Q1-FY18 Financial Results

Rajesh Mokashi

MD & CEO

CARE Ratings
Professional Risk Opinion

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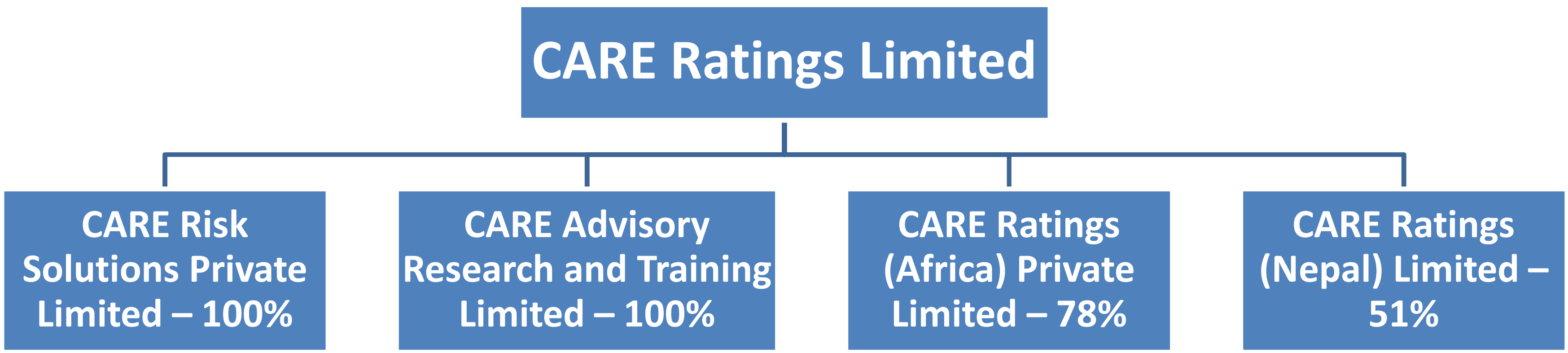
CARE Ratings Group



Highlights: Q1-FY18

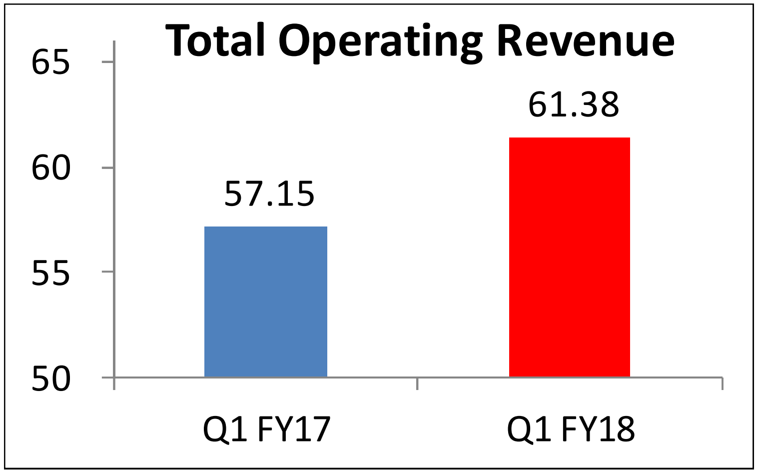
- **Growth in Financial Indicators**
  - Growth in Rating income of 8% in Q1-FY18 over Q1-FY17
  - Growth in Operating profit of 11.1% over Q1-FY17
  - Increase in expenditure by 1.7%
  - Operating profit margins at 62.6% in Q1-FY18
  - EBITDA margins at 67.3% and PAT margins at 52.3% in Q1-FY18
  - 817 new clients added during Q1-FY18
- **Business Profile**
  - Total volume of debt rated recorded increase of 3.36% to Rs 3.90 lakh crore in Q1-FY18 as against Rs 3.77 lakh crore in Q1-FY17.
  - Total number of instruments rated were 1,774 as against 1,261 in Q1-FY17

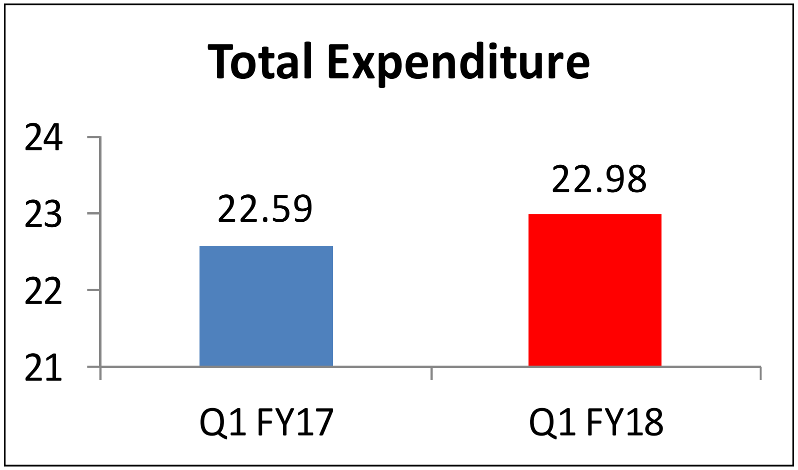
Financial Performance

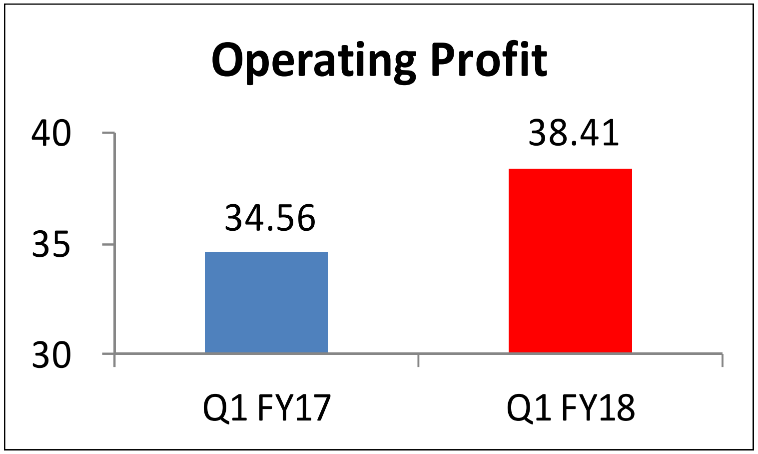
Rs. Lakhs

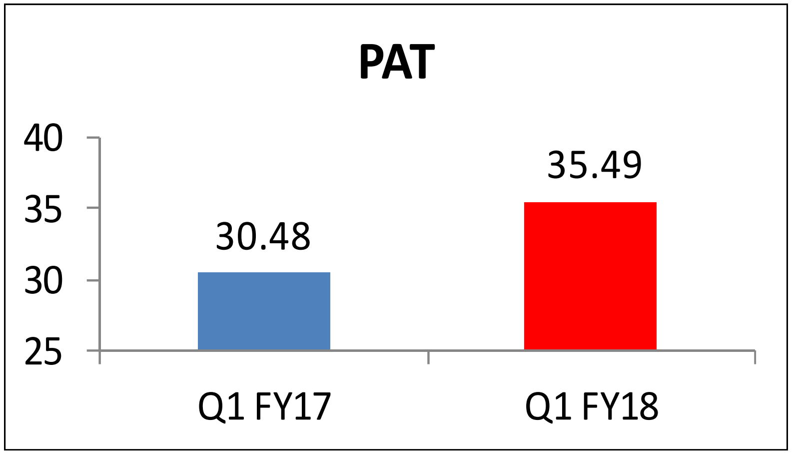
Particulars	Actual Q1 FY18	Actual Q1 FY17	% Change
Revenue			
Rating fees	6,128	5,675	8.0%
Research & Information	10	40	-73.8%
Investment / Other income	650	992	-34.5%
Total income	**6,788**	**6,707**	**1.2%**
Expenditure	2,298	2,259	1.7%
Operating Profit	**3,841**	**3,456**	**11.1%**
Profit Before Tax	**4,491**	**4,448**	**1.0%**
Provision for Tax	942	1,400	-32.7%
Profit After Tax	**3,549**	**3,048**	**16.4%**
Operating Profit margin(%)	**62.6%**	**60.5%**	
Profit Before Tax margin(%)	**66.2%**	**66.3%**	
Net Profit margin(%)	**52.3%**	**45.4%**	

Financial Performance:Q1-FY18 (Rs cr)









CARE Ratings
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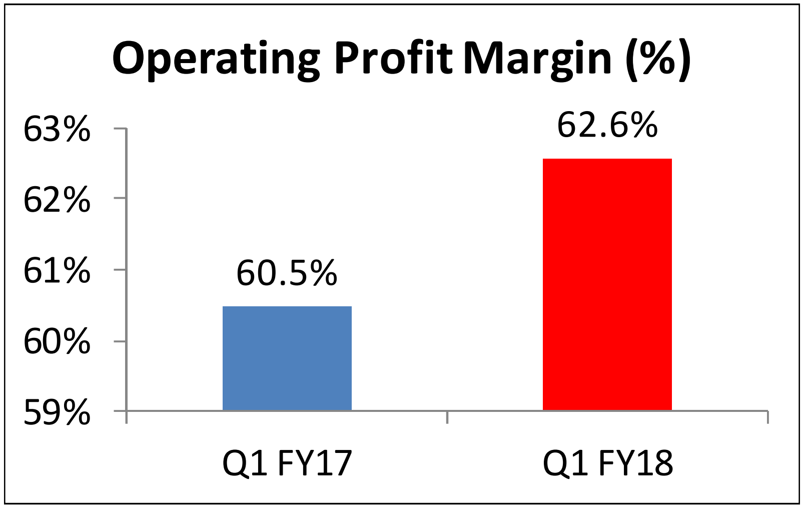
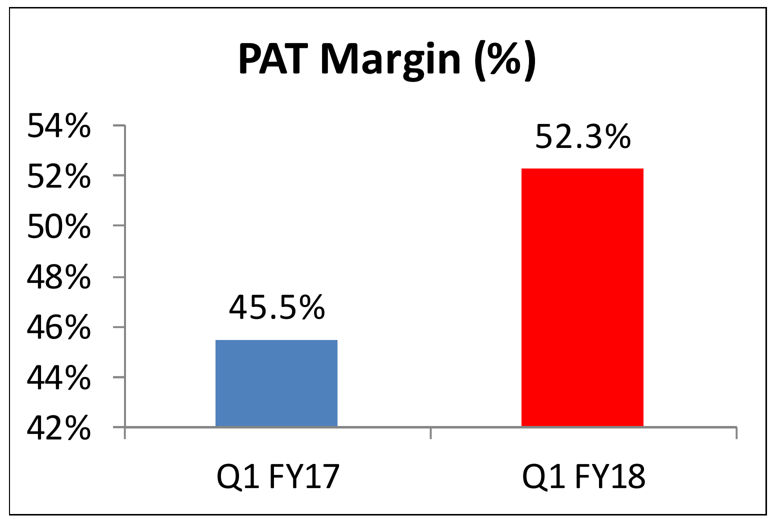
Financial Performance: Q1-FY18

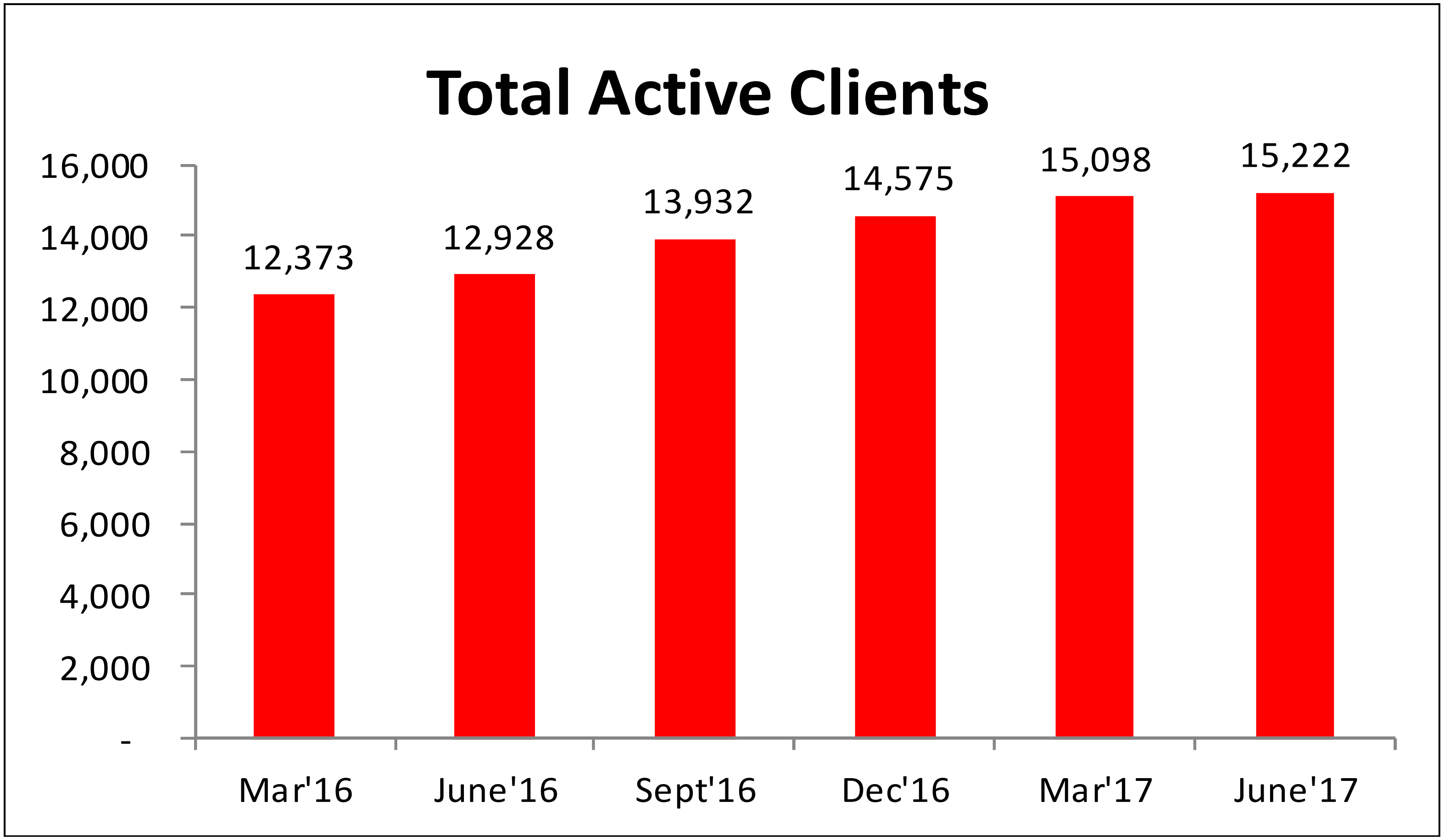


Q1 FY18 Operating profit margin improved to 62.6% mainly due to higher volume of debt rated as well as commensurate increase in the surveillance assignments.

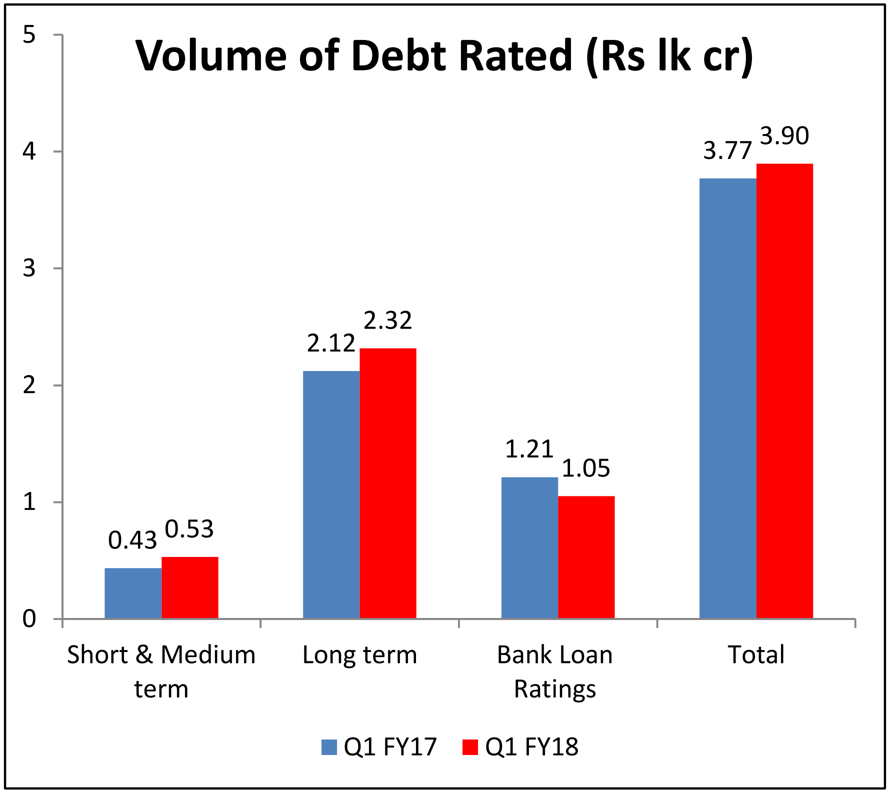
Q1 FY18 PAT margin increased to 52.3% mainly due to higher revenues and lower tax expenses due to deferred tax effect of Ind AS adjustments.

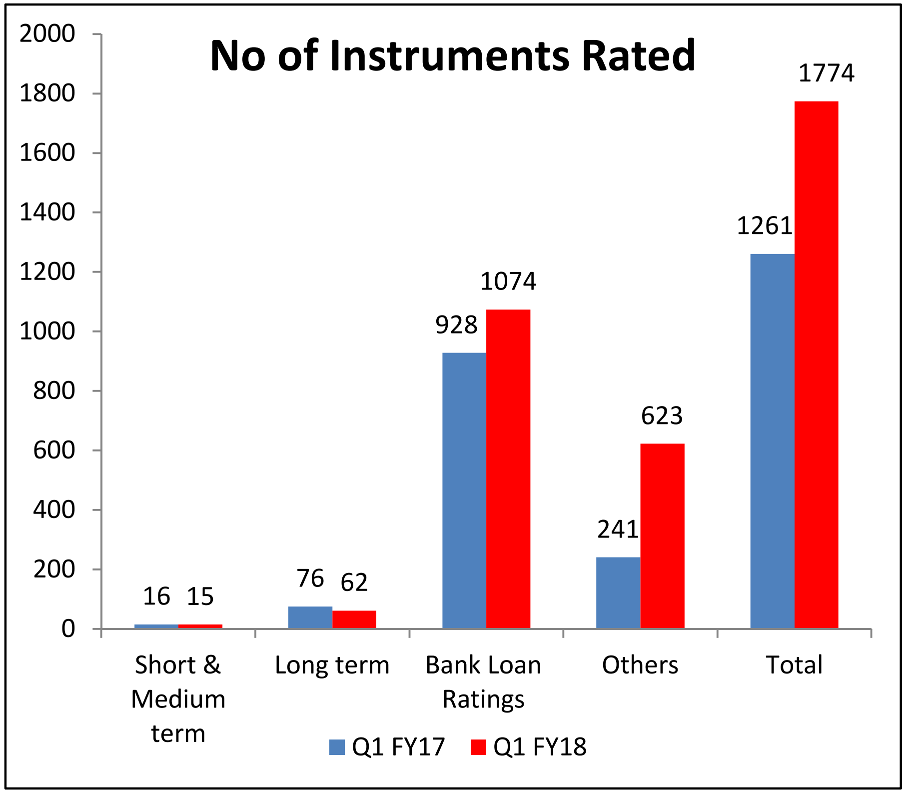


Business Performance



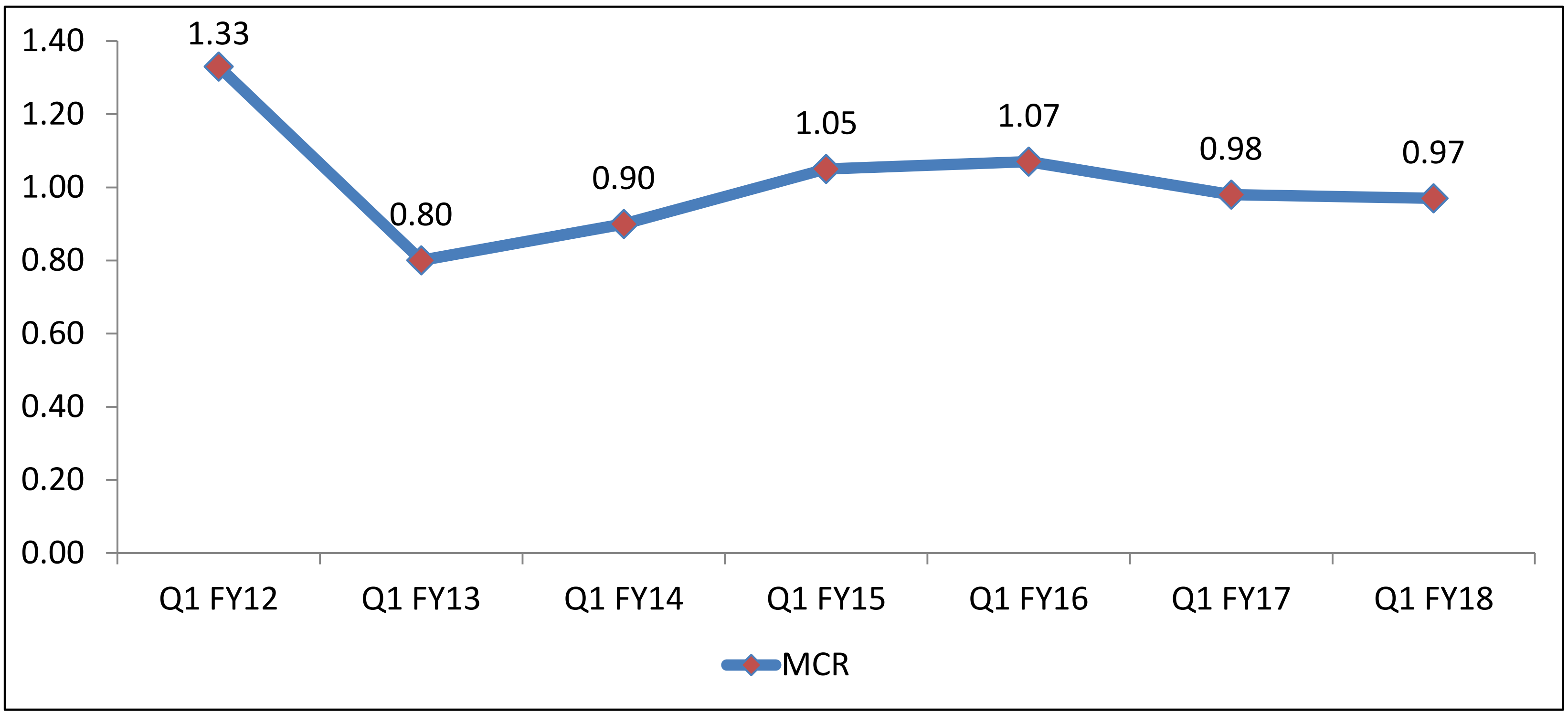
Business Performance: Q1-FY18





Rating Movement

Credit Quality of domestic rated firms/entities has declined in Q1 FY18 as indicated by the MCR. It has come down to less than unity after two quarters.



Thank You