

Mumbai, 22nd May 2018

Q4 -FY18 and FY18 Results

The Board of Directors of CARE Ratings Limited today approved the audited financial results for Q4-FY18 and FY18. The Board of Directors have recommended final dividend of Rs. 37/- per share (it comprises of Rs.12/- normal dividend and Special dividend of Rs.25/- to mark the celebration of successful completion of 25 years of operations of the Company) on face value of Rs. 10/- per share fully paid up

Highlights: Consolidated Results for FY18 vis-à-vis FY17

- Revenue from operation increases by 15.7%
- Total Income increased by 11.5%
- Operating profit increased by 16.1%

Highlights: Standalone Results for FY18 vis-à-vis FY17

- Rating Revenue increases by 14.5%
- Total Income increased by 10.3%
- Operating profit up by 12.9%, Operating profit margin at 64.2%
- Addition of 4,079 new clients in FY18
- 10,243 instruments rated during the quarter
- 25% increase in volume of fresh debt rated

Highlights: Standalone Results for Q4-FY18 vis-à-vis Q4-FY17

- Rating Revenue increases by 21.4%
- Total income increased by 23.2%
- Operating profit up by 25%, Operating profit margin at 60.4%
- Addition of 1,342 new clients in Q4FY18
- 3,547 instruments rated during the quarter
- 61.9% increase in volume of fresh debt rated

CARE Ratings consolidated Operating revenue for the year ended March 31, 2018, rose 15.7% to Rs.332.68 crore, compared with Rs.287.43 crore in the year ended March 2017.

CARE Ratings standalone Total Income for the year ended March 31, 2018, rose 10.3% to Rs.346.88 crore, compared with Rs. 314.56 crore in the year ended March 2017. Standalone net profit for the year rose 5% to Rs 159.80 crore, compared with Rs 152.25 crore in the corresponding previous year.

The performance of CARE Ratings was good with overall quantum of debt rated increasing by 25% from Rs 13.18 lakh crore to Rs 16.48 lakh crore in FY18 involving 10,243 instruments. This was brought about by an increase of 7.6% in bank loan ratings, 9.4% in long term debt rated

and 175.6% in short term debt rated. The short term debt rated was higher mainly due to the volume of commercial paper which in turn was supported by the new regulation of dual ratings for the same. This performance can be juxtaposed with the macro environment where the total number of debt market issuances was Rs 6.04 lakh crore as against Rs 6.70 lakh crore last year. Growth in bank credit to the sectors relevant for rating i.e. industry and services were 0.7% (-1.9%) and 13.8% (16.9%) respectively.

Total Expenses increased by mainly on account of ESOP charge of Rs.8.65 crore, increase in marketing teams and brand building exercise.

The healthy growth in revenues has resulted in Operating profit margin of 64.2% and Net profit margin of 46.1%.

The Board has announced final dividend of Rs 37/- per share (it comprises of Rs.12/- normal dividend and Special dividend of Rs.25/- to mark the celebration of 25th Anniversary of the Company). Together, with the final dividend amount which when combined with the interim dividend of Rs.6 /- per share for the previous three quarters cumulates to Rs. 55/- per share in the FY18.

Commenting on the results Rajesh Mokashi, MD & CEO, said, 'Compared with the macro indicators for FY18, we have done reasonably well in terms of expanding our business. There are signs of green shoots in the economy and we are sanguine of the investment cycle picking up.

Contact:

Rajesh Mokashi, MD & CEO 022-67543636

Chandresh Shah, CFO 022-67543603

ABOUT US

CARE Ratings (until recently called Credit Analysis and Research Limited), 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 completed 25 years of 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 microfinance 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 has a subsidiary CARE (Ratings) Africa Private Limited (CRAF) in Mauritius and CARE Ratings Nepal Limited in Nepal. The company have two wholly owned subsidiaries in Mumbai, India namely CARE Risk Solutions Private Limited (Formerly known as CARE Kalypto Risk Technologies and Advisory Services Private Limited) and CARE Advisory Research & Training Limited. The Company has its registered office in Mumbai, and branches in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, New Delhi, and Pune.

** In terms of rating income FY17*