CARE Ratings
Professional Risk Opinion

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

CIN: L67190MH1993PLC071691

Press Release
Mumbai 29th January, 2016

9M FY16 Results

- ✓ **Operating Revenue of Rs. 189.61 crores**
- ✓ **Operating Profit of Rs. 117.23 crores**
- ✓ **Rating Income up by 5.45%**
- ✓ **Operating Profit up by 11.72%**
- ✓ **Interim Dividend of Rs. 6/- per share declared**

The Board of Directors of CARE Ratings approved the Q3-FY16 and 9M-FY16 results in the Board Meeting held on Friday the 29th of January 2016.

Highlights: Q3-FY16

- Increase in Operating Revenue by 0.81% from Rs. 62.43 crores to Rs. 62.93 crores.
- Operating profit margin at 62.55% (57.94% in Q3-FY15) and Net Profit margin at 41.94% (40.21% in Q3-FY15).
- Volume of debt rated increases from Rs. 1.98 lkh crores to Rs. 2.30 lkh crores with increase in both the corporate debt and bank loan segments.
- 660 new clients added during the quarter.

Highlights: 9M-FY16

- Operating Revenue increases by 5.71% from Rs. 179.36 crores to Rs. 189.61 crores.
- Operating profit margin at 61.83% (58.50% in 9M-FY15) and Net profit margin at 41.97% (47.90% in 9M-FY15).
- Volume of debt rated increases from Rs. 6.50 lkh crores to Rs. 7.37 lkh crores.
- 2,126 new clients added during the 9M period.
- Total number of active clients at 11,182 as of December 31, 2015.

Other income is lower in Q3-FY16 at Rs. 0.99 crores (Rs. 2.84 crores in Q3-FY15) and in 9M-FY16 at Rs. 6.14 crores (Rs. 40.36 crores in 9M-FY15) due to two reasons. Firstly, the company has invested its surpluses in FMPs (fixed maturity plans) for a tenure of three years and hence income can be booked only on maturity. Secondly, the investible pool of surplus reduced by Rs. 220 crores in FY15 on account of a one-time payout of special dividend in September 2014.

The Board has announced an interim dividend of Rs. 6 per share which when combined with the interim dividend of Rs. 12 per share for the first two quarters cumulates to Rs. 18 per share for the 9M-FY16.

Business progress

Despite the RBI lowering interest rates and industry growing at a marginally higher rate than in FY15, growth in bank credit to the manufacturing and services sector was low during the 9-month period. Against this backdrop, CARE Ratings had increased the client base by 660 in the third quarter, thus adding 2,126 new clients during the 9-months period ending December 2015.

During Q3-FY16, the company rated 1,751 new instruments, thus bringing the total for 9M-FY16 to 5,002. The total volume of debt rated continued to be buoyant in Q3-FY16 growing by 16.2% from Rs. 1.98 lkh crores to Rs. 2.3 lkh crores and by 13.4% in 9M-FY16 from Rs. 6.50 lkh crores to Rs. 7.37 lkh crores.

Commenting on the results D. R. Dogra, MD & CEO, said: 'The company's performance has been driven largely by the macro environment and hence even while our business efforts have helped us increase the volume of debt rated and number of clients rated, there has been limited traction on the revenue side. We may not expect economic conditions to change significantly in Q4 but are sanguine about the economy getting on to a higher trajectory in FY17".

Contact:

D.R. Dogra, MD & CEO 022-67543456

Chandresh M Shah, CFO 022-67543456

ABOUT US

Credit Analysis and Research Limited (CARE Ratings) is the second largest full service rating Company in India. CARE Ratings offers a wide range of rating and grading services across a diverse range of instruments and has over 22 years of experience in the rating of debt instruments and related obligations covering wide range of sectors. The Company's list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, small and medium enterprises ("SMEs") and micro-finance institutions, among others. The Company also provides issuer ratings and corporate governance ratings and has rated innovative debt instruments, such as perpetual bonds. CARE Ratings is recognized for being knowledge based Company and has continued to work towards deepening the base. The company's global venture, which is a JV with 4 other global CRAs, 'ARC Ratings', has commenced operations. CARE also has a subsidiary - CARE Ratings (Africa) Private Limited (CRAF) in Mauritius which was launched on 3rd August 2015. The Indian subsidiary - CARE Kalypto Risk Technologies and Advisory Services Private Limited has its office in Mumbai.*

The Company has its registered office in Mumbai, and branches in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, New Delhi and Pune The subsidiary CRAF has an office in Mauritius.

**** In terms of rating income FY15***