Rooster ProPR

THE ECONOMIC TIMES

powered by bluebytes

Thursday , March 14, 2013

CARE Plans Foray Into Consulting, Bigger Foreign Play to Boost Revenue (also see in Jpeg)

Publication: The Economic Times , **Agency:**Bureau, **Edition:**Kolkata/Chandigarh/Mumbai , **Page No:** 10, **Location:** Bottom-Center , **Size(sq.cms):** 170

CARE Plans Foray Into Consulting, Bigger Foreign Play to Boost Revenue

OUR BUREAU
KOLKATA

Rating company CARE Ratings is looking to diversify into financial consulting and expand its overseas footprint to boost revenue.

The growth opportunity in rating space is limited and that's what prompted CARE to look at new areas for revenue, managing director & chief executive officer DR Dogra said. CARE expects revenue from rating services to remain unchanged at Rs.178 crore.

"Growth in ratings space is limited. Consultancy services would provide diversification," he said in Kolkata on Wednesday at a financial markets conclave organised by CII.

CARE is set to offer risk management consultancy from 2013-14 through its subsidiary CARE Kalypto Risk Technologies. It acquired a 73.13% stake in Kalypto in November 2011. Dogra said consultancy services in the financial space would include doing financial due diligence, deal valuations and risk-management services.

CARE is set to offer risk management consultancy from 2013-14 through its subsidiary CARE Kalypto Risk Tech

CARE is also in talks with rating companies based in Brazil, Portugal, Malaysia and South Africa to float a joint venture as part of its corporate strategy to foray into international market. "We hope to be able to finalise the JV by the next financial year. This JV will then look to acquire a Portuguese rating firm recognised by European Securities and Markets Authority," Dogra said. ESMA is exclusively responsible for the registration and supervision of credit-rating agencies in the European Union. Acquisition of a firm will give CARE licence to offer rating services in 30 European nations.

The idea is to provide international scale ratings to enable local issuers mobilise resources from international financial markets.

Commenting on corporate ratings, Dogra said total downgrades have been more than the upgrades in the current fiscal, compared to 2011-12, due to the slowdown in economic activities.

"The credit ratio or the ratio of upgrades to downgrades has worsened to 030-0.25 in 2012-13 as against 1 last year," he said. This means for every one upgrade, there are four downgrades this fiscal. The downgrades are mostly in sectors like auto, power, steel and infrastructure.