

• *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 quarterly 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 lakh crore to Rs 2.41 lakh 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 lakh crore to Rs 5.06 lakh 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 tenure of three years and hence income can be booked only on maturity. Second, the investible pool of surplus reduced by Rs. 220 crores in FY15 on account of one-time payout of special dividend.

Total expenses decreased from Rs 24.18 crore to Rs 23.46 crore mainly due to reduction in staff count coming down from 615 in September 2014 to 579 as of September 2015. Net profit decreased from Rs 52.41 crore to Rs 37.85 crore 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'.

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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*

(10)

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