

CIRM
Real Estate Star Ratings
Bank Loan
Ratings
Financial Sector
Public Finance
Bank Loan
Economic Research
Securitization
MLD
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CIRM
Grading
SME Ratings
SME Ratings
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Public Finance
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Grading

Evaluating credit risk
with our
Professional
risk
opinion



We at CARE have evolved over the years to blend quality with the highest ethical standards to set new benchmark in the rating industry. I am glad that we have achieved the status of being the second largest credit rating agency without compromising our basic values, which is the way forward as we strive to scale new heights of excellence. The baton has been handed down from the past and the polish has not waned, and we need to maintain this lustre.

D. R. Dogra,
Managing Director & CEO



Over two decades CARE has built expertise over a diverse range of sectors and has established new benchmark in analytical excellence. The new age challenges of the global economy will require further strengthening of our cutting edge analytics to remain at the forefront of reliable credit risk assessment.

Rajesh Mokashi,
Dy. Managing Director



About us

Credit Analysis and Research Limited (CARE Ratings), incorporated in 1993, is a full-service credit rating company in India. CARE Ratings offers a wide range of rating and grading services across a diverse range of instruments and industries. It rates debt instruments, bank loans & facilities and related obligations covering a wide range of sectors. Its client list includes banks, financial institutions, private sector companies, sub sovereign entities, central public sector undertakings, small and medium enterprises (SMEs) and micro-finance institutions, among others.

Our Values

Integrity and Transparency

Pursuit of Excellence

Fairness

Independence

Thoroughness

Our Vision *to be a*
Respected Company
that provides best in its field
Quality and
Value Services

Recognitions

Securities and Exchange Board of India (SEBI)	➔	Registered under the Credit Rating Agencies (CRA) regulations, 1999
Reserve Bank of India (RBI)	➔	Eligible CRA for the implementation of Basel II in India and for rating of fixed deposits of NBFCs and commercial paper
Ministry of Petroleum and Natural Gas	➔	LPG / SKO ratings
Ministry of Defence	➔	Shipyard grading
National Small Industries Corporation Limited (NSIC)	➔	MSE ratings
Bureau of Energy Efficiency (BEE)	➔	ESCO Grading
Ministry of New Renewable Energy (MNRE)	➔	RESCO Grading
Capital Market Development Authority (CMDA Maldives)	➔	Registered for Rating Debt Instruments in Maldives
Hong Kong Monetary Authority	➔	Indirect Recognition as an External Credit Assessment Institution
Bank of Mauritius	➔	Recognition of CARE's ratings for risk weighting

Compliant with the Code of Conduct of the International Organization of Securities Commissions (IOSCO) and the Association of Credit Rating Agencies, Asia (ACRAA).

Mr. S. B. Mainak



Mr. S. B. Mainak is the Non-Executive Chairman of our company. Mr. Mainak, Managing Director, LIC is a Chartered Accountant and has been with LIC since 1983. As Executive Director (Investment Operations) he managed LIC's funds of more than Rs 14 lakh crore. He also had a stint in National Insurance Academy (NIA), Pune as Professor (Life Insurance) and Head of Finance Department. He is also Chairman of LIC Nomura Mutual Fund Trustee Co. Pvt. Ltd. and on the Board of National Stock Exchange of India Limited, Mahindra & Mahindra Limited, ITC Limited, LIC Cards Services Limited, LIC (Nepal) Limited. He is also Director on LIC Housing Finance Ltd and LIC HFL AMC Limited. He is also Deputy President of Insurance Institute of India and Member of Governing Board of National Insurance Academy, Pune. He was also appointed by the Government of India on the Board of Satyam Computer Services Ltd. as Independent Director for restructuring the company. He held directorship in many companies including Stock Holding Corporation of India Limited. In 2009 he was conferred the awards of: NDTV Profit Business Leadership Award, CNN-IBN Indian of the Year Award and Dataquest IT Persons of the Year.

Mr. A. K. Bansal is an Independent Director of our Company. He worked as Executive Director of Indian Overseas Bank between 2010-13. Born on 22nd May 1953, Shri A. K. Bansal is a Post Graduate in Agriculture from the renowned G B Pant Agriculture University, Pant Nagar, Nainital and recipient of ICAR Junior Research Scholarship. He joined Union Bank of India as Agricultural Field Officer at the age of 23 years in the year 1976.



He has had a highly successful and rewarding career path at Union Bank during which he was awarded Super Achiever and Star Performer status, conferred with the Chairman Club Membership and was entrusted with some of the most challenging and coveted assignments of the Bank. He was also the driving force for setting up the Bank's Capital Market Cell at Mumbai and establishing the Bank's first museum at M S M branch in Mumbai.

At Indian Overseas Bank, among other portfolios, he had exclusive charge of Large Corporate, International, MSME, Planning, NPA management, Agriculture & Priority Credit, Inspection & Audit, Public Relations, Customer Service & Vigilance.

He has been conferred the "Indira Super Achiever Award" for the year 2010-11 by the Indira Group of Institutions, Pune in recognition of his high contribution value to the field of Banking and Finance during his banking career.

He is also on the Board of Directors of Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited

Dr. Ashima Goyal



Dr. Ashima Goyal is an Independent Director of our company. She is a B.A. (Honours) Economics from Delhi University and M.A. and M. Phil. from Delhi School of Economics, Delhi University, and Ph.D. from Bombay University. She has rich experience in the field of open economy macroeconomics, international finance, institutional and development economics, in which she is widely published. Her research has received national and international awards. She is editor of an OUP handbook on

the Indian economy and a Routledge journal on Macroeconomics and Finance. She is a Professor at Indira Gandhi Institute of Development Research, member of the Monetary Policy Technical Advisory Committee of the RBI, Vice-Chairperson and a Public Interest Director at MCX-SX, has been a member of various committees of Reserve Bank, Government of India, Governing Council of the Exchange Traded Currency Derivatives Segment (ETCD) of the Bombay Stock Exchange Ltd., and Indian Merchants Chamber, and has served on the Boards of MCX, MCX-SX Clearing Corporation, and National Institute of Bank Management.

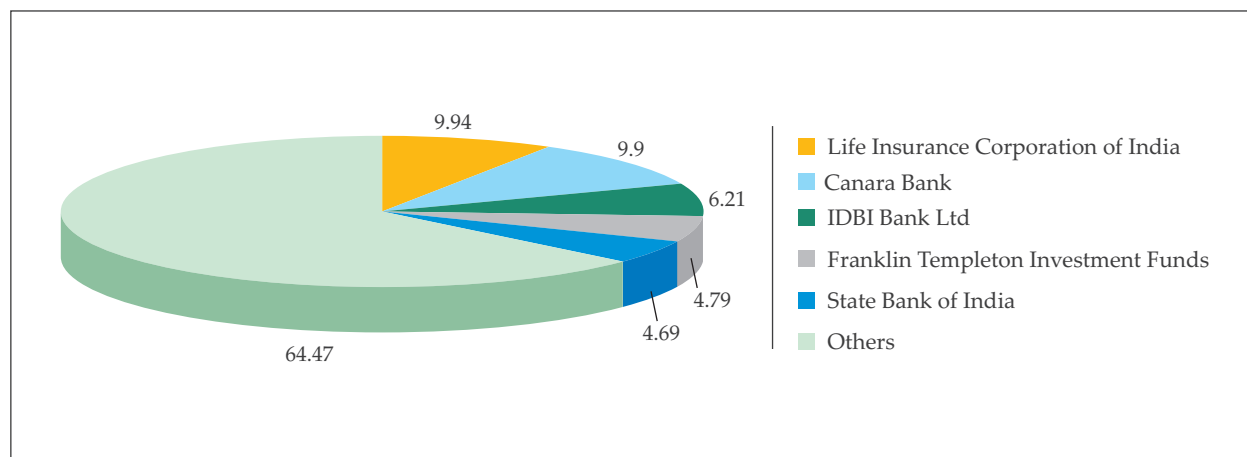
Mr. D.R. Dogra is the Managing Director and Chief Executive Officer of our Company. He holds a Bachelor's and a Master's degree in agriculture from Himachal Pradesh University and a Master's degree in business administration (FMS), from University of Delhi. He is a certified Associate of the Indian Institute of Bankers. He has more than 35 years of experience in the financial sector and in credit administration. Prior to joining our Company, he was associated with Dena Bank. He is a member of Western Region Economic Affairs, Sub-Committee of Confederation of Indian Industry, Federation of Indian Chamber of Commerce and Industry, executive body of Swayam Siddhi College of Management & Research and board of governance of Universal Business School, Mumbai. He is on Board of Directors with Association of Credit Ratings Agencies in Asia, Manila, Philippines, ARC Ratings Holdings Pvt Ltd, Singapore, CARE Kalypto Risk Technologies and Advisory Services Pvt Ltd. and Public interest Director at MCX Stock Exchange Ltd., He has been associated with our Company since 1993 and was appointed on the Board on June 30, 2008.



Mr. Rajesh Mokashi is the Deputy Managing Director of our Company. He holds a Bachelor's degree in Mechanical Engineering from VJTI, Mumbai and a Master of Management Studies degree from University of Bombay. He is a qualified Chartered Financial Analyst and has also cleared Level III of the CFA Program conducted by the CFA Institute, USA.

He has obtained a Diploma in Import and Export Management from Indian Institute of Materials Management. He has more than 27 years of experience in finance, commerce and credit risk sectors. He has been associated with OTIS Elevators Company (India) Limited, DSP Financial Consultants Limited and Kotak Mahindra Finance Limited in the past. He is on Board of Directors with CARE Kalypto Risk Technologies and Advisory Services Pvt. Ltd., He also Member-Empanellment Committee of NISM. He has been associated with our Company since 1993 and was appointed on the Board on August 22, 2009.

Shareholding Pattern (% Share)



as on 31st March, 2015

Milestones

1993-94
Commenced rating operations in Oct 1993
Profitable in the first year of business

2002-03
Launched Corporate Governance and Value Creation Ratings

1996-97
Completed 9 Disinvestment Commission Assignments

2004-05
Signed MOU with NSIC

2010-11
Established branch in Maldives

1997-98
Launched 'CARE Loan Rating'

2005-06
IPO grading launched

2011-12

- Acquired Kalypto Risk Technologies
- ISO 9001-2008

1998-99
Entered Advisory business

2007-08

- ECAI Recognition
- Signed MOU with leading banks under BASEL II
- Received mandate from Ministry of Urban Development for rating of 13 ULBs under JNNURM

2012-13
CARE Ratings listing on BSE & NSE

1999-00
Obtained registration with SEBI

2008-09
Completed 5,000 assignments

2013-14

- Rates India's first mortgage backed securitization transaction backed by mortgage guarantee.
- Assigns India's first ever Alternative Investment Fund (AIF) Ratings

2001-02
Founding member of Association of Credit Rating Agencies in Asia (ACRAA)

2009-10
Rated debt volume crossed Rs.10 trillion

- Launch of ARC Ratings – A Global Rating Agency with CARE Ratings as India Partner

- Completed 15,000 rating assignments
- Launch of Market Linked Debentures (MLD) & Principle Protected Market Linked Debentures (PPMLD)

Mr. Y. H. Malegam



Y. H. Malegam, Chairman of Rating Committee is a former Managing Partner of S.B. Billimoria & Co, C.A. and former Co-chairman of Deloitte, Haskins & Sells C.A. He is a Member – Central Board of Directors of Reserve Bank of India. He is also on the Board of First Source Solutions Limited, The Clearing Corporation of India, NSE, Siemens Limited, Western India Plywood Limited, Clariant Chemicals (India) Ltd and Member of the Committee of Indo German Chamber of Commerce.

P.P. Pattanayak, former Managing Director of State Bank of Mysore and former Deputy Managing Director and Chief Credit Officer of SBI. He is also a member of the Board of Directors of IIFL Asset Management Company Limited & Shriram City Union Finance.

Mr. P.P. Pattanayak



Mr. V. Leeladhar



V. Leeladhar, former Deputy Governor, RBI, and Chairman of Indian Banks Association (IBA). Former member of the Board of Directors for Institute of Banking and Finance, NABARD, National Housing Bank, New India Assurance Company Limited, General Insurance Corporation of India, Export Credit Guarantee Corporation of India Limited, Agriculture Finance Corporation Limited, Discount and Finance House of India Limited and SEBI. He is a member of the Board of Directors of Tata Global Beverages Ltd.

V.K. Chopra, former whole time member of SEBI and chairman and managing director of Corporation Bank and Small Industries Development Bank of India. He was also the Executive Director of Oriental Bank of Commerce. He is a member of the Board of Directors of Jaiprakash Associates Ltd., Havells India Ltd., Future Retail Ltd., Rolta India Ltd., Bhartiya International Ltd., PNB MetLife India Insurance Co. Ltd., Responsive Industries Ltd., Religare Invesco Asset Management Co. Ltd., Reliance Capital Pension Fund Ltd., India Infoline Finance Co. Ltd etc.

Mr. V.K. Chopra



Mr. D. R. Dogra



D.R. Dogra is the Managing Director and Chief Executive Officer of our Company. He holds a Bachelor's and a Master's degree in agriculture from Himachal Pradesh University and a Master's degree in business administration (FMS), from University of Delhi. He is a certified Associate of the Indian Institute of Bankers. He has more than 35 years of experience in the financial sector and in credit administration. Prior to joining our Company, he was associated with Dena Bank. He is a member of Western

Region Economic Affairs, Sub-Committee of Confederation of Indian Industry, Federation of Indian Chamber of Commerce and Industry, executive body of Swayam Siddhi College of Management & Research and board of governance of Universal Business School, Mumbai. He is on Board of Directors with Association of Credit Ratings Agencies in Asia, Manila, Philippines, ARC Ratings Holdings Pvt Ltd, Singapore, CARE Kalypto Risk Technologies and Advisory Services Pvt Ltd. and Public interest Director at MCX Stock Exchange Ltd., He has been associated with our Company since 1993 and was appointed on the Board on June 30, 2008.

Ratings

Corporate Sector

- **Debt** – The primary focus of the rating exercise is to assess future cash generation capability and the adequacy to meet debt obligations in adverse conditions. The analysis therefore attempts to determine the fundamentals and the probabilities of change in these fundamentals, which could affect the creditworthiness of the issuer.
- **Bank Loan Ratings** – Used by banks to determine risk weights for their loan exposures, in keeping with the Reserve Bank of India's (RBI's) April 2007 Guidelines for Implementation of the New Capital Adequacy Framework under Basel II framework. The primary focus is to assess the capability of an issuer to meet its debt obligations against a specific line of credit under its respective terms & conditions. CARE Ratings assigns BLR ratings on long-term and short-term rating scales.
- **Issuer Rating** - is an issuer-specific assessment of the credit risk. It is similar to long-term instrument ratings except for the fact that they are specific to an issuer and not specific to any of the issuer's instruments. Issuer Rating factors in the expected performance of the entity over an intermediate time horizon of around three years and reflects the capability of the entity as regards to servicing of its financial obligations. Issuer Rating would help lenders/investors to evaluate credit quality of the issuer and would facilitate an informed lending/investment decision.
- **Corporate Governance Rating** - is an opinion on the relative standing of an entity with regard to adoption of corporate governance practices. It provides information to stakeholders as to the level of corporate governance practices of the entity.

Financial Sector

- **Structured finance ratings/securitization** - CARE Ratings, provide credit rating services for structured debt products based on a comprehensive rating methodology. CARE's Structured Finance Rating involves extensive analysis of various risk factors viz Credit Risk, Market Risk, Counter-party Risk, Legal Risk and Other Risks associated with structured debt obligation.

Structure finance ratings indicate the degree of credit protection available from underlying asset(s), structured mechanism and credit enhancement, if any, for timely servicing of debt obligations. For Structured Obligations, CARE Ratings assigns suffix '(SO)' to the rating symbol.

- **Mutual Funds** - Credit Quality Ratings: CARE Ratings' fund credit quality ratings are opinions on the overall credit quality of specific Debt Mutual Fund schemes. The ratings capture the fund's overall exposure to default risk.
- **Capital Protection Oriented Schemes** - CARE Ratings' capital protection oriented scheme (CPS) ratings assess the degree of certainty with which the portfolio structure is sufficient to achieve the objective of capital protection on maturity of the scheme. Capital protection here means that the NAV should be at equal to or greater than the face value of the scheme on maturity.
- **Insurance** - CARE Ratings' has developed a comprehensive methodology for Claims Paying Ability (CPA) rating for insurance companies. CARE's rating process involves analysis of qualitative factors like an insurer's business fundamentals, its competitive position, its management, ownership structure, insurance regulations, underwriting and investment strategies. Quantitative factors involve analysis of the company's risks underwritten, asset quality, profitability, liquidity, solvency and asset-liability management method.

Public Finance

- **Public Finance Ratings (PFR)** cover ratings of state-owned corporations, municipal corporations and various other local bodies. Ratings assigned are of two types namely 'stand alone' ratings, where the strengths and weaknesses of the issuer alone are analysed or 'Sub Sovereign' ratings, which also factor credit quality associated with the government.
- **State Government Entities** - Sub-sovereign ratings are ratings assigned to state entities for bonds with a government backing in the form of a guarantee. It may be noted that states in their independent capacity are not rated. CARE Ratings has the experience of rating states by virtue of rating state entities across the country. These entities cover the entire spectrum of business operations, from financial corporations to infrastructure boards (irrigation, dams, power and transport). Rating of state entity bond guaranteed by the government entails an analysis of the financial position of the government.

Infrastructure Sector

This encompasses the ratings assigned to debt programmes of issuers in the Roads, Power, Ports, Telecommunications and other such infrastructure-related sectors. Of late, the sector has witnessed considerable private participation considering huge investments required in the sector as Infrastructure projects are capital intensive and have a long gestation period. CARE evaluates the economic viability of the project being financed, legal risks, contractual framework, credit enhancement mechanism etc while assigning ratings.

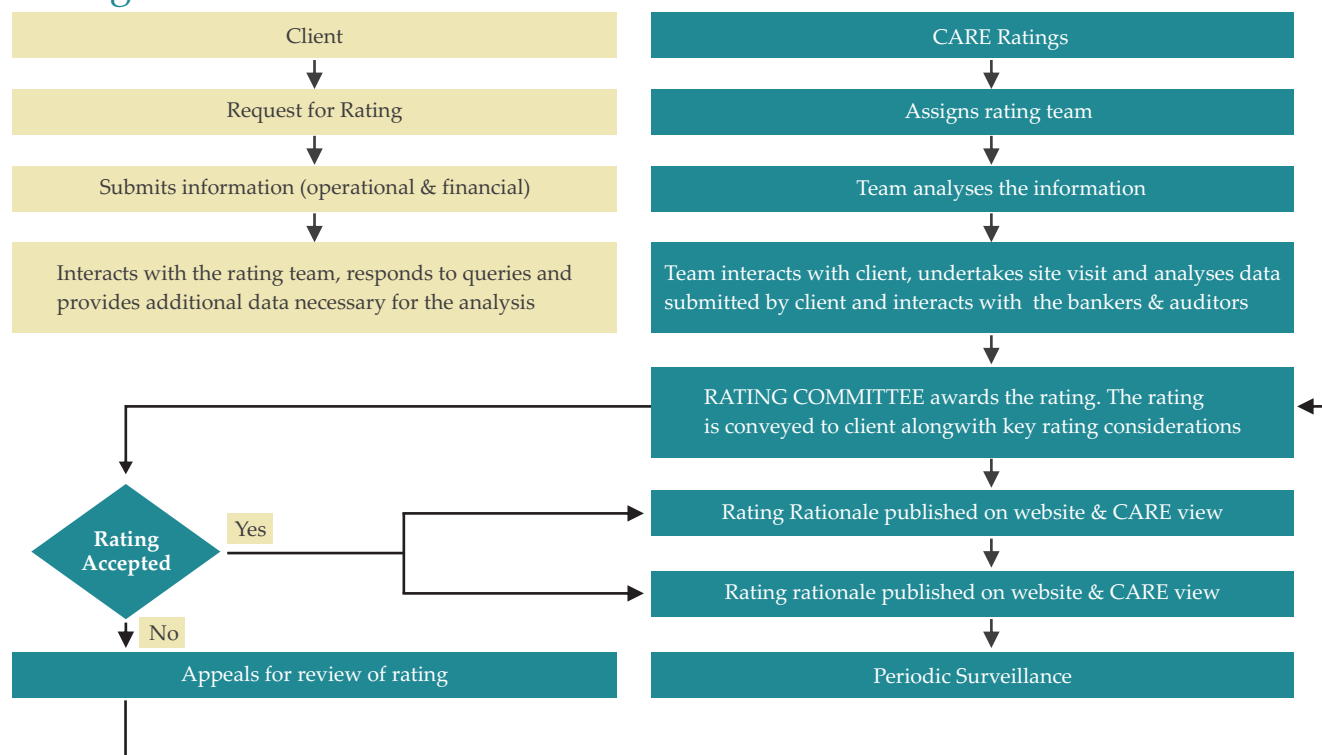
SME Vertical

- **Product Offering-** NSIC-CARE Ratings for Micro & Small Enterprises (MSE), SME Ratings, Bank Loan Ratings and Due Diligence Services for Banks and NBFCs. The NSIC-CARE MSE Ratings cover all registered micro and small enterprises. The SME vertical caters all types of business entities - limited companies, partnership firms, proprietorship firms, trusts etc.

Highlights:

- A large team of business development persons offering door step services to MSME across India
- Ratings assigned at more than 400 locations across India
- A team of highly qualified analysts operating from ten offices across India
- Partnership with 20 banks for rating their customers
- Quarterly publication of analytical opinions in 'CARE SME Digest'

Rating Process



Grading

- **IPO:** This service is aimed at facilitating the assessment of equity issues offered to public. CARE's IPO grading is an independent and professional opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of that issuer.
- **Real Estate Star Rating:** Opinion on the quality of the real estate project by evaluating parameters such as developer profile, legal & construction quality & financial capability. The rating is prefixed with a city name which benchmarks the real estate project against other projects in the city.
- **Equigrade:** Assessment of the fundamental quality of the company and the valuation of its equity shares represented by fundamental grade and valuation grade. An independent assessment of equities by CARE adds immense value to the reliability of such assessment and enables investors to make more informed decisions.
- **SME Fundamental Grading:** It is a relative assessment of fundamentals of a SME entity wishing to raise equity in relation to other SMEs in India. It involves an in-depth assessment of the various quantitative and qualitative parameters of the entity. The product aims to aid the investors in taking an informed investment decision based on the fundamentals of SMEs and will also assist the graded entity to differentiate from others, thereby facilitating raising of funds.
- **ESCO:** CARE Ratings' ESCO Grading reflects the ability of an ESCO (Energy Service Company) to carry out energy efficiency audits and implement energy saving projects. ESCO Gradings are used for empanelment of ESCOs with Bureau of Energy Efficiency. The broad parameters used for ESCO grading exercise are: Track Record and Market position, Organisational Risk, and the Financial Risk.
- **RESCO:** CARE Ratings has been empanelled by Ministry of New and Renewable Energy (MNRE) for carrying out the Accreditation/Grading exercise for Renewable Energy Service Companies (RESCOs) and System Integrators (SI) under Jawaharlal Nehru National Solar Mission. Grading will reflect "The performance capability and financial strength of channel partner to undertake off-grid solar projects."
- **Edu Grade:** An opinion on the effectiveness of inputs and processes provided by an educational institution in achieving the objectives of the course, both on a national & local scale.
- **Shipyard:** CARE Ratings' "Financial Strength Grading of the Indian Shipyard's" assesses the financial strength of the shipyard. The financial strength grading of the Indian Shipyards is in line with the requirements of the Integrated Headquarters, Ministry of Defence (Navy) [IHQ MOD (N)]. The IHQ MOD (N), has undertaken capacity assessment of the Indian private shipyards in order to determine the capability of the shipyards to undertake the naval ship building activity. The capacity assessment of the shipyards is based on two parameters - Technical Capabilities as well as Financial Strength.
- **Maritime Training Institutes (MTIs):** Opinion on the relative quality of the course conducted by the MTI to achieve the objectives of the course as specified either by the Standards of Training Certification and Watch keeping (STCW) convention or the guidelines by Directorate General of Shipping (DGS) of India.
- **Construction:** Construction grading exercise would facilitate users in short-listing superior entities which in turn can reduce the time involved in the tendering / bidding. Graded construction entities can get themselves empanelled with government departments such as PWD, Municipal Corporations, Urban Bodies, etc. Grading would aid potential investors in making an assessment of the entity while the entity can secure long-term finance at competitive rates.

Economic Research

Macro Economic Reports

Global

Domestic

Debt Market Review
(Daily & Monthly)

Municipal
Corporations

State of Economy

Studies & Surveys

State Government
Finances

Capital Market

Monetary Policy

Special Dossiers/ Studies
Government of India

CARE Industry Risk Metrics (CIRM)

CIRM assesses the risk of the industry on various critical parameters that may impact the cash flows and debt repayment capabilities of the industry over the next 2 – 3 years. The broader parameters selected for evaluation of risk include demand, supply, competition, factors of production, Government policies and regulations and the financial structure of the industry. The score is given to various parameters on the scale of 1 to 10, whereby 1 indicating the highest risk and 10 indicating lowest risk. The risk on each of the broader parameters is evaluated considering various important sub-parameters.

CIRM (Representative Metrics)

PARAMETERS	WEIGHTAGES
Structural Risk	85% The weight is fixed
Demand	35%
Supply & Competition	20% Weightages from industry to industry
Factors of production	30%
Government / Regulatory	15%
Financial Risk	15% This weight is fixed
TOTAL	100%

- Customised Scale.
- Accompanied by brief reports and including outlook for the industry.

Valuation of Market Linked Debentures (MLDs)

CARE's Valuation of PPMLD structures are opinions on the valuation of a given instrument based on CARE's analysis of the structure and the impact of underlying market variables affecting the structure on the given valuation date. The valuation considers various market scenarios using some of the most advanced simulation software and high quality data on the underlying variables.

An independent Valuation opinion provided by CARE helps the investors in taking informed investment decision in the complex PPMLD market. CARE's PPMLD Valuation services may also be availed by Issuers for getting an independent third-party evaluation of their portfolio.

Our Other Services

International Ratings & MoUs

Branch Operations	→	Republic of Maldives 2011
MoUs	→	Technical assistance in Ecuador & Mexico
Recognition by International Regulators	→	Bank of Mauritius, Hong Kong Monetary Authority, Capital Market Development Authority (CMDA), Republic of Maldives
ARC Ratings SA	→	Member of Global Rating Agency (along with CRAs in Brazil, Portugal, Malaysia & South Africa)



CARE Kalypto

Advisory & Risk Solution Services

CARE Kalypto Risk Technologies & Advisory Services Pvt. Ltd.
(November 2011)

- Specialised software solutions provider focused on offering enterprise wide risk management solutions for banking vertical
- Kalypto's competence areas are Credit Risk, Operational Risk, Market Risk, ALM and FTP
- Helps banks in Base II Compliance and migration to higher approaches
- Kalypto also provides Advisory and Consultancy Services

CORPORATE OFFICE

MUMBAI

CREDIT ANALYSIS & RESEARCH LTD.

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REGIONAL OFFICES

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COIMBATORE

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10A, Shakespeare Sarani, Kolkata - 700 071.
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PUNE

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Bhamburda, Senapati Bapat Road,
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