | 3.94 |
| **Profit for the year** | **16,894.61** | **(162.14)** | **637.11** | **17,369.58** |
| **Segment Assets** | 96,328.43 | 4,662.39 | - | 1,00,990.83 |
| Unallocable Assets | - | - | 9,482.88 | 9,482.88 |
| **Total Assets** | **96,328.43** | **4,662.39** | **9,482.88** | **1,10,473.71** |
| **Segment Liabilities** | 12,405.08 | 3,756.11 | - | 16,161.19 |
| Unallocable Liabilities | - | - | - | - |
| **Total Liabilities** | **12,405.08** | **3,756.11** | **-** | **16,161.19** |
| **Capital Employed** | **83,923.35** | **906.28** | **9,482.88** | **94,312.52** |

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2025 | | | |
|---|---|---|---|---|
| | Ratings and related services | Others | Unallocable | Total |
| **Segment Revenue** | | | | |
| Revenue from Services | 36,012.15 | 4,256.71 | - | 40,268.86 |
| **Total Revenue (A)** | **36,012.15** | **4,256.71** | **-** | **40,268.86** |
| Less: Inter Segment Revenue if any (B) | 3.50 | 33.61 | - | 37.11 |
| **Total Segment Revenue (C = A-B)** | **36,008.65** | **4,223.10** | **-** | **40,231.75** |
| Add: Interest Income | 4,359.85 | 132.86 | - | 4,492.71 |
| Add: Other Income other than interest income | - | - | 582.67 | 582.67 |
| Less: Employee benefit expenses | 15,569.07 | 3,323.41 | - | 18,892.48 |
| Less: Other expenses | 4,340.22 | 1,464.88 | - | 5,805.08 |
| **Segment Results (Profit Before Interest, Depreciation & Tax)** | **20,459.22** | **(432.31)** | **582.67** | **20,609.57** |
| Less: Depreciation & Amortization | 876.36 | 295.81 | - | 1,172.17 |
| **Total Segment Result (D)** | **19,582.85** | **(728.12)** | **582.67** | **19,437.40** |
| Less: Finance Costs | 174.29 | 36.53 | | 210.82 |
| Less : Other unallocable corporate expenses | | | | - |
| **Profit Before Exceptional Item & Tax** | **19,408.56** | **(764.65)** | **582.67** | **19,226.58** |
| Exceptional Items - Income/Expenses | | | | - |
| **Profit Before Tax** | **19,408.56** | **(764.65)** | **582.67** | **19,226.58** |
| **Tax Expenses** | | | | - |
| - Current Tax | 5,146.24 | - | - | 5,146.24 |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2025 | | | |
|---|---|---|---|---|
| | Ratings and related services | Others | Unallocable | Total |
| - Deferred Tax Charge/(Credit) | 62.02 | - | - | 62.02 |
| Add /(Less) : Income tax adjustment for earlier years | (57.35) | 75.48 | - | 18.13 |
| **Profit for the year** | **14,257.65** | **(840.14)** | **582.67** | **14,000.19** |
| **Segment Assets** | 77,048.84 | 4,523.38 | - | 81,572.22 |
| Unallocable Assets | - | - | 14,202.20 | 14,202.20 |
| **Total Assets** | **77,048.84** | **4,523.38** | **14,202.20** | **95,774.42** |
| **Segment Liabilities** | 10,579.05 | 3,645.13 | - | 14,224.17 |
| Unallocable Liabilities | - | - | - | - |
| **Total Liabilities** | **10,579.05** | **3,645.13** | **-** | **14,224.17** |
| **Capital Employed** | **66,469.80** | **878.25** | **14,202.20** | **81,550.25** |

***Notes:**

1. For revenue from multiple geographical locations refer note 25.
2. There are no major customers of the Group from which the Group 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, 2025 and March 31, 2026

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Balance at the beginning of the year** | **2162.11** | **1840.50** |
| Additions made during the year | 770.62 | 671.25 |
| Reversal during the year | (152.15) | - |
| Depreciation charged | (495.98) | (349.64) |
| **Balance as at end of the year*** | **2,284.59** | **2,162.11** |

*Difference in closing right to use assets of Rs. 31.1 lacs is due to FCTR

### Amounts recognized in profit and loss:

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Depreciation expense on Right-of-use assets | 496.33 | 400.12 |
| Interest expense on Lease liabilities | 248.61 | 210.81 |
| Expense relating to short-term leases | 26.51 | 27.70 |
| **Total** | **771.45** | **638.63** |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

**The following is the break-up of current and non-current Lease liabilities as at March 31, 2025 and March 31, 2026**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Current lease liabilities | 437.95 | 327.48 |
| Non-current lease liabilities | 2,180.45 | 2049.42 |
| **Total** | **2,618.40** | **2,376.90** |

**The following is the movement in Lease liabilities during the year ended March 31, 2025 and March 31, 2026:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Balance at the beginning of the year** | **2,375.90** | **1,955.40** |
| Additions made during the year | 763.06 | 703.99 |
| Reversal during the year | (152.15) | - |
| Finance costs accrued during the period | 248.61 | 210.81 |
| Payment of lease liabilities | (637.88) | (493.22) |
| **Balance at the end of the year*** | **2,597.54** | **2,375.90** |

*Difference in closing lease liability of Rs. 20.86 lacs is due to FCTR

**The table below provides details regarding the contractual maturities of Lease liabilities as at March 31, 2025 and March 31, 2026:**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| Less than one year | 595.10 | 472.96 |
| One to five years | 2,193.23 | 1,902.60 |
| More than five years | 296.11 | 632.59 |
| **Total** | **3,084.43** | **3,008.15** |

The total cash outflow for leases is Rs. 637.88 Lakhs for the year ended March 31, 2026, including cash outflow for short term and low value leases.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 46: CORPORATE SOCIAL RESPONSIBILITY

Gross amount required to be spent by the Company during the year is Rs. 330 Lakhs (Previous Year Rs. 275 Lakhs).

(Rs. in Lakhs)

| Particulars | As at March 31, 2026 | As at March 31, 2025 |
|---|---|---|
| Amount required to be spent during the year | 330.00 | 275.00 |
| Amount of expenditure incurred during the year | 330.00 | 275.00 |
| 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 one of subsidiary company has incurred research related expenditure for products developed internally amounting Rs. 80.50 Lakhs as at March 31, 2026 (March 31, 2025 – Rs. 80.50 Lakhs)

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

## NOTE 49

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 |
|---|---|---|
| **Other Comprehensive Income/(Expense)** | | |
| **A. Items that will not be reclassified to profit or loss** | | |
| (i) Remeasurements of defined benefit liability (asset) | (24.27) | (87.29) |
| (ii) Investment measured at Fair value | 14.44 | 51.55 |
| (iii) Income tax relating to items that will not be reclassified to profit or loss | 1.79 | (44.58) |
| **B. Items that will be reclassified to profit or loss** | | |
| (i) Foreign currency translation adjustments | 267.02 | 54.03 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | - | - |
| **Total other comprehensive income/(Expense) for the year** | **258.98** | **(26.29)** |

## NOTE 50 : LABOUR CODE

On 21st November 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 – Consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of changes, consistent with the Labour Codes, draft rules and FAQs and legal opinion. The incremental gratuity impact of Rs. 75.99 lakhs, arising primarily from the change in wage definition has been recognized under Employee Benefit Expenses for the year ended 31st March 2026. The Management will continue to track and evaluate the impact of the rules notified by the Central/State Government post 31 March 2026 and consider the appropriate accounting effect in the relevant periods, as needed.

## NOTE 51: DISCLOSURE IN TERMS OF SCHEDULE III OF THE COMPANIES ACT, 2013

(Rs. in Lakhs)

| Particulars | Net Assets (i.e. Total Assets minus Total Liabilities) | | Share in Profit or (Loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated Net Assets | | As a % of Consolidated Profit / Loss | | As a % of Other Comprehensive Income | | As a % of Total Comprehensive Income | |
| **Holding:** | | | | | | | | |
| CARE Ratings Limited | 104.31% | 98,375.95 | 100.40% | 17,439.23 | 0.35% | 0.92 | 98.93% | 17,440.15 |
| **Subsidiaries:** | | | | | | | | |
| **Indian:** | | | | | | | | |
| CARE Analytics and Advisory Private Limited (CAAPL) | 0.88% | 829.33 | 0.31% | 54.46 | (2.82)% | (7.29) | 0.27% | 47.16 |
| CARE ESG Ratings Limited(CERL) | 0.74% | 700.96 | (1.19)% | (206.09) | 0.33% | 0.86 | (1.16)% | (205.23) |
| CARE Edge Global IFSC Limited (w.e.f April 29,2024) | 2.66% | 2,511.24 | (1.97)% | (342.83) | 95.54% | 247.43 | (0.54)% | (95.39) |

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

(Rs. in Lakhs)

| Particulars | Net Assets (i.e. Total Assets minus Total Liabilities) | | Share in Profit or (Loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated Net Assets | | As a % of Consolidated Profit / Loss | | As a % of Other Comprehensive Income | | As a % of Total Comprehensive Income | |
| **Foreign:** | | | | | | | | |
| CARE Ratings (Africa) Private Limited (CRAF) | 2.12% | 1,999.71 | 1.72% | 298.37 | 5.14% | 13.31 | 1.77% | 311.68 |
| CARE Ratings Nepal Limited (CRNL) | 1.36% | 1,281.74 | 1.01% | 174.60 | - | - | 0.99% | 174.60 |
| **Non-Controlling Interests included in respective subsidiaries** | 1.13% | 1,067.99 | 1.45% | 251.90 | 1.45% | 3.75 | 1.45% | 255.65 |
| Eliminations | (13.21)% | 12,454.41 | (1.73)% | (300.06) | - | - | (1.70)% | (300.06) |
| **Total** | **100.00%** | **94,312.51** | **100.00%** | **17,369.59** | **100.00%** | **258.98** | **100.00%** | **17,628.57** |

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

May 13, 2026

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

**V. Chandrasekaran**

Chairman

DIN: 03126243

**Mehul Pandya**

Managing Director & Group CEO

DIN - 07610232

**G. Mahalingam**

Independent Director

DIN: 09660723

**Jinesh Shah**

Group Chief Financial Officer

M No.- 117833

Mumbai

May 13, 2026

**Manoj Kumar CV**

Company Secretary

M No.- A15140

# 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-Third (33rd) Annual General Meeting ("AGM") of the Members of CARE Ratings Limited (the "Company") will be held on **Friday, July 3, 2026 at 3:30 p.m., Indian Standard Time ("IST"),** through Video Conferencing/Other Audio- Visual Means ("VC/OAVM") facility to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon.

2. To confirm the payment of interim dividend of ₹ 8/- (₹ Eight only) per equity share of face value of ₹ 10/- (₹ Ten only) and to declare a final dividend of ₹14 /- (₹ Fourteen only) per equity share of face value of ₹ 10/- (₹ Ten only) for the financial year 2025-26.

3. To appoint a director in place of Mr. Mehul Pandya (DIN:07610232), who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint M/s. B S R & Co.LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) as Statutory Auditors of the Company.

To consider and if thought fit, to pass the following resolution, as **an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the Audit Committee and Board of Directors, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 (Five) years to hold office from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting, on such remuneration plus taxes and reimbursement of out of pocket expenses as may be incurred by them in connection with audit of accounts of the Company, as may be mutually agreed upon between the Board of Directors in consultation with the Audit Committee and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a committee thereof) be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient for the purpose of giving effect to this Resolution."

**By the Order of Board of Directors**

**Sd/-**
**Manoj Kumar CV**
**Company Secretary & Compliance Officer**
**ACS:15140**

**Date: May 13, 2026**
**Place: Mumbai**

## NOTES:

1. The Ministry of Corporate Affairs ("MCA") allows companies to hold AGM through Video Conferencing or Other Audio Visual Means ("VC/ OAVM"), without physical presence of Members at a common venue. In compliance with the MCA Circulars, the Thirty-Third (33rd) AGM of the Company is being convened through VC/OAVM. The proceedings of the AGM are deemed to be conducted at the Registered Office of the Company.

   [General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 03/2025 dated September 22, 2025, collectively referred to as "MCA Circulars"]

2. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (as amended) and the Circulars issued by the MCA from time to time, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, 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 e-voting on the date of the AGM will be provided by NSDL.

3. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM, the requirement of physical attendance of Members has been dispensed with. The facility for appointment of proxies by Members will not be available for this AGM and hence, the proxy form, attendance slip and route map of AGM 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. The Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum as per Section 103 of the Act.

5. 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 as on the cut-off date will be entitled to vote at the AGM.

6. The relevant details, pursuant to Regulation 36(5) of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of re-appointment of the Statutory Auditors at this AGM are also annexed to this Notice.

7. The Notice of the AGM along with the Annual Report for FY 2025-26 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.

8. **Dispatch of Annual Report through Electronic Mode:**

   The Notice of the AGM along with the Annual Report for FY2025-26 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Registrar & Transfer Agent ("RTA")/ Depository Participants ("DP"). Letter is being sent to the shareholders whose e-mail addresses are not registered, providing the web-link of Company's website from where the Annual Report can be accessed. The Company shall send physical copy of the Annual Report for FY2025-26 to those Members who request for the same at investor.relations@careedge.in mentioning their Folio No./ DP ID and Client ID.

9. **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 (e.g.: 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 DPs.

iii. In case of any queries / difficulties in registering the e-mail address, Members may write to einward.ris@kfintech.com.

10. 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.

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 Friday, June 26, 2026 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 for the Final Dividend for the financial year ended March 31, 2026, is **Friday, June 26, 2026,** and such dividend, if approved at the AGM, will be paid on or before Saturday, August 1, 2026, 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 DPs, 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 DPs 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 DPs.

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. With effect from April 2, 2026, SEBI has dispensed with the requirement of issuance of a Letter of Confirmation (LOC) by the Company/RTA while processing service request#. Accordingly, securities will be credited directly to the shareholder's demat account upon submission of valid demat account details along with the latest Client Master List (not older than 2 months), Demat Conversion Request Form for NSDL/ Demat Request form for CDSL and Latest Client Master List, both attested by Depository Participant, besides mandatory documents for the subject service requests subject to folio being KYC Compliant. 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 at www.careedge.in

*#Request for 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.*

Further, all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with 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 the RTA for assistance in this regard.

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. **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 transfer of dividend to unclaimed dividend account, 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 Agent, KFintech at einward.ris@kfintech.com.

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

19. 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.

20. The remote E-Voting period begins on **Tuesday, June 30, 2026 (9:00 a.m. IST)** and ends on **Thursday, July 2, 2026 (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 **Friday, June 26, 2026**, i.e. the cut-off date, may cast their vote electronically. The voting rights 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.

21. **How do I vote electronically using NSDL E-Voting system?**

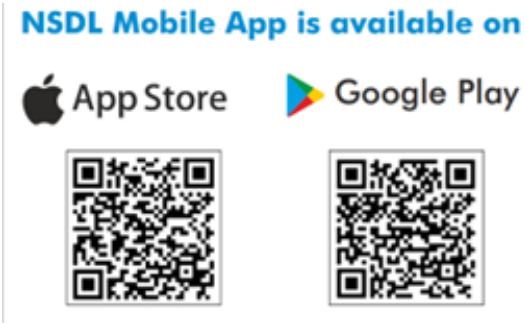
    The way to vote electronically on NSDL E-Voting system consists of "Two Steps" which are mentioned below:

### 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 DPs. 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. | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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.<br>2. 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.<br>3. 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<br>4. 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 held 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.<br>5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience.<br> |
| 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.<br>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 link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>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.<br>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. |

| Type of shareholders | Login Method |
|---|---|
| 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. 1800-21-09911 |

## 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<br>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<br>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<br>For example if folio number is 001*** and EVEN is 139463 then user ID is 139463001*** |

v. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for E-Voting, then you can use 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 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 cs@parikhassociates.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

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 Ms. Pallavi Mhatre at evoting@nsdl.com

**22. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail 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 e-mail 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 shareholder 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 DPs. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access E- Voting facility.

## 23. 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 cast 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.

## 24. 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 General 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.

**25. 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 **Saturday, June 27, 2026 (9:00 a.m. IST) to Tuesday, June 30, 2026 (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:

26. 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.

27. 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.

28. The SEBI 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 DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / KFintech.

29. 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.

30. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327) failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) failing him Ms. Sarvari Shah (Membership No. FCS 9697), representatives of Parikh & Associates, to act as the Scrutinizer to scrutinize the entire E-Voting process in a fair and transparent manner.

31. 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 & Group CEO or a person authorised by him, who shall countersign the same.

32. 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. The results shall also be displayed on the notice board at the Registered Office of the Company.

**33. NOTE TO SHAREHOLDERS:**

We hereby inform that SEBI vide its Circular SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 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 April 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.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### Item No. 4

The Members of the Company at the 28th Annual General Meeting held ("AGM") on September 14, 2021 had approved appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of said AGM till the conclusion of the 33rd AGM to be held in FY 2026-27.

M/s. B S R & Co. LLP, Chartered Accountants, will complete their first term on conclusion of the ensuing AGM of the Company as per provisions of section 139 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company at their meeting held on May 13, 2026, considering the experience and expertise and based on the recommendations of the Audit Committee, has proposed to the Members of the Company, re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as Statutory Auditors of the Company. The proposed re-appointment is for a second term of 5 (five) consecutive years from the conclusion of the 33rd AGM till the conclusion of 38th AGM on payment of such remuneration as may be mutually agreed upon between Board of Directors and Statutory Auditors from time to time. The proposed remuneration to be paid to the Auditors for the FY 2026-27 is ₹ 49,50,000 (₹ Forty Nine Lakhs and Fifty Thousand Only). The said remuneration excludes applicable taxes and out of pocket expenses.

### Brief Profile

B S R & Co. was constituted on March 27, 1990 as a partnership firm and was thereafter converted into limited liability partnership i.e. B S R & Co. LLP, on October 14, 2013.

B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India.

The firm has over 4000 staff and 170+ Partners and has offices across 14 locations. The firm audits various companies listed on stock exchanges in India including companies in the Financial Services, Technology, Healthcare & Life Sciences, Consumer & Retail, Manufacturing & Industrial, Media & Entertainment, Energy & Natural Resources, Infrastructure & Real Estate, Telecommunications, and Diversified & Conglomerates sector.

Pursuant to section 139 of the Act and the Rules framed thereunder, the Company has received written consent from M/s. B S R & Co. LLP, Chartered Accountants and a certificate that they satisfy the criteria provided under section 141 of the Act and that the re-appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. B S R & Co. LLP, Chartered Accountants, has confirmed that they hold a valid certificate issued by the Peer Review Board of Institute of Chartered Accountants of India.

None of the Director(s) or other Key Managerial Personnel(s) and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of the Members.

**By the Order of Board of Directors**

**Sd/-**
**Manoj Kumar CV**
**Company Secretary & Compliance Officer**
**ACS:15140**

**Date: May 13, 2026**
**Place: Mumbai**

## ANNEXURE

**Details pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India:**

### Item No. 3

| | |
|---|---|
| **Name of Director & DIN** | Mr. Mehul Pandya (DIN:07610232) |
| **Age** | 53 years |
| **Qualification** | BE, MBA, CFA Charter holder from CFA Institute, USA |
| **Date of first appointment on the Board** | July 29, 2022 |
| **Brief Resume and Expertise in specific functional area** | Associated with the Company since 2000, Mehul Pandya took over as Managing Director & CEO of the Company on July 29, 2022, after serving as an Executive Director since 2017. Over the years, Mr. Pandya has successfully incubated and nurtured the Company's business in India and abroad. He is a member of the Board of Directors for all subsidiaries (including step down subsidiary) of the Company while also serving on the Board of the Association of Credit Rating Agencies in Asia (ACRAA) as its Vice Chairman. He also serves on the Board of Association of Indian Rating Agencies (AIRA). He is also the Co-Chair of CII National Committee on Financial Markets for 2025-26. A technocrat with a management background, he is also a CFA charter holder from CFA Institute, USA. Over the years, he has attended various leadership programmes at IIMA and the High Potentials Leadership Programme at Harvard Business School as well. Prior to joining CARE Ratings, he worked with a state-level financial institution in Gujarat for about four years and was instrumental in setting up an in-house credit rating cell for the screening of lending proposals. He has worked as a Consultant for the Asian Development Bank and conducted various training programmes on credit risk analysis in India and abroad. |
| **Terms and conditions of appointment or re-appointment/variation of Remuneration** | NA |
| **Details of remuneration sought to be paid** | Details of remuneration were approved by the Members at previous Annual General Meeting held on July 10, 2025 |
| **Remuneration last drawn** | Details provided in Annexure VII to Directors Report i.e. Corporate Governance Report |
| **Shareholding in the Company (including shareholding as a beneficial owner)** | 72,188 equity shares (as on March 31, 2026) |
| **Relationship with other Directors, Manager and other Key Managerial Personnel of the Company** | None |
| **The number of meetings of the Board attended during the last financial year** | 7 / 8 |
| **Directorships held in other Companies** | • CARE ESG Ratings Limited<br>• CARE Analytics and Advisory Private Limited<br>• CareEdge Global IFSC Limited<br>• CARE Ratings Nepal Limited<br>• CARE Ratings (Africa) Private Limited<br>• CARE Ratings South Africa (Pty.) Ltd.<br>• Association of Indian Rating Agencies<br>• Association of Credit Rating Agencies in Asia |
| **Chairmanship/Membership in Committees of the Board of Directors of other Company in which he/she is a Director** | • CareEdge Global IFSC Limited<br>Nomination and Remuneration Committee – Member<br>• CARE ESG Ratings Limited<br>Nomination and Remuneration Committee – Member |
| **Name of the listed entities from which Director has resigned in the past three years** | Nil |
| **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 |

## Item No. 4

| | |
|---|---|
| **Name of Statutory Auditor** | B S R & Co. LLP |
| **Firm Registration Number** | Firm Registration No. 101248W/W-100022 |
| **Terms of Appointment** | Re-appointment of BSR & Co. LLP as Statutory Auditors of the Company for a second term of five years. |
| **In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;** | Not Applicable |

## CARE Ratings Limited

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