

**CARE sets price for flotation** (also see in [Jpeg](#))

Publication: The Telegraph, Agency: Correspondent  
Edition: Kolkata, Page No: 8, Location: Bottom-Right, Size(sq.cms): 144

[Highlight Keywords](#) [Remove Highlight](#) [Share News](#) [Export Options](#) >  [PDF](#) [JPEG](#) [Advance PDF](#)

[Qualify Article](#)

# CARE sets price for flotation

## OUR SPECIAL CORRESPONDENT

**Mumbai, Dec. 3:** Credit Analysis and Research Ltd (CARE Ratings) has fixed a price band of Rs 700-750 per share for its forthcoming initial public offering (IPO) that will open on December 7 and close on December 11.

The offering consists of over 71.99 lakh shares and existing shareholders are diluting their stake. Thus, the IPO will raise Rs 504 crore at the lower end and Rs 540 crore at the upper end of the price band.

CARE Ratings is promoted by major banks and financial institutions and the three largest shareholders are IDBI Bank with 26 per cent, Canara Bank at 23 per cent and the State Bank of India holding 9 per cent. Some of the shareholders diluting their stake include IDBI Bank (24.54

lakh shares), Canara Bank, the SBI, IL&FS, Federal Bank, ING Vysya Bank and Tata Investment.

Peers of CARE Ratings such as Ica and Crisil are already listed on the stock exchanges and command higher valuations because of the stable business model associated with credit rating agencies. In fact, ahead of the IPO, there has been renewed investor interest in these two counters.

On the Bombay Stock Exchange today, the Ica share surged 20 per cent to Rs 1,576 after hitting an historic high of Rs 1,582.10. The Crisil share (a Standard & Poor's subsidiary) also gained over 10 per cent to end at Rs 1,060.75.

D.R. Dogra, managing director & CEO of CARE Ratings, said the company was the second largest rating agency in the country and had seen a 40 per cent growth

in profits and revenue in the past few years. Dogra indicated the rating agency was also keen to grow through the inorganic route and would look at acquisition candidates in the research space. The company, which is now debt free, has cash reserves of around Rs 375 crore.

Rajesh Mokashi, deputy managing director at CARE Ratings, said the company was planning to increase its product offerings and diversify into new businesses such as risk management along with an increased global footprint.

Around 50 per cent of the offer will be allocated on a proportionate basis to qualified institutional buyers (QIBs), 15 per cent to non-institutional buyers and 35 per cent to retail individual investors. Bids can be made for a minimum of 20 equity shares and in multiple of 20 shares thereafter.