

CREDIT ANALYSIS AND RESEARCH LIMITED

Q4 & FY14 Results

FY14 Total Income increases by 16.6%

FY14 EBITDA increases by 12.2%; Net profit enhanced by 13.5%

EBITDA Margin of 68.8% and PAT margin 48.5%

Final Dividend of Rs. 10/- per share proposed

Cumulative Debt rated in FY14 at Rs. 57 lakh crore

Mumbai (India), May 20, 2014: Credit Analysis and Research Limited, the second largest full service rating Company in India in terms of rating income in FY13, announced its results for the quarter and full year ended 31 March 2014.

Financial Highlights

FY14 performance overview (Compared with FY13)

- Total income grew by 16.6% to Rs 265.1 crore compared with Rs 227.4 crore
- EBITDA better by 12.2% Rs 182.3 crore compared with Rs 162.5 crore
- Net profit enhanced by 13.5% to Rs 128.6 crore compared with Rs 113.3 crore
- EPS diluted improved by 12.6% at Rs 44.7 compared with Rs 39.7

Q4 FY14 performance overview (Compared with Q4 FY13)

- Total income grew by 17% to Rs 83.6 crore compared with Rs 71.4 crore
- EBITDA better by 14%; Rs 59.1 crore compared with Rs 51.9 crore
- Net profit enhanced by 16% to Rs 41.3 crore compared with Rs 35.6 crore
- EPS diluted improved by 14% at Rs 14.2 compared with Rs 12.5

Performance Review

- In FY14, rating income improved by 15 %. The growth was driven by expansion in the total number of assignments rated from 7,439 to 7,865. Higher rating income was due to a combination of fresh rating assignments as well as ongoing surveillance assignments. In Q4, growth in rating income was 19.7%.
- 'Other income' includes income from investments in instruments such as FMPs, tax free bonds etc. increased from Rs 28.6 crore in FY13 to Rs 35.7 crore in FY14.
- Profit margins as defined by EBITDA and PAT were at 68.8% (71.5%) and 48.5% (49.8%) respectively in FY14. For Q4, they were 70.8% and 49.4% respectively.

CARE's performance was steady despite low macroeconomic conditions and capital market activity. Low GDP growth of 4.9% and negative industrial growth were accompanied by a decline in the investment rate which dampened activity in the debt market.

Commenting on the performance of Q4 & FY14, D.R. Dogra, Managing Director & CEO Credit Analysis and Research Limited said,

“CARE Ratings has done well under challenging conditions in terms of topline and bottom line growth. This has been a result of fairly aggressive widening of our client base and deepening of business relations with companies. This is manifested in the sharp increase in the number of our active clients from 5,263 in FY13 to 7,754 in FY14 while the volume of debt rated increased from Rs 7.8 lkh crore to Rs 8.9 lkh crore during this period.

We have also created the requisite infrastructure in terms of client-contact points in various locations in the country and scaled up our operations in our CARE Knowledge Centre to prepare ourselves well for the future when conditions improve.

Besides making significant forays into the SME segment in india, we have furthered our global plans, with ARC Ratings being launched in January. This along with our plans to start operations in Mauritius will help in diversification”.

– ENDS –

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 provides industry research and economic research where 50 industries are covered under its research services and 150 sectors under CARE Industry Risk Metrics (CIRM). Furthering the knowledge initiatives, the Company has tied up with Knowledge Academy, Ahmedabad to conduct a co-branded certification programme in credit risk assessment. Furthermore, the Company also provides Risk Solutions and Advisory Services through its subsidiary CARE Kalypto.

To enhance its scope of business CARE Ratings has been nurturing global opportunities and made forays in different forms: has a branch in Maldives and MoUs with CRAs in other countries. The Company's JV with 4 other global CRAs in 'ARC Ratings', has already commenced operations.

The Company has its registered office in Mumbai, and branches in New Delhi, Bengaluru, Chandigarh, Chennai, Hyderabad, Kolkata, Pune, Ahmedabad, Jaipur, Maldives.

*** In terms of rating income FY13**

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