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Ratings business slowing: CARE (also see in Jpeg)

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CARE Ratings will diversify into the financial consultation business in the next financial year, as revenue growth from the ratings business has slowed.

CARE Kaiypto, a subsidiary, will undertake the financial consultation business from 2013-14, D R Dogra, managing director and chief executive. Kaiypto specialises in risk management software.

"We acquired over 75 per cent in Kaiypto sometime back and have renamed it CARE Kaiypto; this will look after the consultation business. The ratings market has seen immense competition in recent times and growth has slowed; thus, we have planned to diversify into this business. We are already a leader in banking ratings and we will introduce this to our existing clients as well," said Dogra.

He was in the city to attend a financial markets seminar.

CARE offers ratings for corporate bonds, bank loans, commercial paper, public offers and securitisation. Dogra says growth this year would be almost flat in the revenues from ratings alone. The firm had reported a top line of ?178 crore from this business in 2011-12.

"The market has slowed and competition is severe. Also the credit ratio, which explains the number of downgrades for each upgrade, has come down to 0.25,, which makes the business environment tougher," he added.

The company has plans for an international foray and it is in the process of tying up with rating agencies of other BRIC countries (Brazil, Russia, China), through which a rating agency of Portugal would be acquired. "This will lead us to get approval from ESMA, an independent EU Authority that contributes to safeguarding the stability of the financial system by ensuring the integrity, transparency, efficiency and orderly functioning of securities markets. Then, we can have our operations in all euro nations," said Dogra.