

Date: June 18, 2020  
SE/2020-21/015

To,

The General Manager The Corporate Relation Department Bombay Stock Exchange Limited Phiroza Jeejeebhoy Towers 14 <sup>TH</sup> Floor, Dalal Street Mumbai 400 001 Scrip Code: 534804	The National Stock Exchange India Ltd. Listing Department Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051 Scrip Code: CARERATING
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Dear Sir/Madam,

**SUB: PRESS RELEASE AND INVESTOR PRESENTATION FOR QUARTER & YEAR ENDED MARCH 31, 2020**

Please find enclosed herewith the Press Release and Investor Presentation of the Company of CARE Ratings Limited as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, The Company has organized a conference call with the Investors/ Analysts on Friday, June 19, 2020, at 11.30 a.m., post declaration of its Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2020.

We are pleased to invite you to our company's investors' call on our Q4FY20 and FY20 financial results. The call will be initiated with a management overview on the earnings performance followed by an interactive Question & Answer session.

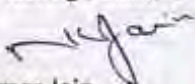
For registration click (<https://register.gotowebinar.com/register/7183076886540618512>)

Kindly take the above on record.

Thanking you,

Yours faithfully,

For CARE Ratings Limited

  
Navin Kumar Jain  
Company Secretary & Compliance Officer



Encl: As above.

CARE Ratings Ltd.

18<sup>th</sup> June 2020

## Q4 and 2019-20 Results

The Board of Directors of CARE Ratings approved the financial results for the fourth quarter and year ended 31<sup>st</sup> March 2020 in the Board meeting held on Thursday the 18<sup>th</sup> of June 2020.

### Consolidated results

For the year, consolidated total income was Rs 275.11 crore as against Rs 349.36 crore in 2018-19. Profit after tax (PAT) moderated from Rs138.07 crore in 2018-19 to Rs 83.48 crore in 2019-20.

### Standalone results

CARE Ratings standalone income from operations declined from Rs 297.36 crore in FY19 to Rs 219.10 crore in FY20. Other income increased from Rs 29.83 crore to Rs 31.34 crore. Total expenditure increased from Rs 129.15 crore to Rs 150.19 crore during this period with staff costs going up by Rs 8.77 crore on account of the salary revision undertaken during the year. PAT declined from Rs 134.99 crore to Rs 80.50 crore for the year with the margin correspondingly declining to 32% from 41%.

Business during the year was impacted by weak economic fundamentals with GDP growth slowing down to 4.2% during the year. This was also reflected in low growth in bank credit to the manufacturing and services sectors. A drop in gross fixed capital formation from 29% in 2018-19 to 26.9% in 2019-20 and decline in capacity utilization in manufacturing as per RBI data from 76.1% in Q4-FY19 to 68.6% in Q3-FY20 affected overall long-term lending. Also, the demand for institutional credit was low and the discretion shown by banks in lending impacted the flow of funds. This was notwithstanding the lowering of the repo rate by the RBI by 185 bps and infusion of liquidity through various measures. Hence the overall quantum of debt rated by your company was lower at Rs 12.73 lakh crore as against Rs 19.90 lakh crore in 2018-19.

The shutdown announced in the last week of the year end also impacted business plans of several companies which in turn had a bearing on overall fund-raising plans of companies. For the fourth quarter, total income declined by 29% from Rs 81.49 crore to Rs 57.67 crore, while PAT came down from Rs 34.64 crore to Rs 13.95 crore.

The Board of Directors have recommended 25% dividend of Rs. 2.50/- per share (of Rs. 10/- face value) which will take the total declared for the year to Rs 19.50/share.

"The shutdown in the first few months of the new year in various forms has impacted overall economic activity and with a negative growth in GDP being projected for FY21 we do see several challenges in growing the business as the overall borrowing through the bond market and banking system will be constrained. The government and RBI have announced various measures to alleviate the situation and while we do expect them to take shape during the course of the year, conditions will continue to be uncertain in the coming months. Needless to say we will be working on diversifying our business aggressively to protect and enhance shareholder value over the long term," said Ajay Mahajan, MD & CEO, CARE Ratings

For further information contact:



Ajay Mahajan

MD & CEO

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# **CARE Ratings Limited**

## **Investor Presentation – FY20**