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Q1 FY16 Results

- **Rating Income up by 13%**
- **Operating Profit up by 23.6%**
- **Interim Dividend of Rs. 6 per share declared**

The Board of Directors of Credit Analysis & Research Limited approved Q1-FY16 results on Friday, 17th of July 2015 in Mumbai. The Board of Directors has declared an interim dividend of Rs. 6 per share of face value of Rs. 10 each.

Total revenue grew by 13.5% from Rs 42.68 crore in Q1-FY15 to Rs 48.44 crore in Q1-FY16 with rating revenue increasing by 13% during this period. Operating profit witnessed an increase of 23.6% from Rs 18.68 crore in Q1-FY15 to Rs 23.09 crore in Q1-FY16.

Other income decreased by 80.3% from Rs 14.84 crore in Q1-FY15 to Rs 2.92 crore in Q1-FY16 mainly because of the roll-over of sizeable investments in Fixed Maturity Plans (FMPs). The income from these FMPs will be booked in the year of maturity. Consequently, Total Income decreased by 10.7% from Rs 57.51 crore in Q1-FY15 to Rs 51.36 crore in Q1-FY16.

Total expenses increased by 5.6% as the staff count increased from 592 as of June 30, 2014 to 627 on June 30, 2015. Hence, while Operating Profit margin for Q1-FY16 improved from 43.8% to 47.7%, Net Profit margin for Q1-FY16 was down from 46.2% to 34.1% due to lower income from investments.

Business volumes were higher and the volume of debt rated increased from Rs 2.39 lkh crore to Rs 2.65 lkh crore during this period. The higher volume of debt rated was also manifested in the number of instruments rated which increased from 1,085 to 1,406. The number of clients on the portfolio is now 10,332 (9,828 as of March 2015). 708 new clients were added in Q1-FY16, against 510 in Q1-FY15.

During this quarter, CARE Ratings introduced two new products, rating of ITIs (Industrial Training Institutes) and grading of REITs (Real Estate Investment Trusts). CARE has also been empanelled to assign ratings to tourism facilities in Karnataka by the state government.

Commenting on the performance, Mr D.R. Dogra, MD & CEO, CARE Ratings said,
"While our rating income has increased, investment income has been and will continue to be affected by our policy to rollover the investments in FMPs last year. Hence, our operating profit margins have improved while net profit margin has declined".

"We still have not witnessed a discernible improvement in the macro investment climate so far, with industrial growth being lower and credit not picking up. We are looking for a reversal in the next few quarters based on some grass root signs which can revive the investment cycle", he added.

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.*

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

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

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