CARE Ratings
Professional Risk Opinion

20 YEARS PLUS
Analytical Excellence

**Date: May 26, 2016**

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

Dear Sir,

Please find attached the Analyst presentation of the Audited Financial Results of Credit Analysis and Research Limited for the year ended March 31, 2016.

We request you to kindly upload the same.

Thanking you,

Yours faithfully,
**For Credit Analysis and Research Limited**

**Chandresh Shah**
**Chief Financial Officer**

**Encl.** : As above

# *FY16 Financial Results*

**D. R. Dogra**

***MD & CEO***

CARE Ratings
Professional Risk Opinion

# SAFE HARBOR STATEMENT

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# Contents


- **Highlights**
- Financial & Business Performance
- MCR / CDQI
- New Developments
- Economic Backdrop

# Highlights for FY16

- **Growth in Financial Indicators**
  - Growth in income from Operation 7.2% over FY 15
  - Total income lower by 5.3% over FY15
  - Increase in Expenses of 2.1%
  - Operating Profit margins increased to 60.7%
  - PAT margins at 41.5% in FY16
  - 3,105 new clients added during FY16
  - Final dividend of Rs. 10 per share proposed – Payout ratio of 83.70%
- **Business Profile**
  - Total volume of debt rated stood at Rs. 10.85 lakh crore in FY16 as against Rs. 10.97 lakh crore in FY15
  - Total number of instruments rated were 7,527

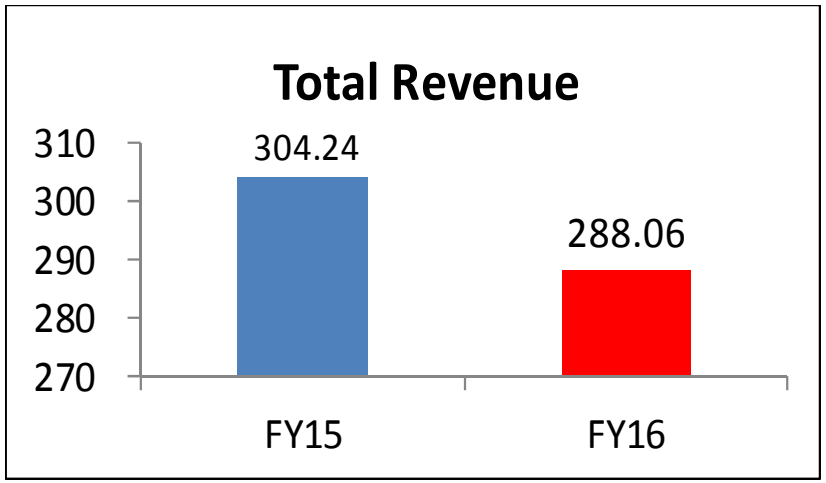
# Contents

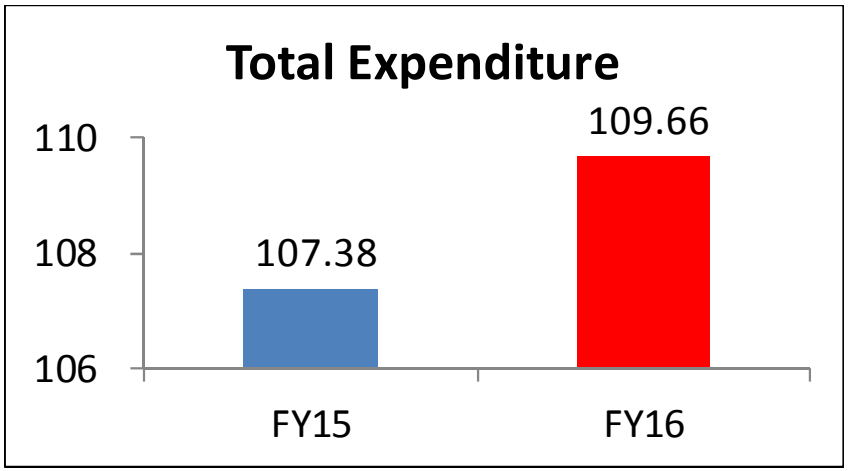

- Highlights
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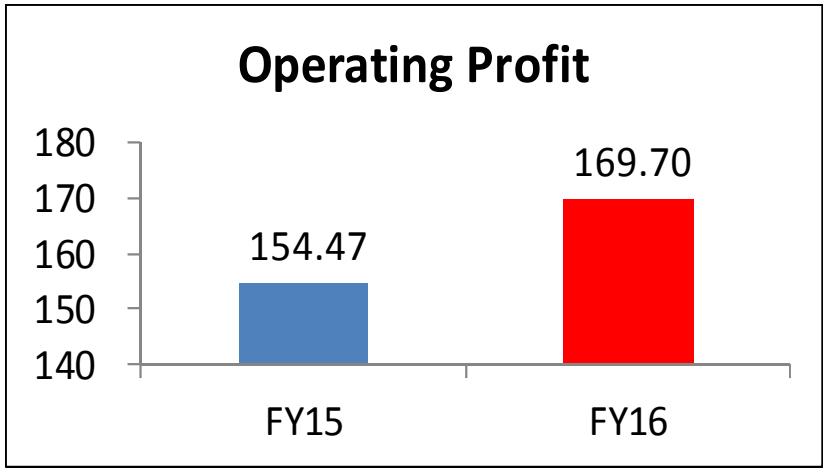
# Financial Performance – Consolidated Accounts

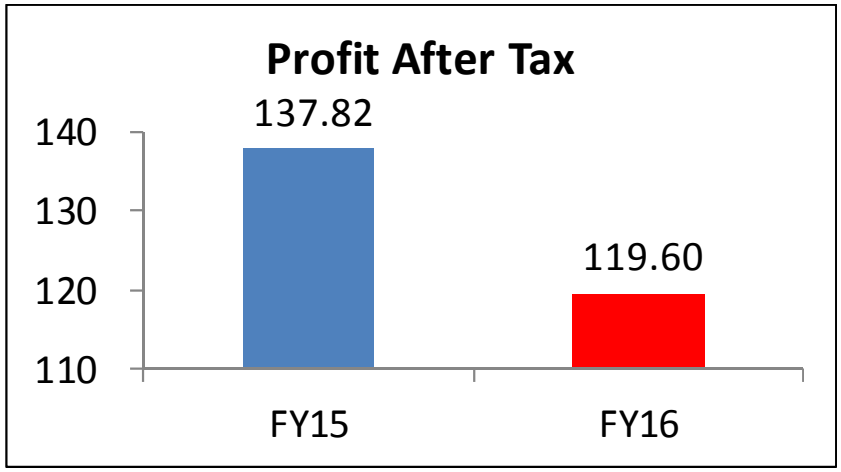
| Rs crore | FY15 | FY16 | Growth |
|---|---|---|---|
| **Total income from Ops** | **260.55** | **279.37** | **7.22%** |
| Other income | 43.69 | 8.69 | -80.11% |
| **Total income** | **304.24** | **288.06** | **-5.32%** |
| Total Expenses | 107.38 | 109.66 | 2.13% |
| Operating profit | 153.17 | 169.70 | 10.79% |
| PAT | 137.82 | 119.60 | -13.22% |
| Operating profit margin | **58.79%** | **60.74%** | |
| PAT Margin | **45.30%** | **41.52%** | |

# Financial Performance: FY16 (Rs cr)

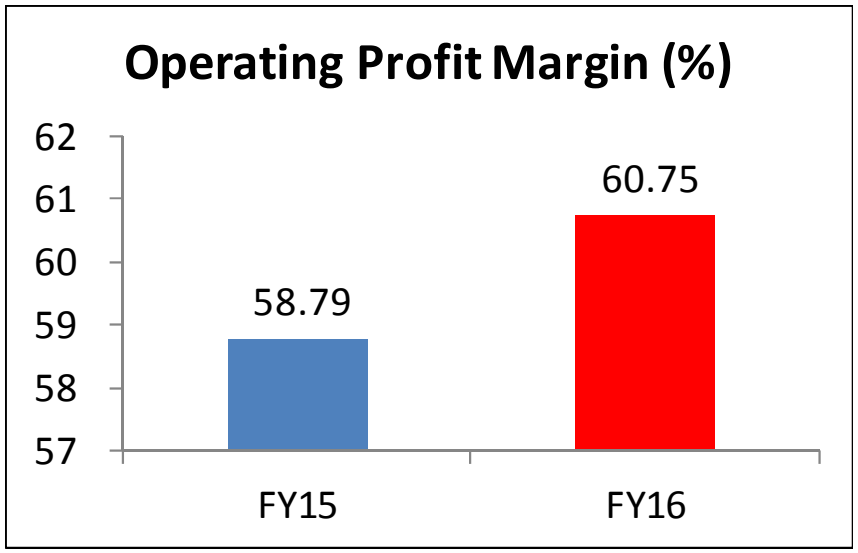


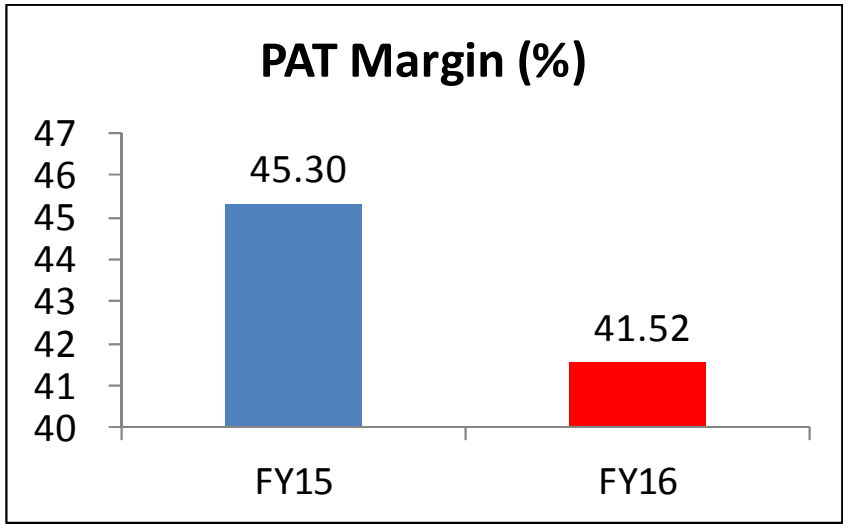



# Financial Performance: FY16

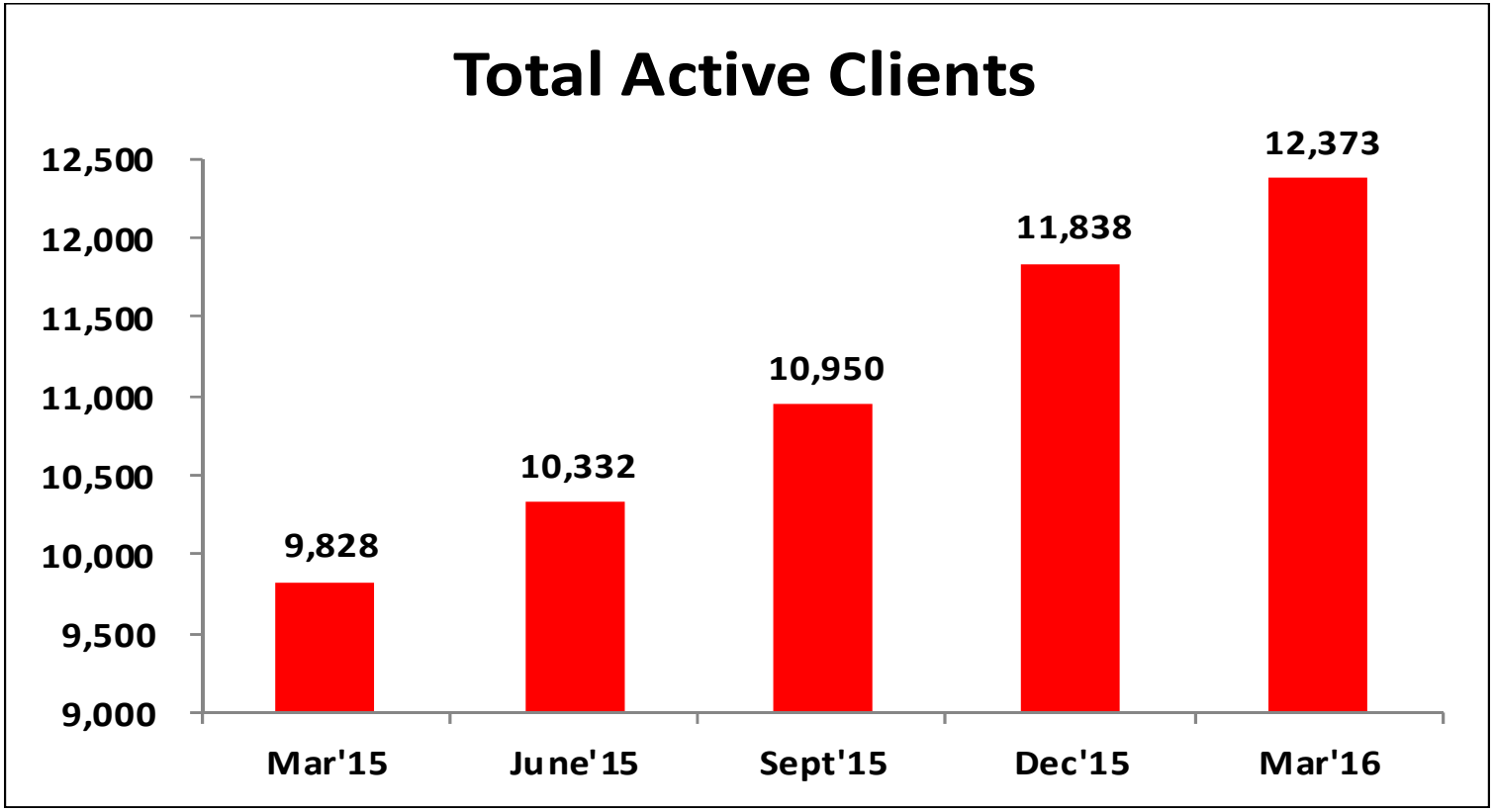



FY16 Operating profit margin stood at 60.75% mainly due to growth in revenues and expense control

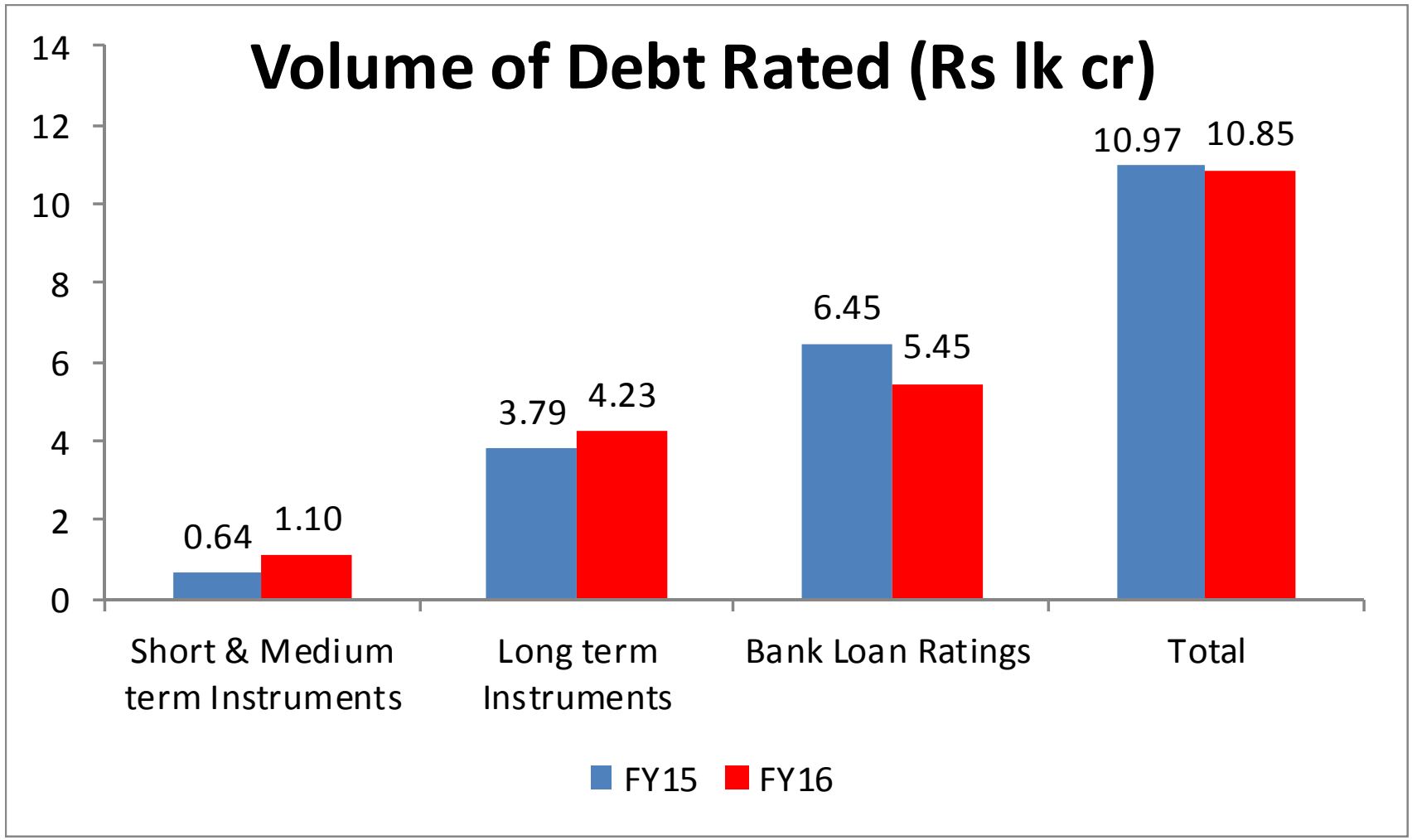
FY16 PAT margin stood at 41.52% as against 45.30% in FY15 mainly due to lower investment income on investments made for a longer tenure where income can be booked only on realization.



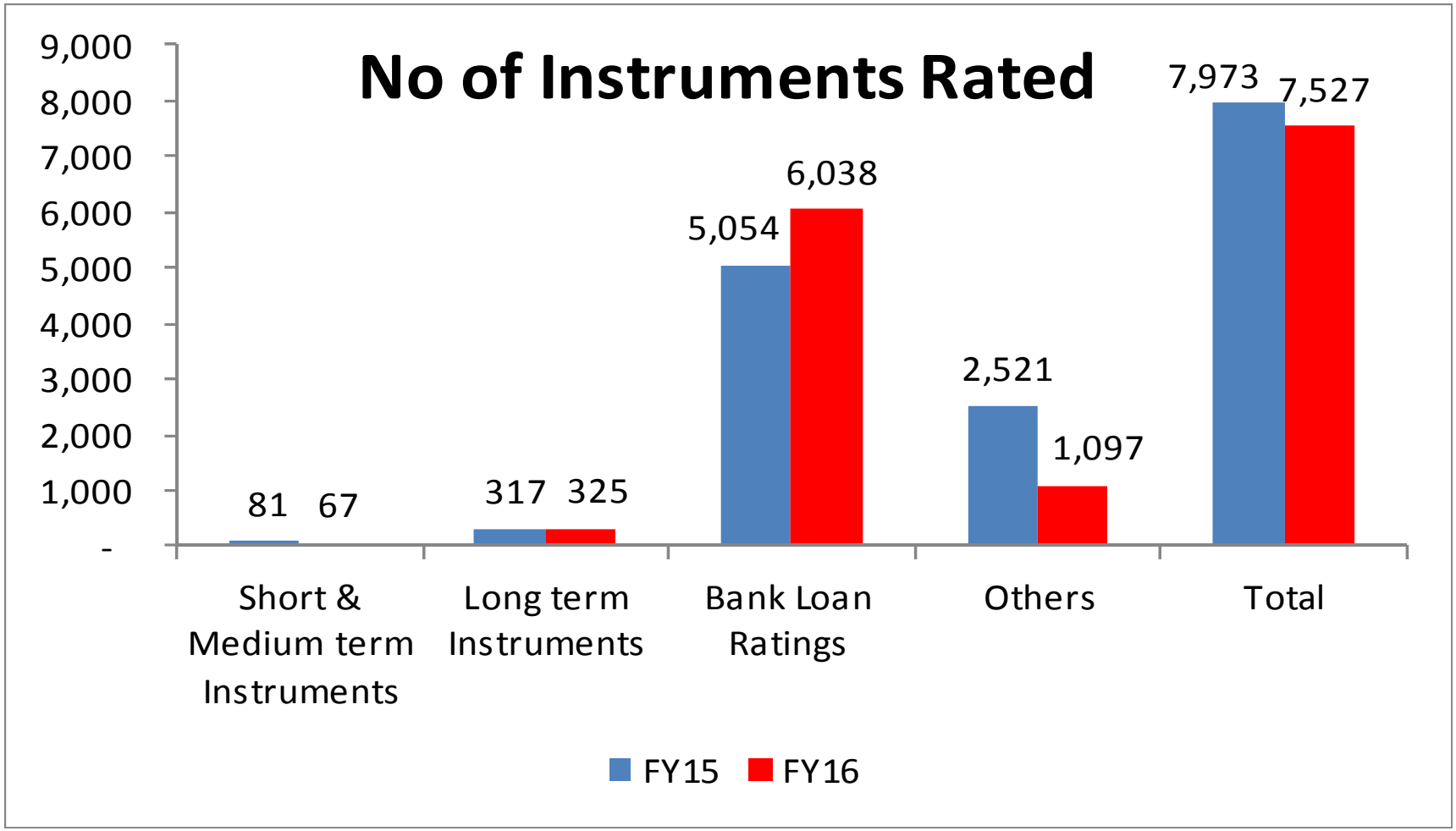
# Business Performance



# Business Performance: FY16



# Business Performance: FY16

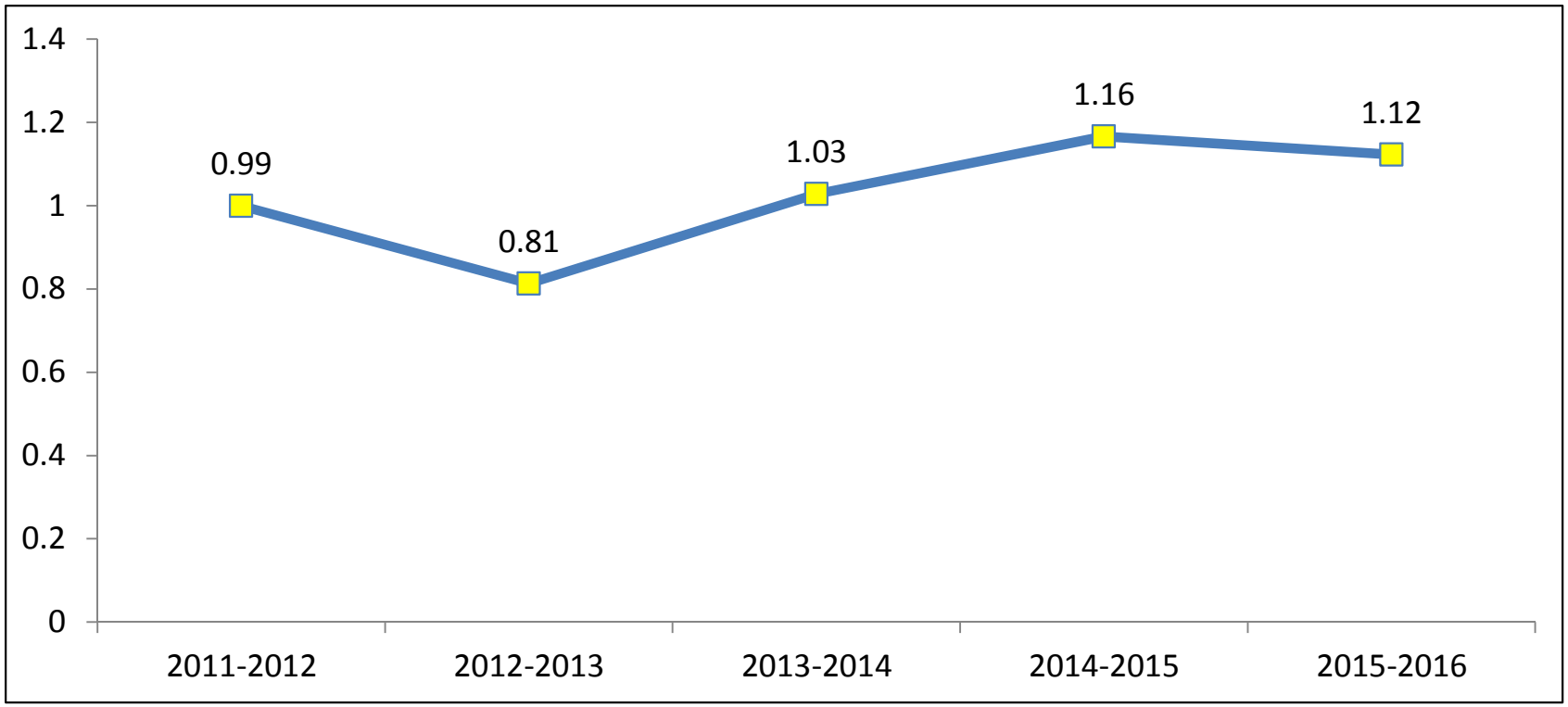


# Contents


- Highlights
- Financial & Business Performance
- **MCR / CDQI**
- New Developments
- Economic Backdrop

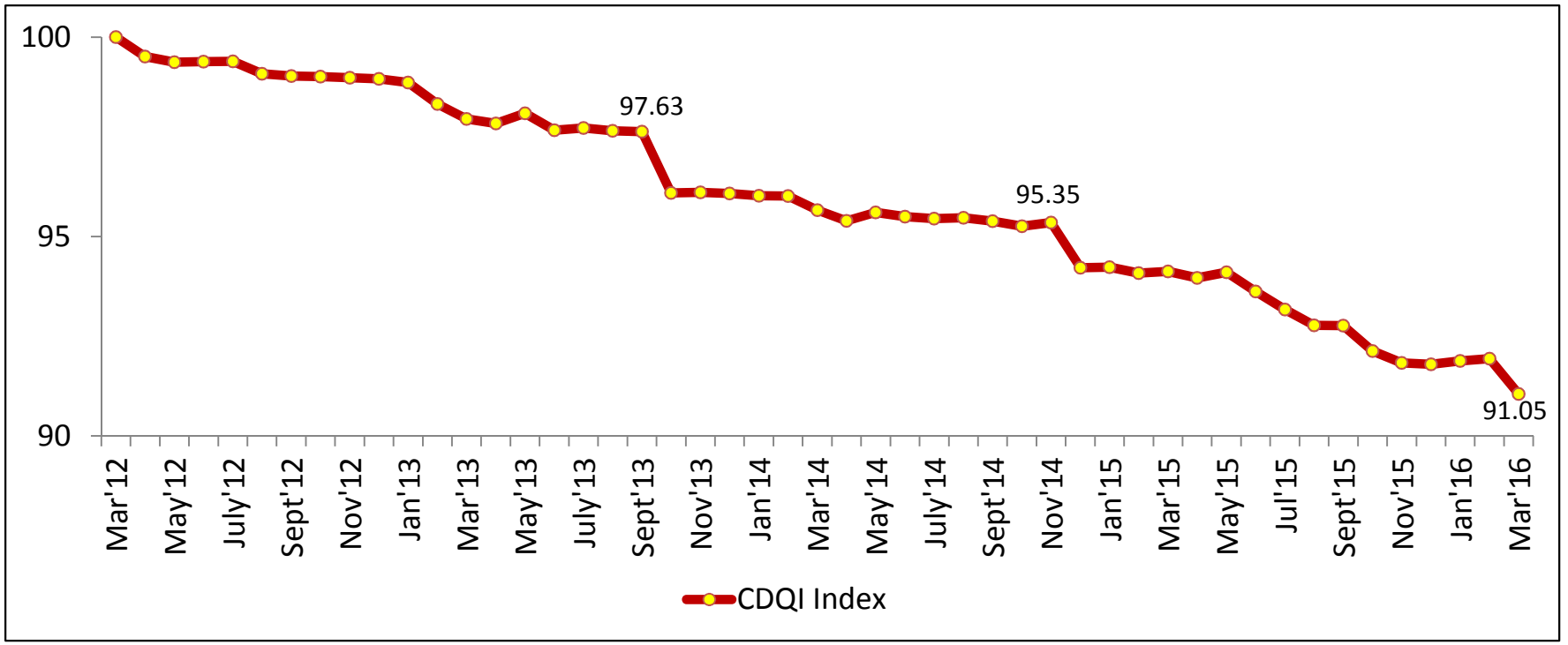
# Rating Movement

Credit Quality of domestic rated firms/entities declined in FY16 as indicated by the MCR. The Modified Credit Ratio (MCR) declined from 1.16 in FY15 to 1.12 in FY16



# CARE Ratings Debt Quality Index

The CDQI has been witnessing a downward movement since June'15.The index exhibited some stability with a moderation of merely 0.01 point during Sept'15 at 92.76, followed by a significant decline to 92.13 in Oct'15 and 91.83 in Nov'15. It continued to register a contraction (albeit marginal) in Dec'15 and stood at 91.79. The index, after witnessing marginal recovery in the month of January 2016 and February 2016, declined in March 2016



# Contents


- Highlights
- Financial & Business Performance
- MCR / CDQI
- **New Developments**
- Economic Backdrop

# New Developments

- Was the knowledge partner for the 4th International Conference on Securitization "Indian Securitization Summit 2015" held at Mumbai
- Received the 'Fastest Growing Indian Company Excellence Award' at International Achievers Conference, Bangkok.
- Launched the CARE Debt Quality Index (CDQI), first of its type index which helps in quantifying the quality of debt in the country
- Signed a Memorandum of Understanding (MoU) with Japan Credit Rating Agency, Ltd. (JCR) to collaborate with each other as strategic business partners.

# New Developments

- Entered into an agreement with GREX Alternative Investments Market to provide a broad analytical framework within which CARE Ratings will be involved in conducting Rating/Grading exercises for companies
- CARE Ratings Africa announce its first rating Assigned to Fixed deposit programme of Banyan Tree Bank Ltd
- Was awarded the title of 4ps Most Recognizable Brands of Indian origin @ Franchise India's Omaxe Power brands Glam 2016 held in New Delhi
- Launched CARE Rating Tracker (CART), a platform which gives information pertaining to 40,000 rated companies across more than 120 industries

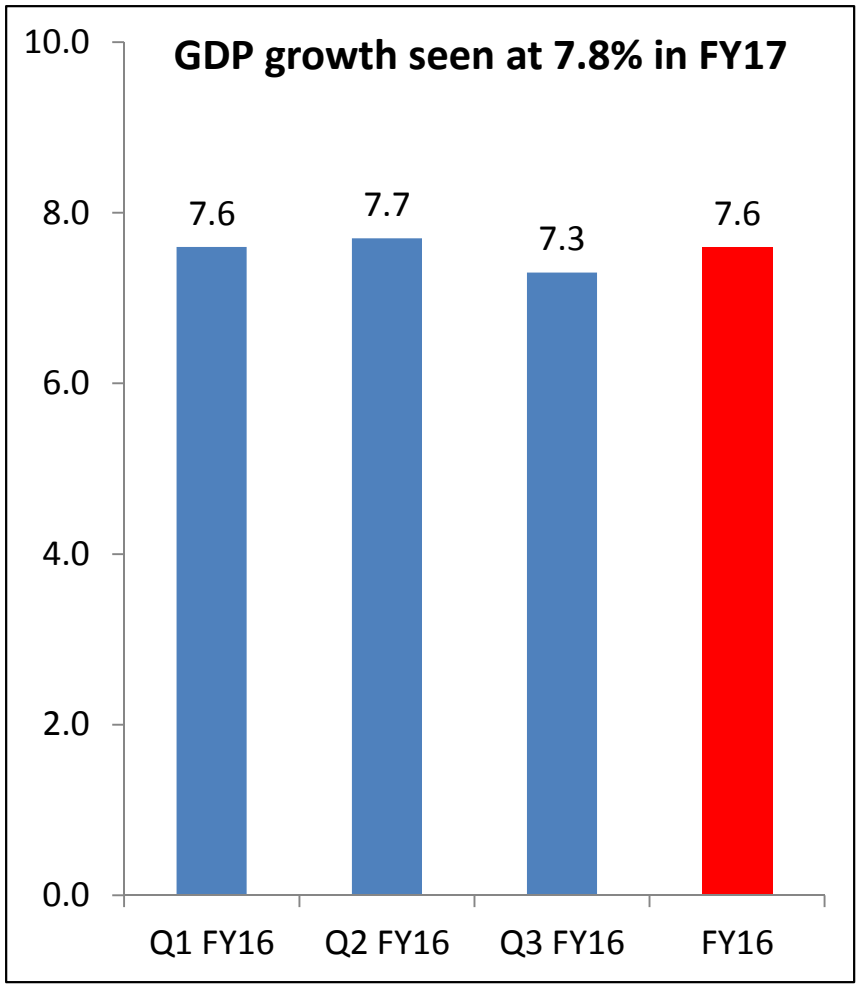
# New Developments

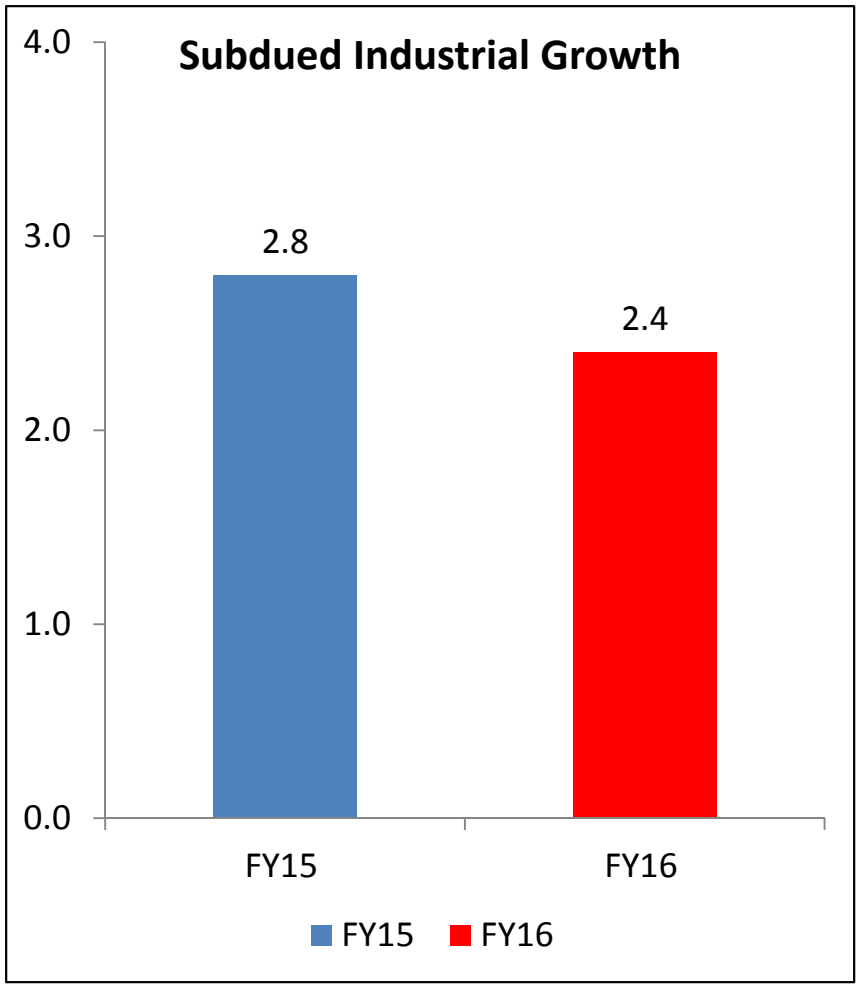
- Hosted Budget Conversations: FY17' - a discussion on the budgetary proposals in Mumbai and Delhi.
  - Speakers for the Mumbai event included Mr. Ashvin Parekh (Managing Partner, Ashvin Parekh Advisory Services LLP), Mr. Milind Sarwate (Founder & CEO, Increate Value Advisors LLP) and Mr. Nilesh Shah (Managing Director, Kotak Asset Management Co. Ltd)
  - Speakers for Delhi event included Mr Sanjeev Kaushik (DMD, IIFCL) and Ms Mythili Bhusnurmath (Consulting Editor, Economic Times)

# Contents

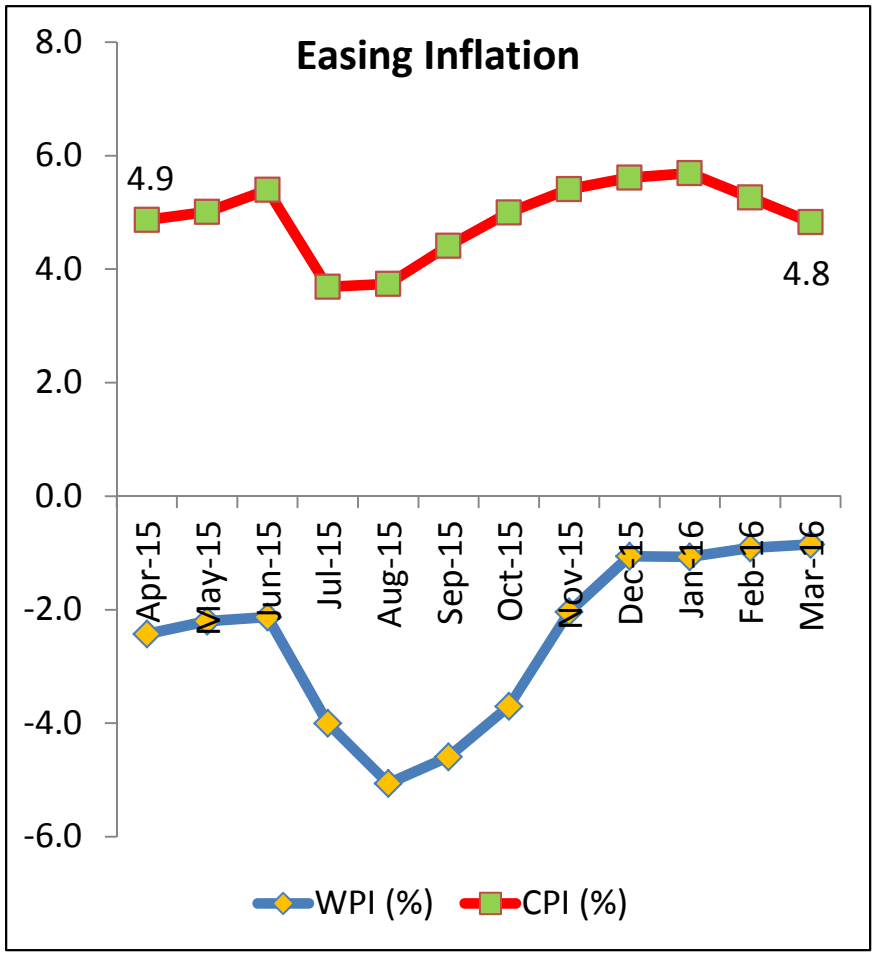

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- Financial & Business Performance
- MCR / CDQI
- New Developments
- **Economic Backdrop**

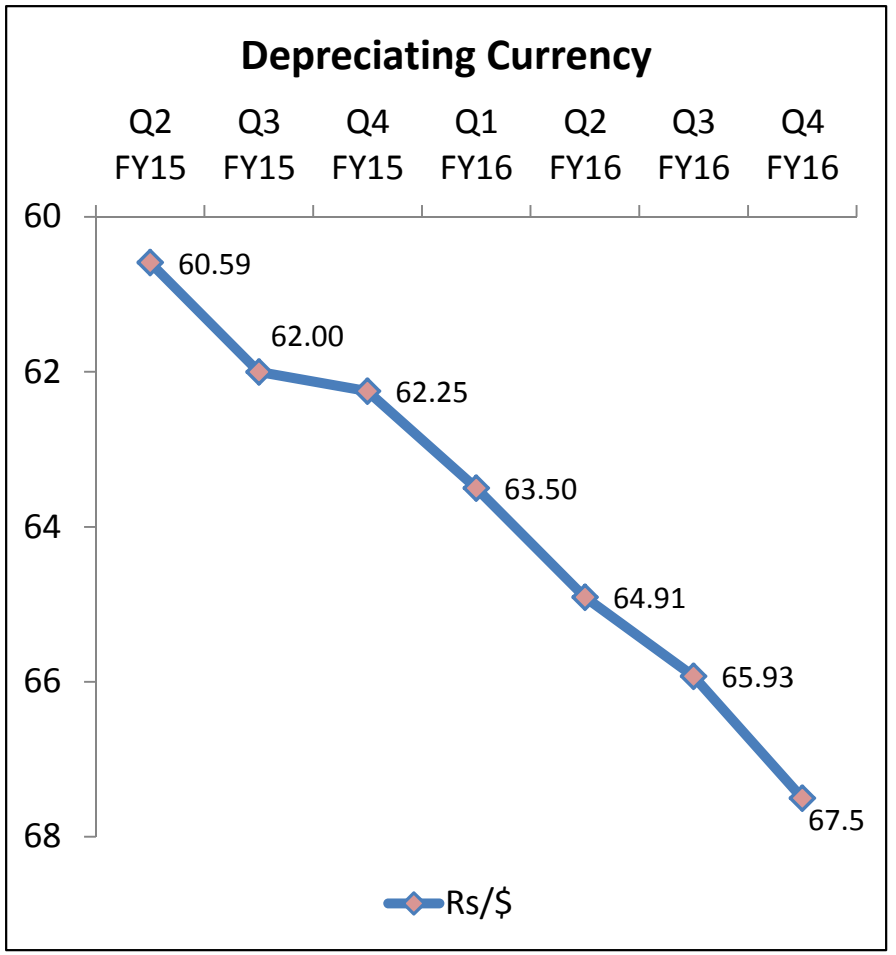
# Economic Backdrop



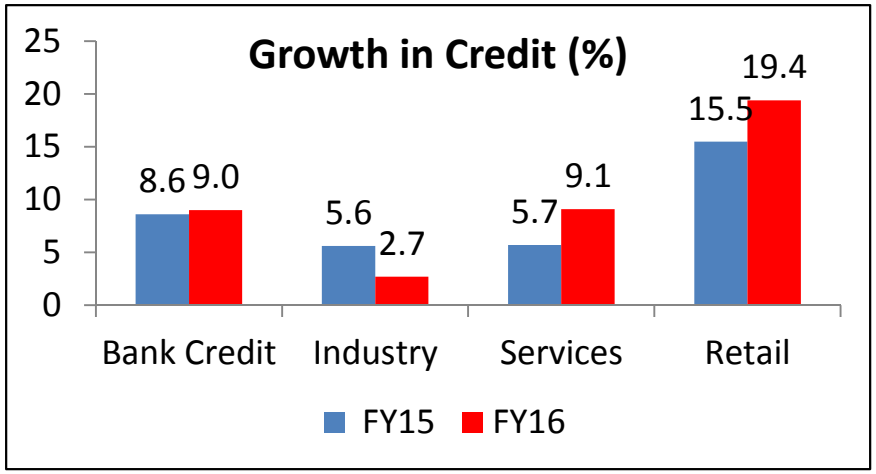



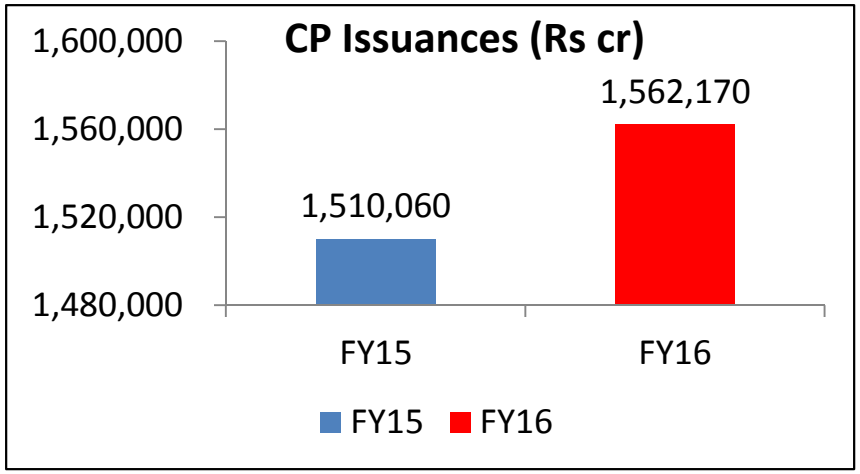
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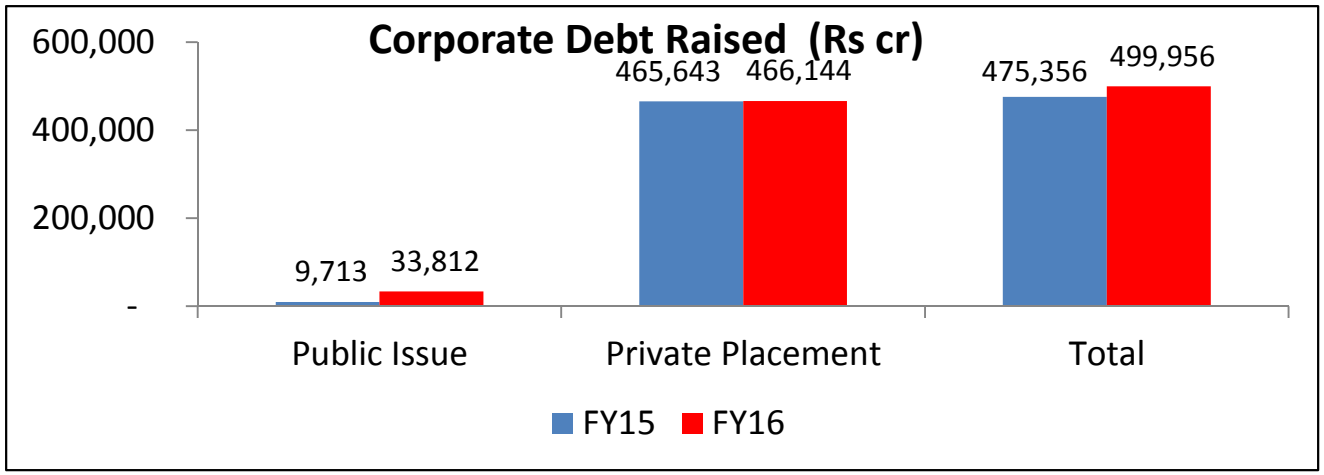



# Economic Backdrop



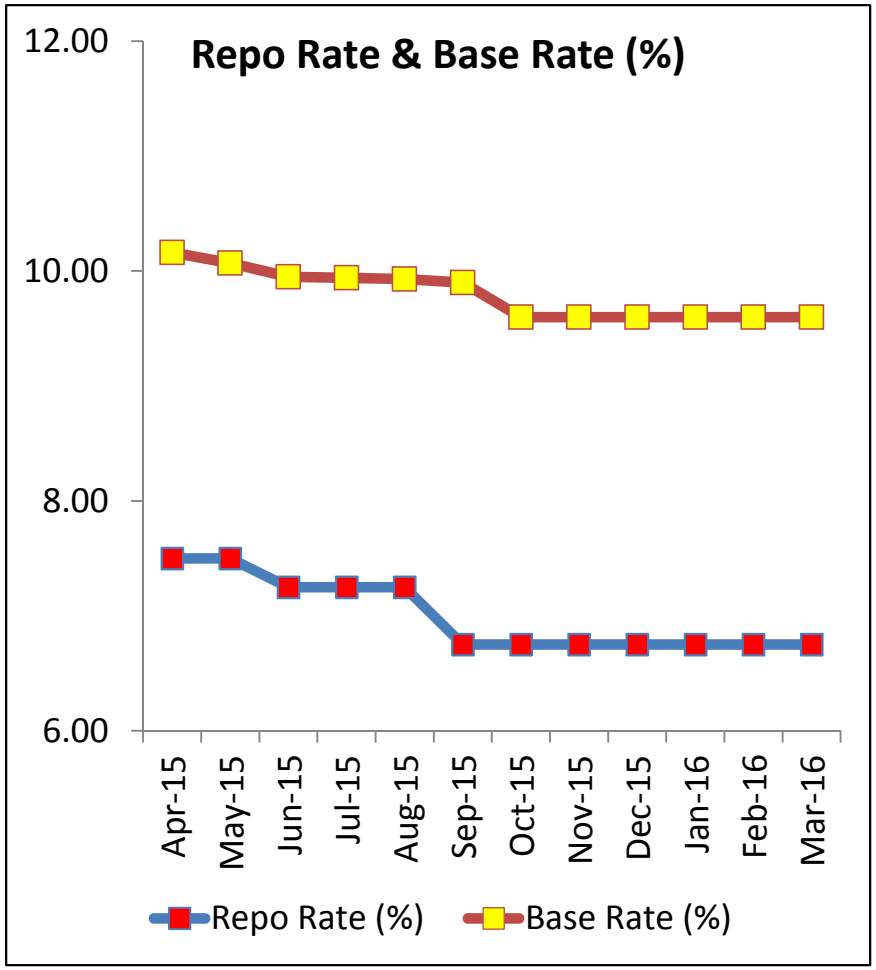



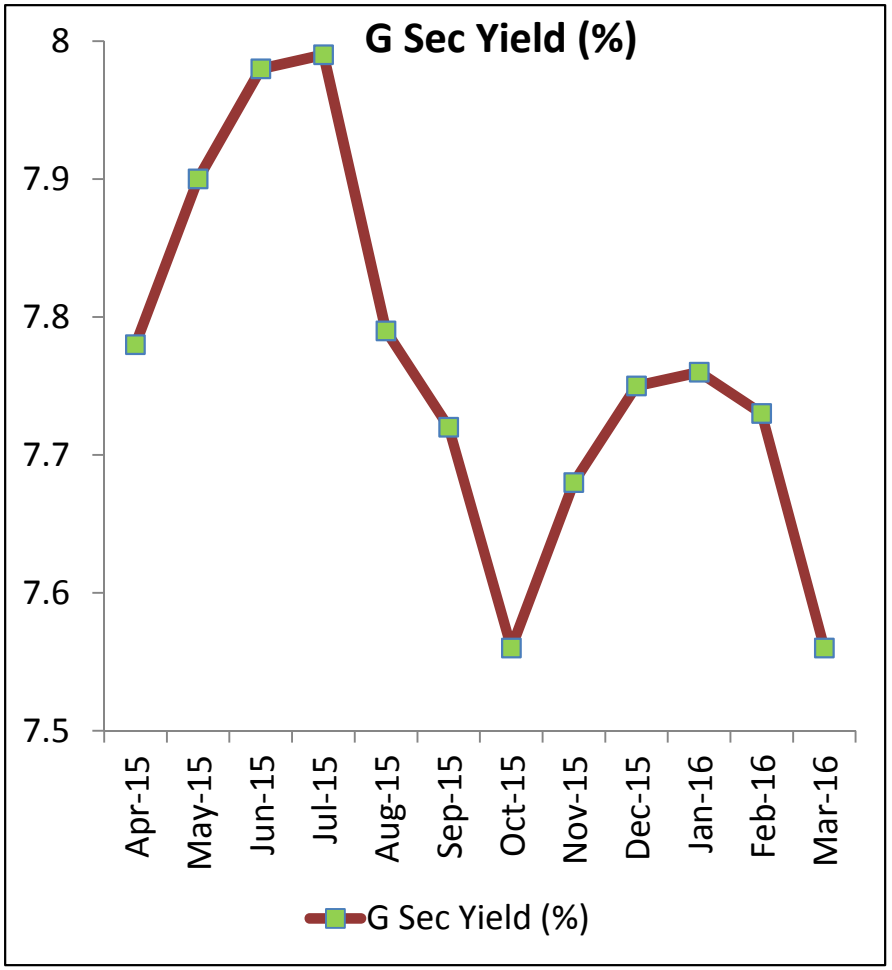

*Source: RBI*




*Source: Prime Database*

# Economic Backdrop



# Economic Outlook for FY17

- GDP growth to improve gradually to 7.8% in FY17
- Inflation expected in the range of 5-5.5%
- Rupee to be in the range of Rs.68-69
- Marginal increase in capital formation
- RBI to maintain accommodative monetary policy stance
  - easing of interest rate by 25 bps seen this fiscal

# Thank You