CARE Ratings
Professional Risk Opinion

20 PLUS YEARS Analytical Excellence

Date: November 02, 2015

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

Dear Sir,

OUTCOME OF THE BOARD MEETING HELD ON NOVEMBER 02, 2015

Please find enclosed herewith the Unaudited Financial Results for the quarter and half year ended September 30, 2015, Limited Review Report and the Press Release for Q2 & H1 FY2016 of Credit Analysis and Research Limited as per the requirement of Clause 41 of the Listing Agreement.

Further, the Board of Directors have declared a 2nd Interim Dividend of Rs. 6/- per equity share of Rs. 10/- each for financial year 2015-2016 and has fixed Tuesday, November 17, 2015 as a Record Date for the 2nd Interim Dividend.

Please take note of the above.

Thanking you,

Yours faithfully,
For Credit Analysis and Research limited

Navin Kumar Jain
Company Secretary

Encl.: As above

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Professional Risk Opinion

CREDIT ANALYSIS & RESEARCH LIMITED

CIN-L67190MH1993PLC071691
Regd. Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East), Mumbai – 400 022.
Website : www. careratings.com
Email: investor.relations@careratings.com

Part I : Statement of Unaudited Financial Results for the Quarter Ended September 30, 2015

Rs. in Lakh

Sr. No.	Particulars	STANDALONE					
		3 months ended September 30, 2015	3 months ended June 30, 2015	3 months ended September 30, 2014	6 months ended September 30, 2015	6 months ended September 30, 2014	Year Ended March 31, 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from operations**						
	a) Net Income from services	7,822.98	4,834.33	7,425.97	12,657.31	11,693.57	25,709.94
	b) Other Operating Income	-	9.97	-	9.97	-	10.88
	Total Income from operations	**7,822.98**	**4,844.30**	**7,425.97**	**12,667.28**	**11,693.57**	**25,720.82**
2	**Expenditure**						
	a) Employee Benefits Expense	1,661.06	1,871.89	1,673.57	3,532.95	3,329.30	7,067.28
	b) Depreciation	98.07	105.80	126.50	203.87	267.07	495.45
	c) Other Expenses	586.99	557.27	599.01	1,144.26	1,202.38	2,446.61
	Total Expenditure	**2,346.12**	**2,534.96**	**2,399.08**	**4,881.08**	**4,798.75**	**10,009.34**
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**5,476.86**	**2,309.34**	**5,026.89**	**7,786.20**	**6,894.82**	**15,711.48**
4	Other Income	222.48	292.43	2,368.54	514.91	3,752.33	4,356.05
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**5,699.34**	**2,601.77**	**7,295.43**	**8,301.11**	**10,647.15**	**20,067.53**
6	Finance Cost	-	-	19.07	-	19.07	129.92
7	Exceptional Items	-	-	-	-	-	-
8	**Profit / (Loss) from ordinary activities before tax (5 - 6 - 7)**	5,699.34	2,601.77	7,276.36	8,301.11	10,628.08	19,937.61
9	Tax Expense	1,913.89	852.65	2,035.15	2,766.54	2,728.43	5,904.60
10	**Net Profit (+) / Loss (-) from Ordinary Activities after tax (8-9)**	**3,785.45**	**1,749.12**	**5,241.21**	**5,534.57**	**7,899.65**	**14,033.01**
11	Extraordinary items (net of tax expense)	-	-	-	-	-	-
12	**Net Profit (+) / Loss (-) for the period (10-11)**	**3,785.45**	**1,749.12**	**5,241.21**	**5,534.57**	**7,899.65**	**14,033.01**
13	Minority Interest	-	-	-	-	-	-
14	**Net Profit (+) / Loss (-) after taxes, minority interest and share of profit (+) / Loss (-) of associates (12+13)**	**3,785.45**	**1,749.12**	**5,241.21**	**5,534.57**	**7,899.65**	**14,033.01**
15	Paid-up equity share capital (Face value : Rs. 10 per share)	2,899.91	2,899.91	2,899.91	2,899.91	2,899.91	2,899.91
16	Reserves excluding Revaluation Reserves	-	-	-	-	-	33,142.35
17	Basic Earnings Per Share (EPS) of Rs.10/- each (not annualised)	13.05	6.03	18.07	19.09	27.24	48.39
18	Diluted Earnings Per Share (EPS) of Rs.10/- each (not annualised)	12.94	5.97	17.96	18.91	27.06	47.94

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

Part II: Selected Information

Sr. No.	Particulars	3 months ended September 30, 2015	3 months ended June 30, 2015	3 months ended September 30, 2014	6 months ended September 30, 2015	6 months ended September 30, 2014	Year Ended March 31, 2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	A - Particulars of Shareholding						
1	Public shareholding						
	--Number of shares	28,999,122	28,999,122	28,999,122	28,999,122	28,999,122	28,999,122
	--Percentage of shareholding	100%	100%	100%	100%	100%	100%
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of Shares	-	-	-	-	-	-
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non – encumbered						
	- Number of Shares	-	-	-	-	-	-
	- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	-	-	-	-	-	-
	- Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-	-

	B - Investor Complaints	Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining unresolved at the end of the quarter	
		-	102	102	-	

Notes:

1 The above results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at its meeting held on November 2, 2015.

2 The Board of Directors of the Company have declared an interim dividend of Rs.6/- per share having a nominal value of Rs. 10 each.

3 The Company primarily operates in single business and geographical segment, hence, no additional disclosures required to be given as per AS 17 - Segmental Reporting other than those already given in the financial results.

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

4 **Statement of Assets & Liabilities**

Rs. in Lakh

		Standalone	
		As at 30-September-2015	As at 31-March-2015
		Unaudited	Audited
A	**Equity and Liabilities**		
1	**Shareholders' Funds**		
	a) Share Capital	**2,899.91**	2,899.91
	b) Reserves and Surplus	**34,745.57**	33,142.35
2	**Non Current Liabilities**		
	a) Deferred Tax Liability (Net)	**268.20**	294.15
	b) Long Term Provisions	**584.94**	518.64
3	**Current Liabilities**		
	a) Short Term Provisions	**3,306.40**	3,910.16
	b) Other Current Liabilities	**4,370.94**	3,723.45
	Total	**46,175.96**	**44,488.66**
B	Assets		
1	**Non Current Assets**		
	a) **Fixed Assets**		
	(i) Tangible Assets	**5,459.14**	5,592.30
	(ii) Intangible Assets	**16.55**	20.41
	(iii) Capital Work in Progress	**122.50**	-
	b) Non Current Investments	29,205.10	19,679.91
	c) Long Term Loans and Advances	**758.31**	1,075.29
	d) Other Non Current Assets	-	-
2	**Current Assets**		
	a) Current Investments	**3,627.67**	14,883.56
	b) Trade Receivables	**5,289.57**	1,457.20
	c) Cash and Bank Balances	**948.58**	1,263.59
	d) Short Term Loans and Advances	**183.15**	193.06
	e) Other Current Assets	**565.39**	323.34
	Total	**46,175.96**	**44,488.66**

5 Previous year's figures have been regrouped / rearranged wherever necessary to conform to the figures of the current period.

For and behalf of the Board of Directors
Credit Analysis & Research Limited

D R Dogra
Managing Director & Chief Executive Officer

Mumbai, November 2, 2015

KHIMJI KUNVERJI & CO. CHARTERED ACCOUNTANTS MUMBAI

Khimji Kunverji & Co
(Registered)
Chartered Accountants

Limited Review Report

Review Report to
The Board of Directors
Credit Analysis and Research Limited

We have reviewed the accompanying statement of standalone unaudited financial results of Credit Analysis and Research Limited ('the Company') for the quarter ended September 30, 2015, ('the Statement'), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

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

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Gautam V Shah
Partner (F–117348)
Mumbai
November 02, 2015

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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

Mumbai 2nd November, 2015

Q2 FY16 Results

- ✓ **Highest ever Rating revenue of Rs 77.66 crore and Operating profit of Rs 54.77 crore in Q2-FY16**
- ✓ **Rating Income up by 5.35%**
- ✓ **Operating Profit up by 9.37%**
- ✓ **Interim Dividend of Rs. 6/- per share declared**

The Board of Directors of CARE Ratings approved the Q2-FY16 and H1-FY16 results in the Board Meeting held on Monday the 2nd of November 2015.

Highlights: Q2-FY16

- Increase in income from operations of 5.35% from Rs 74.26 crore to Rs 78.23 crore with highest ever quarteriy rating revenue recorded.
- Operating profit margin at 70.01% (67.44% in Q2-FY15) and Net profit margin at 47.05% (54.06 % in Q2-FY15)
- Volume of debt rated increases from Rs 2.12 lkh crore to Rs 2.41 lkh crore with increase in both the corporate debt and bank loan segments.
- 758 new clients added this quarter
- Total number of active clients at 10,950 as of September

Highlights: H1-FY16

- Income from operations increases by 8.33% from Rs 116.94 crore to Rs 126.67 crore
- Operating profit margin at 61.47% (58.80% in H1-FY15) and Net profit margin at 41.99% (51.14% in H1-FY15)
- Volume of debt rated increases from Rs 4.51 lkh crore to Rs 5.06 lkh crore
- Added 1,466 new clients this H1

CARE Ratings has posted growth in income from operations in Q2-FY16 on the back of growth in total volume of debt rated of 13.68% as well as surveillance income. Rating income at Rs 77.66 crore for the quarter was the highest achieved so far. The number of active clients on the portfolio is now 10,950, which represents an increase of 618 over June 2015.

Other income was lower at Rs 2.22 crore (Rs 22.69 crore in Q2-FY15) due to two reasons. First, the company has invested its surpluses in FMPs (fixed maturity plans) of mutual funds for a tenureof three years and hence income can be booked only on maturity. Second, the investiblepool of surplus reduced by Rs. 220 crores in FY15 on account of aone-time payout of special dividend.

Total expenses decreased from Rs 24.18crore to Rs 23.46 crore mainly due to reduction in staff count coming down from 615in September 2014 to 579as of September 2015. Net profit decreased from Rs 52.41 crore to Rs 37.85crore during this period due to lower investment income as explained above.

Operating profit margin improved from 67.44% to 70.01% while net profit margin decreased from 54.06% to 47.05%. Higher operating profit margin was a result also of highest operating profits. Basic EPS was at Rs 13.05per share (Rs.18.07per share in Q2-FY15). The Board has announced an interim dividend of Rs. 6 per share which when combined with the interim dividend of Rs. 6 per share for the first quarter cumulates to Rs 12/share in the first half of the year.

In the first half of FY16, income from operations increased by 8.33% from Rs.116.94crore to Rs.126.67crore, while total expenses rose by 1.31% from Rs.48.18crore to Rs.48.81 crore. Operating profits increased by 13.24% while net profit decreased by 29.94%. Operating profit margin and net profit margin were at 61.47% (58.80% in H1-FY15) and 41.99% (51.14% in H1-FY15) respectively.

Commenting on the results D.R.Dogra, MD & CEO, said: 'We have not yet seen a major turnaround in the state of the economy in the first half of the year, which is also reflected by the macro numbers. There do appear some signs of green shoots which might hopefully blossom in the second half of the year. The third quarter promises some hope of uptick in consumption and with the government also being positive with its spending, we do hope that the credit and debt markets show a turnaround'.

Contact:

D.R. Dogra, MD & CEO 022-67543435

Chandresh Shah, CFO 022-67543603

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 20 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 Company has its registered office in Mumbai, and branches in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, New Delhi, and Pune and Male in the , Republic of Maldives. The subsidiary CRAF has an office in Mauritius.*

** In terms of rating income FY15*