

# CARE plans to offer risk management consultancy via arm

## Our Bureau

*Kolkata, March 13* Credit Analysis and Research Ltd (CARE) has planned to offer risk management consultancy services through its subsidiary CARE Kalypto Risk Technologies Ltd.

According to D.R. Dogra, MD and CEO of the rating agency, the new consultancy services would be launched early in 2013-14. "Growth in ratings space is limited. Consultancy services would provide diversification," he said on the sidelines CII's Financial Markets Conclave 2013.

In 2011, CARE acquired 75.15 per cent stake in Kalypto Risk Technologies that owns a risk management software solutions for the financial servic-

es sector. The CARE's consultancy services, apart from risk management, would also include financial due diligence and deal valuations work.

## MULTI-MARKET OUTFIT

CARE was also looking for opportunities to float a multi-market rating outfit. Dogra said it was in negotiations with rating agencies in Brazil, Portugal, Malaysia and South Africa to form a joint venture. "This proposed joint venture is looking to acquire a Portuguese rating firm which is recognised by ESMA (European Securities and Markets Authority)," he said.

ESMA is exclusively responsible for the registration and supervision of credit rating



**D.R. Dogra**  
MD & CEO, CARE

agencies in the European Union. "The acquisition of this firm will give us license to offer rating services in 30 European nations," Dogra said.

He mentioned that the idea behind this move to provide international scale ratings to as-

sist local issuers in mobilising resources from international markets.

## RATING SCENARIO

Dogra said rating scenario during 2012-13 had been grim reflecting the impact of the slowdown. Total downgrades surpassed the figure of the upgrades in the current fiscal compared to 2011-12. For one upgrade there were four downgrades this fiscal, he pointed out. "The ratio of upgrades vis-a-vis downgrades has worsened to 0.30 to 0.25 in 2012-13 as against 1.00 last year," he added.

The downgrades are largely in sectors, such as auto, power, steel and infrastructure.

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