

**Registered Office:** 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400 022  
Website : [www.careratings.com](http://www.careratings.com)  
Email: [investor.relations@careratings.com](mailto:investor.relations@careratings.com)  
CIN-L67190MH1993PLC071691

---

Mumbai, 4<sup>th</sup> November 2016

### **CARE Ratings Unaudited financial results for H1-FY17**

#### **Highlights**

##### **H1 FY17**

- Rating income increases by 9.2%
- Total expenses contract by 8.5%
- Operating profit up by 20.1%, Operating profit margin improves to 67.7% from 61.5%
- EBITDA and PAT grow by 21.5% and 22.7%, respectively
- EBITDA and PAT margins improve from 64.5% to 70.6% and 42.0% to 46.4% respectively
- 2<sup>nd</sup> Interim dividend of Rs. 6/- per share declared

##### **Q2 FY17**

- Rating income increases by 3.6%
- Total expenses contract by 6.5%
- Operating profit up by 7.9%, Operating profit margin improves to 72.9% from 70.0%
- EBITDA and PAT grow by 13.1% and 14.2%, respectively
- EBITDA and PAT margins improve from 72.1% to 75.6% and 47.1% to 49.9% respectively

Total income from operations increased by 11% from Rs 131.82 crore in H1-FY16 to Rs 146.34 crore in H1-FY17. Higher growth of 9.2% in rating income was on account of an increase in both the volume of fresh debt rated and surveillance exercises carried out during the quarter. Total volume of new debt rated increased from Rs 5.06 lakh crore to Rs 6.70 lakh crore with increases being witnessed in both the corporate debt and bank loans rating. Other income, which is primarily investment income, increased by 59.0% from Rs 5.15 crore to Rs 8.19 crore mainly due to profits booked on maturity of certain investments made for a longer tenure.

Total expenses declined by 8.5% in H1-FY17. The employee cost, which accounts for around three quarters of the total cost, came down by 4.3% from Rs 35.33 crore to Rs 33.81 crore mainly due to charge for ESOP included in H1-FY16.

Higher growth in income and a decline in expenses led to an increase in EBITDA by 21.5%. While tax expenses increased by 22.1%, profit after tax (PAT) witnessed an increase of 22.7%. Consequently, the EBITDA margin improved from 61.5% to 67.7% while PAT margin increased from 42.0% to 46.4%. Basic EPS was at Rs 23.09 per share (Rs. 19.09 per share in H1-FY16). The Board has announced an interim dividend of Rs. 6/- per share.

Commenting on the results Rajesh Mokashi, MD & CEO, said: 'Our Company has performed quite satisfactorily given the economic environment. While growth in topline and bottom line have been positive resulting in improvement in profit margins, we are waiting for the economy to get into a higher gear which will increase the volume of debt raised through both the banking system and debt market. Several reforms brought in by the RBI on improving the depth of the debt market do augur well for the rating industry and we do expect business to improve further once they are in place.'

**Contact:**

Rajesh Mokashi, MD & CEO    022-67543456

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 23 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 is part of a global venture, which is a JV with 4 other global CRAs, 'ARC Ratings' and has also a subsidiary CARE (Ratings) Africa Private Limited (CRAF) in Mauritius, CARE Advisory Research and Training Limited (CART) and CARE Kalypto Risk Solutions & Advisory Services Private Limited (CARE Kalypto) in Mumbai.*

*The Company has its registered office in Mumbai, and branches in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, New Delhi, and Pune. The subsidiary CRAF has an office in Mauritius & CART and CARE Kalypto have offices in Mumbai.*

**\* In terms of rating income FY16**

Mumbai, 4th November, 2016

### Induction of new Director on the Board

Mr Milind Sarwate has been inducted on the Board of Directors of CARE Ratings. The decision was taken when the Board met today to finalize the Q2-FY17 results.

Mr Milind Sarwate is the Founder & CEO of Increate Value Advisors LLP. His mission is to facilitate value creation, both business & social, using his experience of 33 years in Finance, HR and strategy in groups such as Marico & Godrej. He is an Independent Non-Executive Director in 7 companies, including Glenmark, Mindtree, Matrimony.com and House of Anita Dongre. He also plays advisory roles in several other organisations.

Mr Sarwate is a Chartered Accountant, Cost Accountant & Company Secretary, a B. Com. (Honours) from the University of Mumbai, and a CII-Fulbright Fellow (Carnegie Mellon University, Pittsburgh, U S A.). He received the ICAI Award -CFO - FMCG category in 2011, and the CNBC TV-18 Best Performing CFO Award -FMCG & Retail in 2012. During 2013, the CFO India magazine inducted Milind to the CFO India Hall of Fame.

Commenting on this induction, Mr Rajesh Mokashi, Managing Director & CEO said, 'Mr Sarwate brings along diverse corporate experience and rich expertise which will add tremendous value to our Board. By agreeing to be a Director on CARE Ratings, our Board is strengthened further which is already rich with experts in the financial sector and macro-economics. We do welcome him on our Board and look forward to his guidance.'

#### **Contact:**

Rajesh Mokashi, MD & CEO                      022-67543636

Mahendra Naik, Company Secretary        022-67543409

#### **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. The subsidiary CRAF (CARE Ratings Africa) has an office in Mauritius.*

**\* In terms of rating income FY16**