

Date: January 28, 2023  
SE/2022-23/105

To,

<b>The General Manager</b> <b>Corporate Relation Department</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers 14 <sup>th</sup> Floor, Dalal Street Mumbai 400 001 <b>Scrip Code: 534804</b>	<b>The National Stock OF Exchange India Ltd.</b> <b>Listing Department</b> Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai 400 051 <b>Scrip Code: CARERATING</b>
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Dear Sir/ Madam,

**SUB: PRESS RELEASE AND INVESTOR PRESENTATION FOR THE QUARTER ENDED DECEMBER 31, 2022**

Please find enclosed herewith the Press Release and Investor Presentation of CARE Ratings Limited for the quarter ended December 31, 2022 as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on record.

Thanking you,

Yours faithfully,  
**For CARE Ratings Limited**

**Nehal Shah**  
**Company Secretary & Compliance Officer**  
Encl: As Above

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.  
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

# Press Release

## Financial Results for Q3 & 9MFY23

January 28, 2023



The Board of Directors of CARE Ratings Limited approved the financial results for Q3 & 9MFY23 in the Board meeting held on January 28, 2023. The growth in the rating revenue in Q3 & 9MFY23 was led by a robust increase in initial rating business.

### **Standalone Results**

CARE Ratings' standalone income from operations was up by 12% to Rs. 54.55 crore in Q3FY23, compared with Rs. 48.65 crore in the corresponding quarter of the previous year. Total income was up by 18% to Rs.65.58 crore in Q3FY23, compared with Rs. 55.45 crore in Q3FY22. Total expenses have increased by 8% to Rs. 38.30 crore in Q3FY23, compared with Rs 35.60 crore in Q3FY22. Operating profit increased by 49% to Rs. 22.25 crore in Q3FY23 from Rs. 14.93 crore in Q3FY22. Net profit increased by 44% to Rs. 21.40 crore in Q3FY23 from Rs. 14.90 crore in Q3FY22.

Operating profit margin and net profit margin were 41% and 33% respectively in Q3FY23, which reflected good growth compared to corresponding quarter of the previous year.

Income from operations was up by 13% to Rs. 180.79 crore in 9MFY23, compared with Rs. 159.73 crore in 9MFY22. Bank loan ratings segment led this growth, with sustained momentum in initial ratings business. Total income was up by 15% to Rs.207.77 crore in 9MFY23, compared with Rs. 180.70 crore in 9M FY22. Total expenses have decreased by 3% to Rs. 104.78 crore in 9MFY23, compared with Rs 107.90 crore in 9MFY22. Operating profit increased by 50% to Rs. 85.96 crore in 9MFY23 from Rs. 57.25 crore in 9MFY22. Net profit increased by 40% to Rs. 77.95 crore in 9MFY23 from Rs. 55.55 crore in 9MFY22.

Operating profit margin and net profit margin were 48% and 38% respectively in 9MFY23, which reflected good growth compared to corresponding 9 months of the previous year.

The Board of Directors have declared an interim dividend of Rs.10/- per share (of Rs.10/- face value per share) for the third quarter of FY23.

### **Consolidated Results**

CARE Ratings' consolidated total income was up by 17% to Rs.73.73 crore in Q3FY23, compared with Rs. 62.96 crore in Q3FY22. Operating profit increased by 19% to Rs. 17.87 crore in Q3FY23 from Rs. 14.96 crore in Q3FY22. Net profit increased by 9% to Rs. 16.31 crore in Q3FY23 from Rs. 14.90 crore in Q3FY22.

Total income increased by 14% to Rs. 229.05 crore in 9MFY23 from Rs. 201.77 crore in 9MFY22. Operating profit increased by 33% to Rs. 76.00 crore in 9MFY23 from Rs. 57.14 crore in 9MFY22. Net profit increased to Rs. 65.31 crore in 9MFY23 from Rs. 53.52 crore in 9MFY22, an increase of 22%.

### **State of the Economy**

Indian economy has made resilient progress in FY23, despite the drag from the global spill overs. The economy is expected to grow by 7% in FY23 as per the first advance estimate. High-frequency economic indicators, like petroleum consumption, railway passenger traffic, GST Collections, e-way bills and industrial production, continue to reflect improvement. However, with the global economy slowing, export sector is showing weakness. Inflation has started to moderate, though core CPI inflation continues to remain sticky. As a result of moderation in CPI inflation, RBI moderated the policy rate hike to 25 bps in December from 50 bps rate hikes in the previous meetings.

Fundraising by businesses showed mixed performance in the first nine months of this fiscal year. Corporate bond issuances during April-December 2022 stood at Rs 5.7 lakh crore, higher by 20.8% compared to the corresponding period of the previous year. However, during the same period, issuances of commercial paper stood at Rs 10.5 lakh crore, 36.9% lower compared to the corresponding period of the previous year.

Gross bank credit continued to record healthy growth in the current fiscal. Bank credit grew by 9% in November 2022, when compared with March 2022. In the same period last year, credit growth was muted at 1.9%. Credit to industry grew by 4.4% in November 2022 when compared with March 2022, as against the de-growth of 0.7% in the corresponding period of the previous year.

"While the Indian economy has been recording healthy growth, there are concerns for the external sector. With the global economy slowing down, India's economy will definitely feel the pain. At this crucial juncture, the critical aspect would be for the domestic demand revival to be sustained. With capacity utilisation levels improving, the private sector's intent to invest has improved. Hence, our initial ratings business continued to witness good growth from the bank loan rating as well as the capital market segments. We could expect a gradual rise in private investment in the coming quarters, even while the global and domestic economic uncertainties will prevent a dramatic turnaround, said **Mehul Pandya, MD & CEO, CARE Ratings Ltd.**"



For further information, contact:

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Chief Financial Officer  
Director – Corporate & Marketing Communication

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mradul.mishra@careedge.in

**CARE Ratings Limited**

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Phone: +91-22-6754 3456 | CIN: L67190MH1993PLC071691





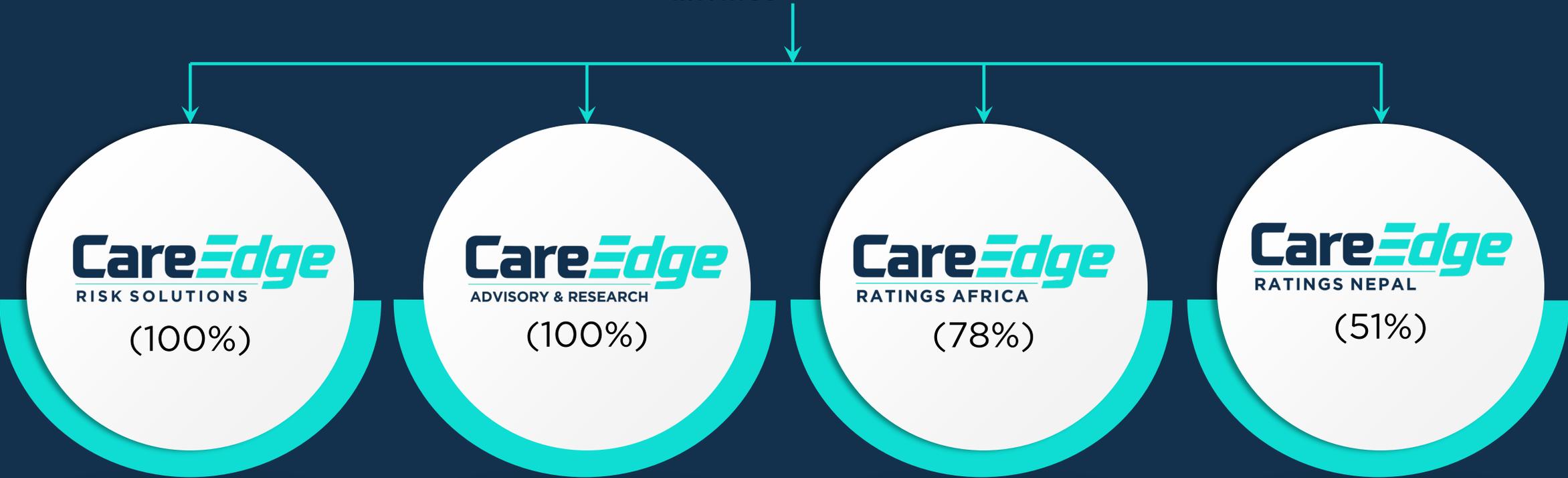
# Investor Presentation Q3 & 9MFY23

January 28, 2023

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# CareEdge RATINGS





## Vision

A global research & analytics company that enables risk mitigation and superior decision making



## Mission

To provide best-in-class tools, analysis and insights, enabling customers to make informed decisions.



## Values

Integrity, Pursuit of Excellence, Commitments, Fairness

# STRATEGY



### Group Approach:

Synergize multiple offerings with a singular thrust



### Technology:

Drive digital transformation in ratings business and enhance product quality



### Talent:

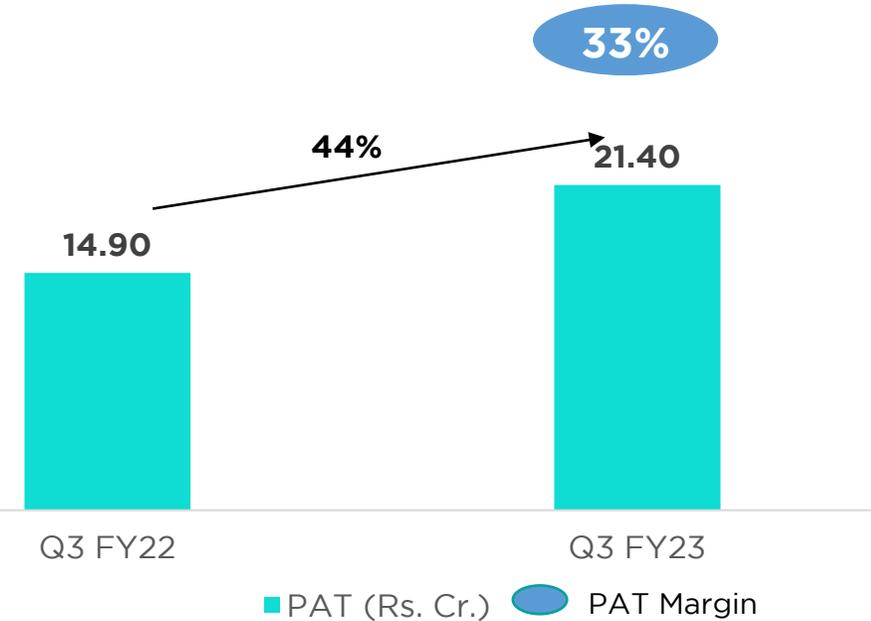
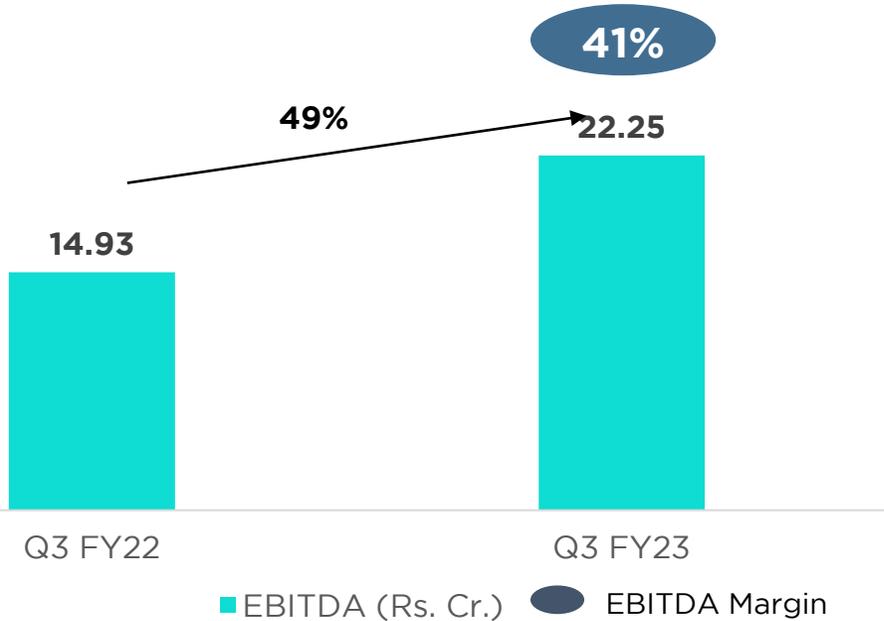
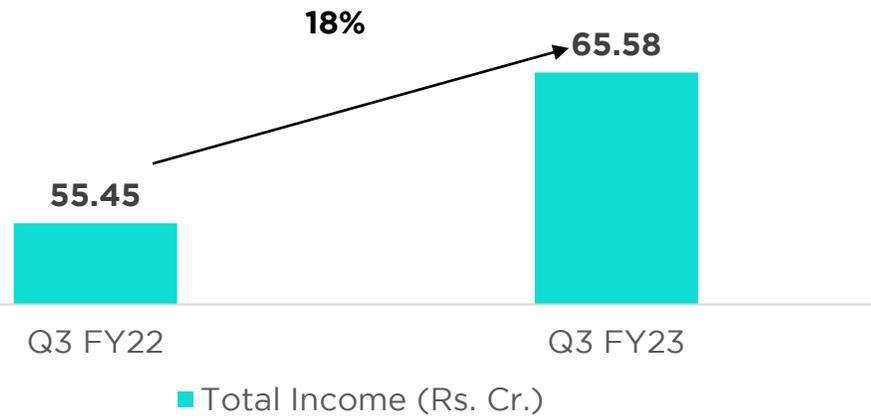
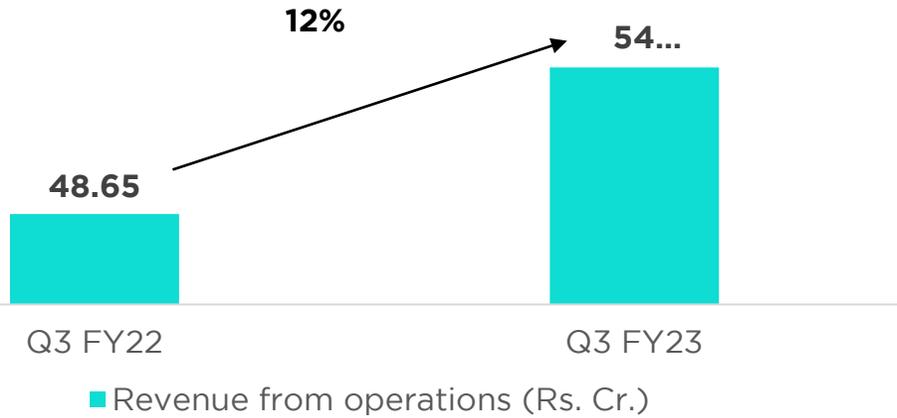
Drive employee and culture-centric initiatives for growth and cultural transformation



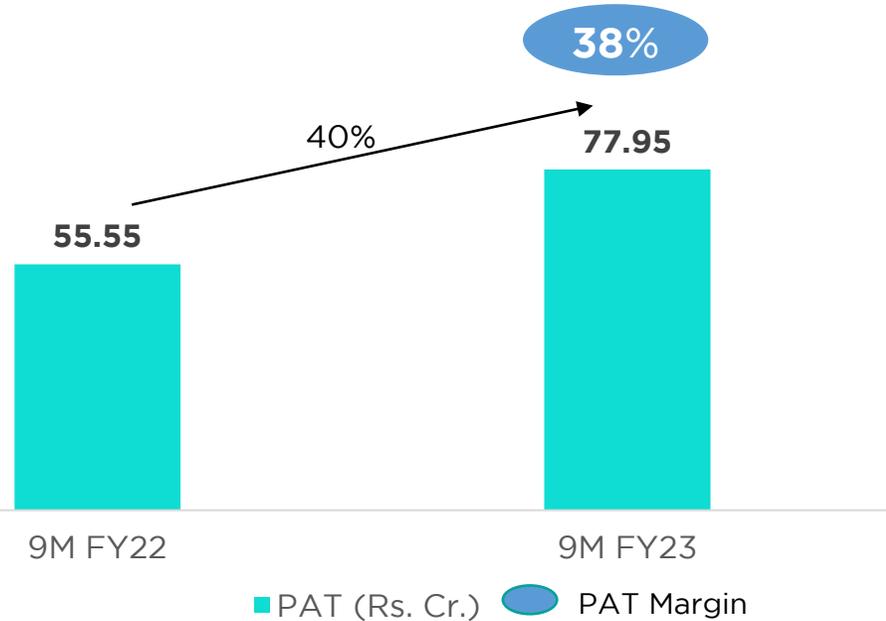
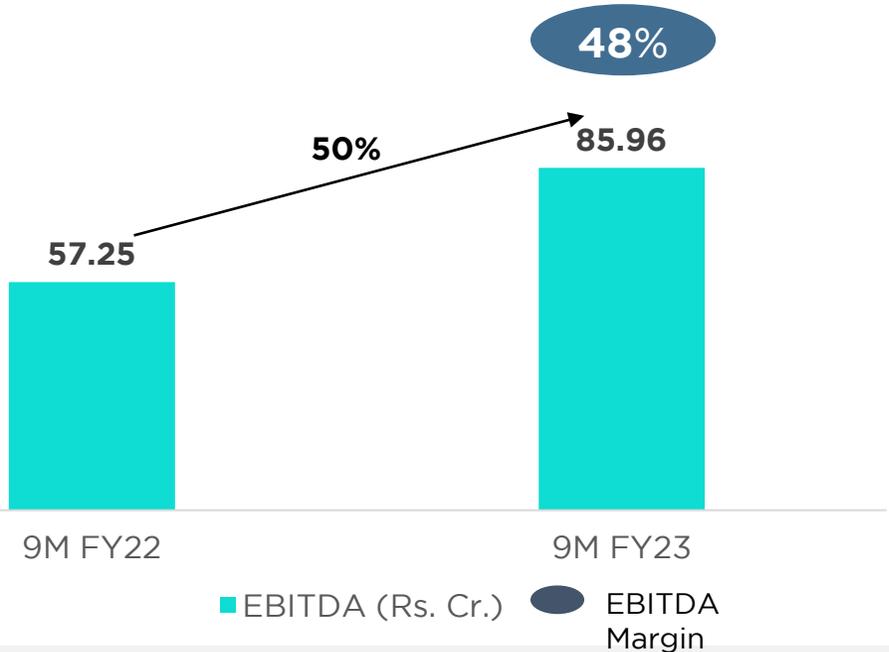
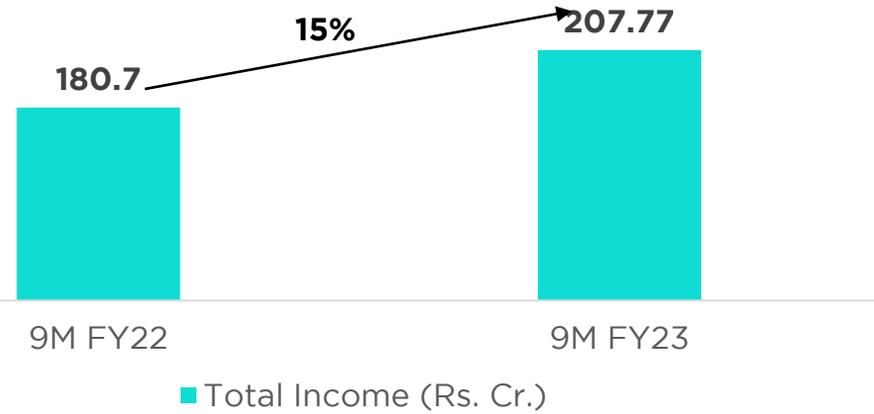
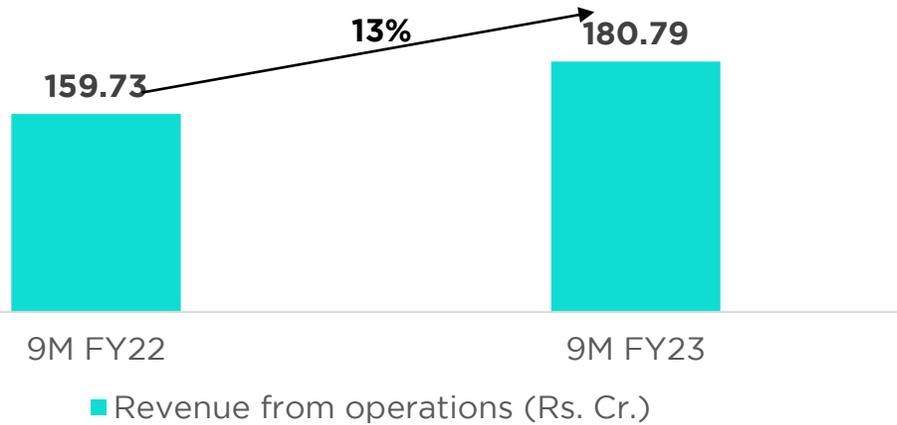
### Branding:

Create a distinguished brand worthy of a financial powerhouse

# Financial Performance - Q3 FY23 (Standalone)



# Financial Performance – 9M FY23 (Standalone)



# Financial Performance – Q3 FY23

Rs. in Crore

Particulars	Standalone		% Change	Consolidated		% Change
	Q3 FY23	Q3 FY22		Q3 FY23	Q3 FY22	
Total Income	65.58	55.45	18%	73.73	62.96	17%
Total Expenses	38.30	35.60	8%	51.06	43.19	18%
<b>Profit Before Tax (PBT)</b>	<b>27.29</b>	<b>19.85</b>	37%	<b>22.67</b>	<b>19.77</b>	15%
Provision for Tax	5.89	4.95	19%	6.37	4.87	31%
<b>Profit After Tax (PAT)*</b>	<b>21.40</b>	<b>14.90</b>	44%	<b>16.30</b>	<b>14.90</b>	9%
<b>Profitability</b>						
<b>PBT (%)</b>	<b>42%</b>	<b>36%</b>		<b>31%</b>	<b>31%</b>	
<b>PAT (%)</b>	<b>33%</b>	<b>27%</b>		<b>22%</b>	<b>24%</b>	
<b>Basic EPS (Rs. Per share)</b>	<b>7.22</b>	<b>5.05</b>		<b>5.38</b>	<b>4.93</b>	

\* PAT is positively impacted by Rs 0.33 Cr due to non-recurring items.

# Financial Performance – 9M FY23

Rs. in Crore

Particulars	Standalone		% Change	Consolidated		% Change
	9M FY23	9M FY22		9M FY23	9M FY22	
Total Income	207.77	180.70	15%	229.05	201.77	14%
Total Expenses	104.78	107.90	(3%)	137.39	130.53	5%
<b>Profit Before Tax (PBT)</b>	<b>102.99</b>	<b>72.80</b>	41%	<b>91.66</b>	<b>71.24</b>	29%
Provision for Tax	25.04	17.25	45%	26.35	17.72	49%
<b>Profit After Tax (PAT)*</b>	<b>77.95</b>	<b>55.55</b>	40%	<b>65.31</b>	<b>53.52</b>	22%
<b>Profitability</b>						
<b>PBT (%)</b>	<b>50%</b>	<b>40%</b>		<b>40%</b>	<b>35%</b>	
<b>PAT (%)</b>	<b>38%</b>	<b>31%</b>		<b>29%</b>	<b>27%</b>	
<b>Basic EPS (Rs. Per share)</b>	<b>26.29</b>	<b>18.85</b>		<b>21.56</b>	<b>17.72</b>	

\* PAT is positively impacted by Rs. 3.57 Cr due to non-recurring items.



## Reports & Publications:

CareEdge launches FORESIGHTS - a power-packed monthly publication that gives a thorough understanding of some macroeconomic and sector-specific developments shaping the country.

### Reports Published in Q3 FY23

Daily	61
Fortnightly	6
Monthly	33
Special reports	23



## Knowledge Sharing Forums:

CareEdge senior leaders, economics and sector specialists teams participated in 30 knowledge-sharing forums in Q3.

### Highlights:

- CareEdge, in association with the Mauritius Institute of Directors, organised the first edition of the ESG Summit on November 16 in Balaclava, Mauritius in the presence of honourable Chief Guest Mahen Kumar Seeruttun, Minister of Financial Services & Good Governance, Mauritius. Chairman Najib Shah and MD & CEO Mehul Pandya graced the occasion and kickstarted the event with keynote speeches. Saurav Chatterjee, CEO, CRAF and Sushmita Majumdar, co-CEO, CART also spoke at this event.
- On the occasion of World Investor Week Securities Board of Nepal (SEBON), in association with the Credit Rating Agency of Nepal organised an event on 'Essence of Credit Rating Service in Securities Market' in Kathmandu, Nepal.
- CareEdge was a Knowledge Partner at ASSOCHAM's conference on 'Odisha Minerals & Metals Industry: Exploring Opportunities & Addressing Concerns' and published its Knowledge Paper at this event.
- CARE Risk Solutions participated in an IBA (Indian Banks' Association) event that had 250+ C suite from the banking industry. Kiran Surve, CEO, CRSPL, was one of the panel speakers in this forum.
- Sachin Gupta, Chief Rating Officer - Speaker at Edelweiss Conference - "Indian Infrastructure - Coming of Age".





## Knowledge Sharing Forums:

- Sachin Gupta, Chief Rating Officer - Speaker at ACRAA Annual Meet in Manila - What are we Rating? Is probability Default or Something Else?
- Sanjay Agrawal, Senior Director - Speaker at 105th Annual Conference of Indian Association, Bengaluru - 'Sectors of the Economy, Performance and Aspirations'
- Rajani Sinha, Chief Economist - Guest Lecture at NMIMS on Economy
- Rajani Sinha, Chief Economist - Guest speaker at PhillipCapital for their webinar series - impact of the global turmoil on the Indian economy.
- Rajashree Murkute, Senior Director - Speaker at SEBI's event on Municipal Bonds - "Status of Muni Bond Market in India & Rating Framework adopted by CRAs for ULBs" at NISM Patalganga Campus.
- Nehal Shah, Head, Compliance Legal Secretarial - Guest speaker at Compliance 10/10, Symposium and Awards.



## Webinar

- Corporate India: Steady ship in turbulent waters?
- Indian Airports - Smooth Runway Post Pandemic
- Cement - Straddling between Demand Growth and Cost
- Will Rising Natural Gas Prices Limit CGD Sector's Growth?
- Tyres: Rolling Ahead with Caution
- Non-Life Insurance - Ready to Take-Off



## Media

CareEdge reports, data, insights and opinion pieces were widely covered across the media universe. A total of 372 mentions and quotes in Q3.

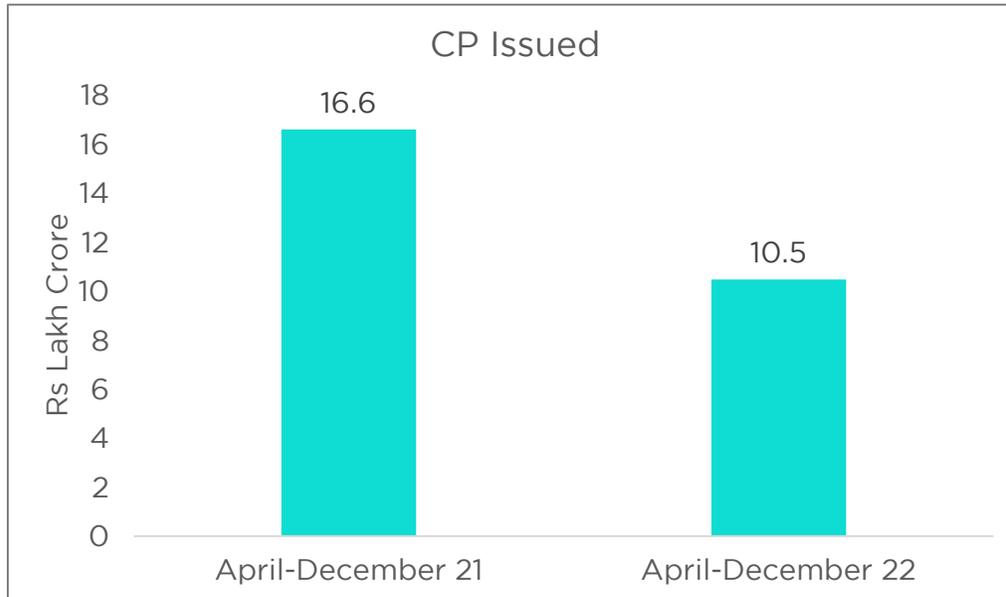


## CSR

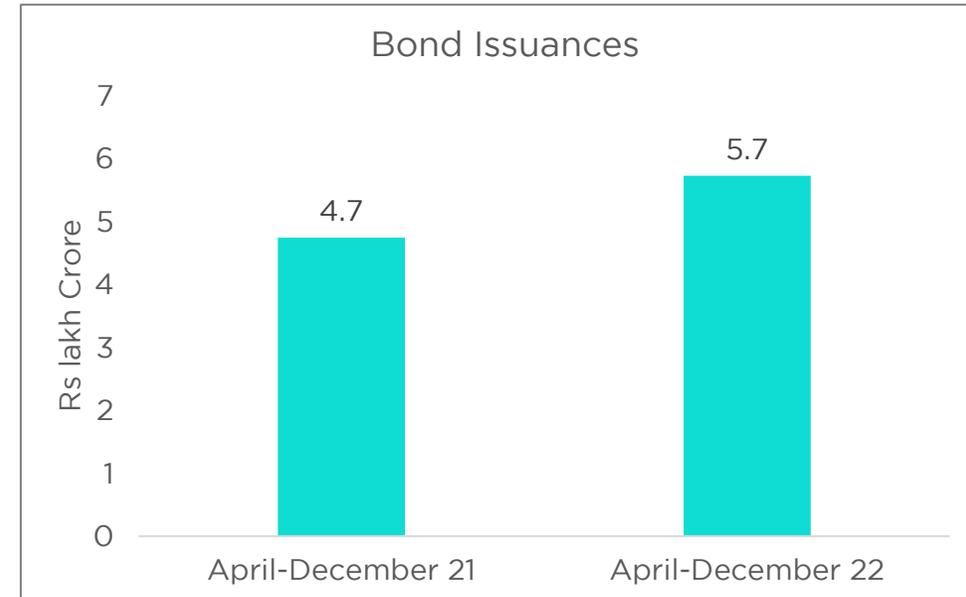
- Nadir Bhalwani, CIO & CTO - Chief Guest at Somaiya Trust's Help A Child for Scholarship Award Ceremony. CareEdge has supported over 300 students in the past two years.
- CareEdge has so far funded 20 paediatric cardiac surgeries in the current financial year via Shri Satya Sai Sanjeevani Hospital, Kharghar. With some of the best-in-class facilities and infrastructure, the non-profit organisation of Shri Satya Sai helps provide surgeries for kids from underprivileged families. CareEdge is proud to associate with them for this noble cause.
- In association with Apex Kidney Foundation, CareEdge extended financial support to conduct a kidney transplant surgery.



# Fund Raising shows mixed performance



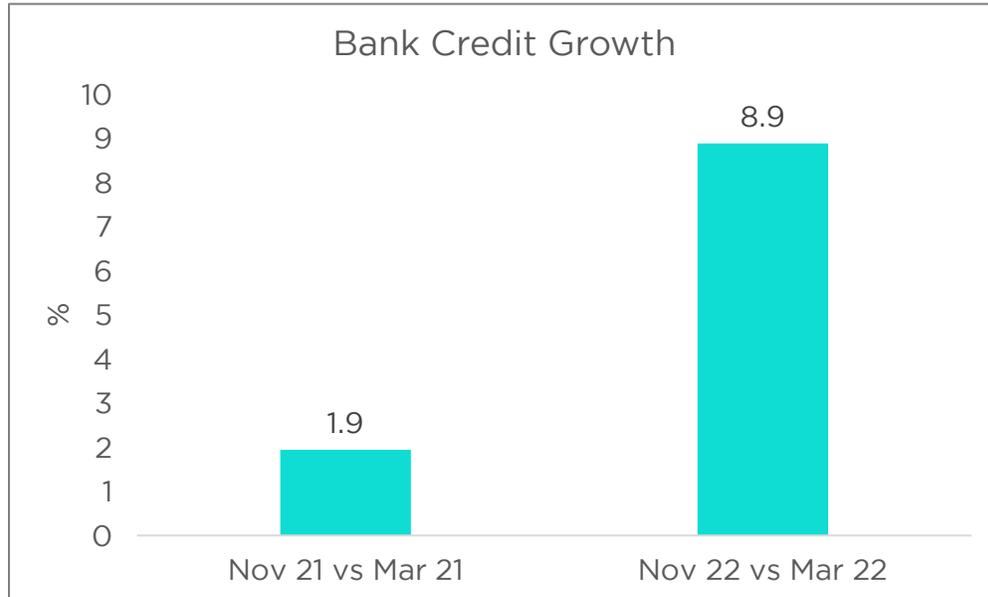
Source: CEIC



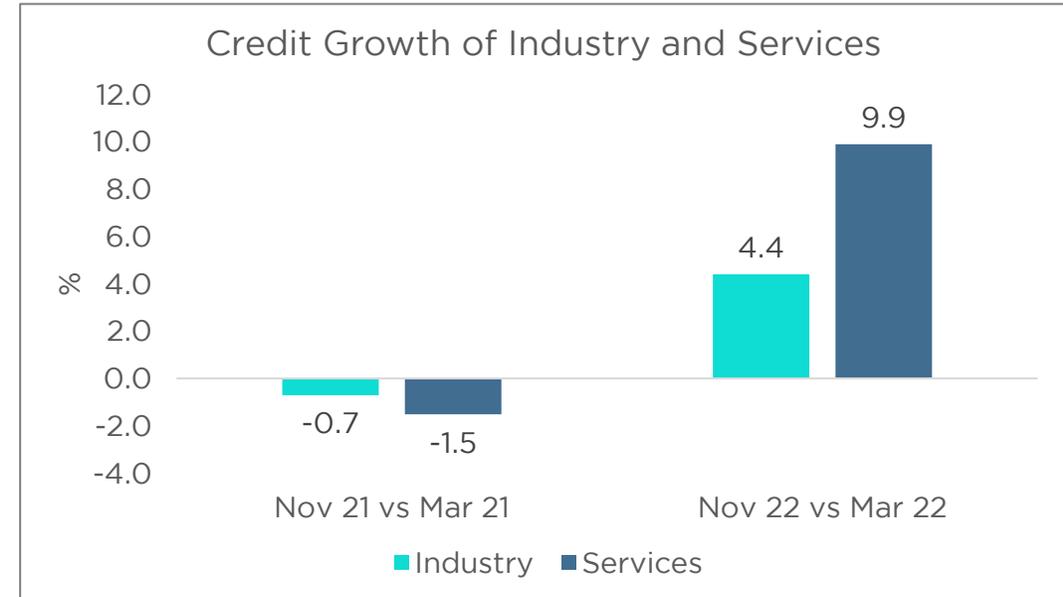
Source: Prime database

- Issuances of commercial paper (CPs) declined by 36.9% in the first 9 months of FY23 when compared with corresponding period of previous year.
- However, there has been jump in Corporate Bond issuances by 21% during Apr-Dec 22 when compared with corresponding period of previous year.

# Bank Credit Continues to Register Healthy Growth



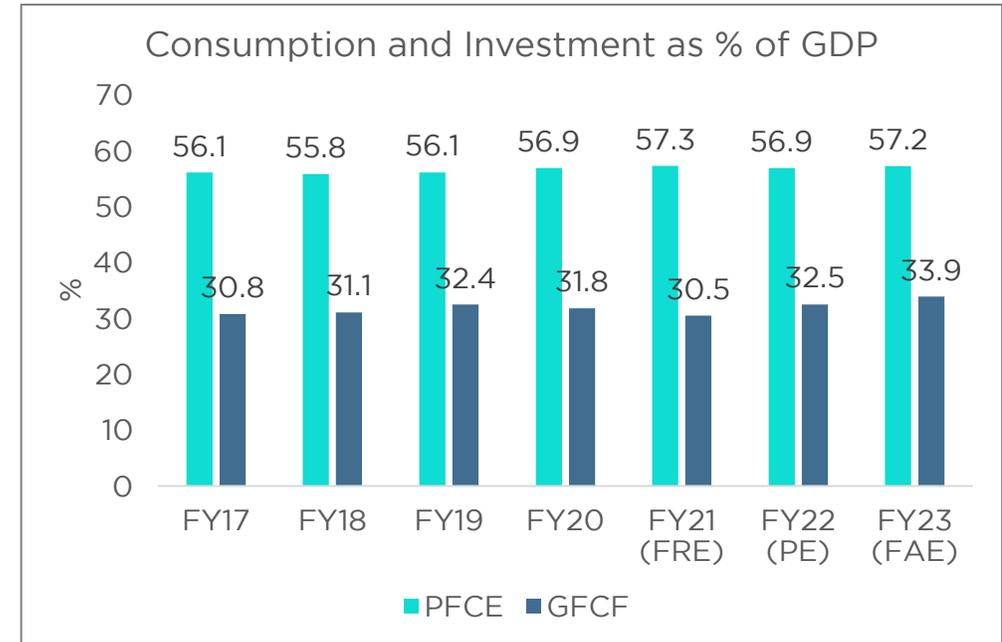
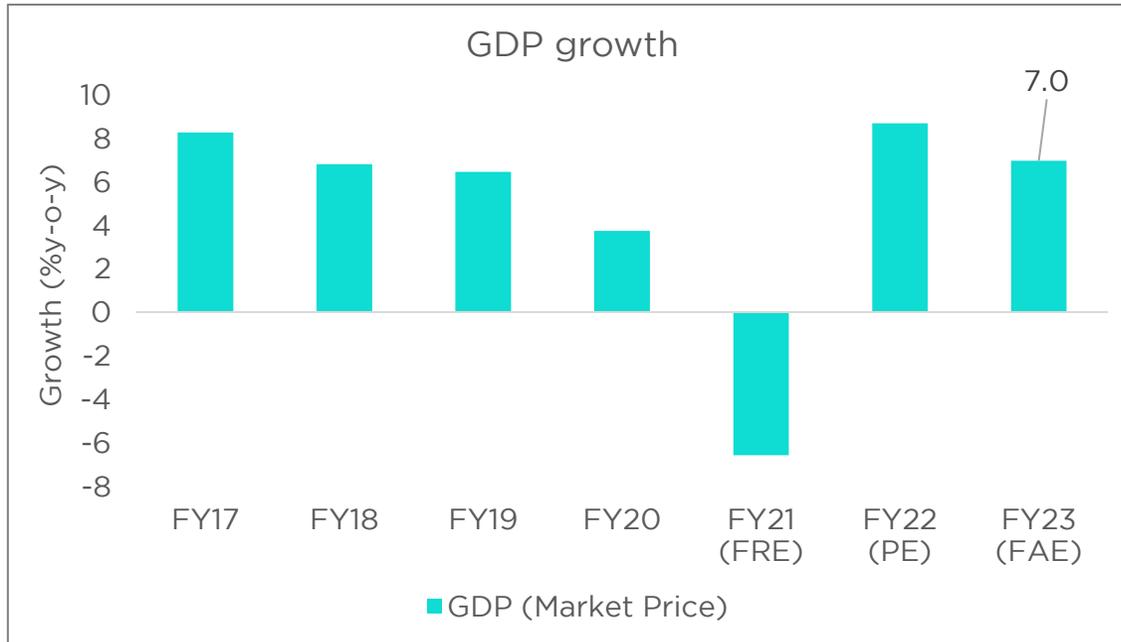
Note: Data till November 2022, Source: RBI



Note: Data till November 2022, Source: RBI

- Growth in bank credit during April-November FY23 at 8.9%, led by retail segment and services sector.
- Credit to industrial sector has grown by 4.4% during April-November FY23 compared to de-growth of 1.5% in the corresponding period of previous year.

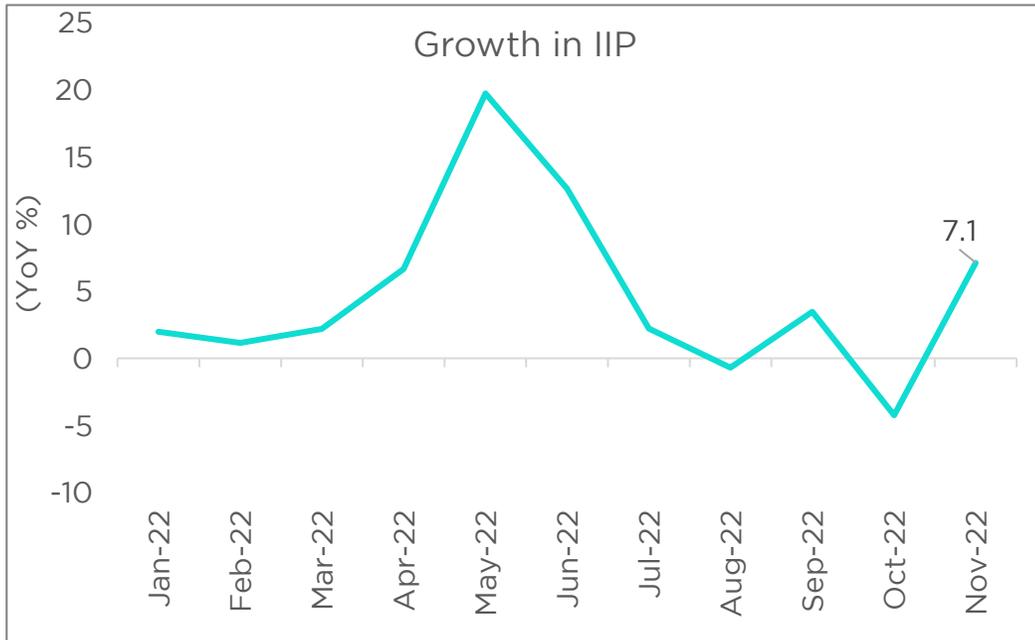
# Indian Economy Shows Resilience Despite Global Headwinds



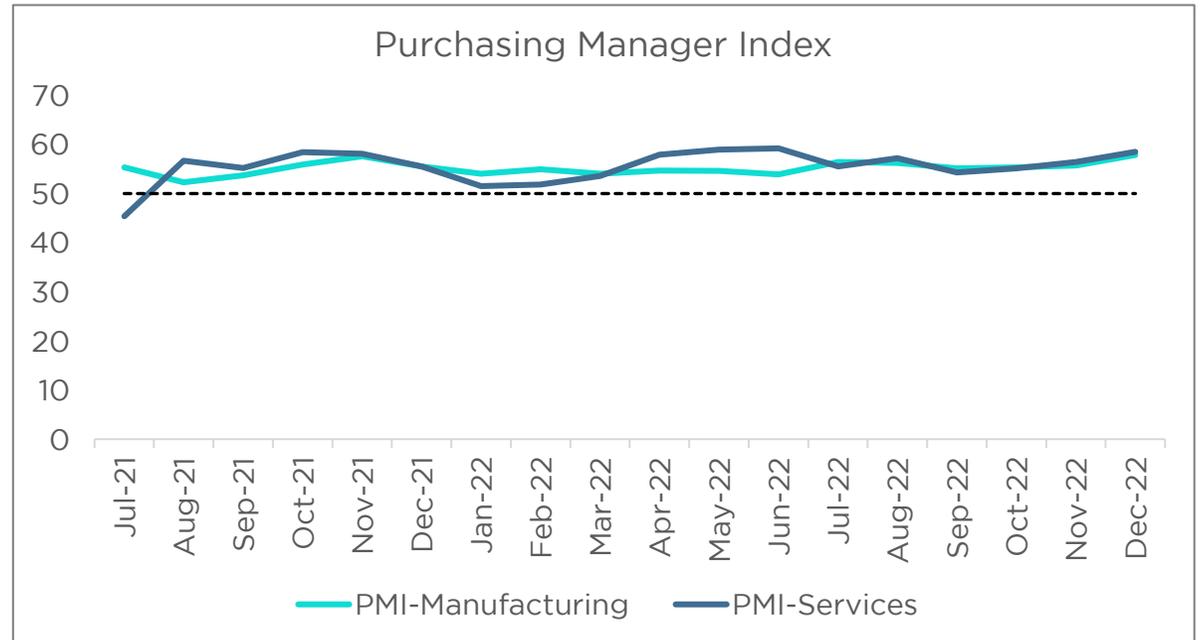
Source: MOSPI; FRE: First Revised Estimates; PE: Provisional Estimates; FAE: First Advance Estimates

- India's GDP is estimated to grow by a healthy 7% in FY23 as per the advance estimate.
- Private consumption and Investment are estimated to grow by 7.7% and 11.5% respectively .
- With global growth slowing, exports will remain a cause of concern

# Industrial Production Improves



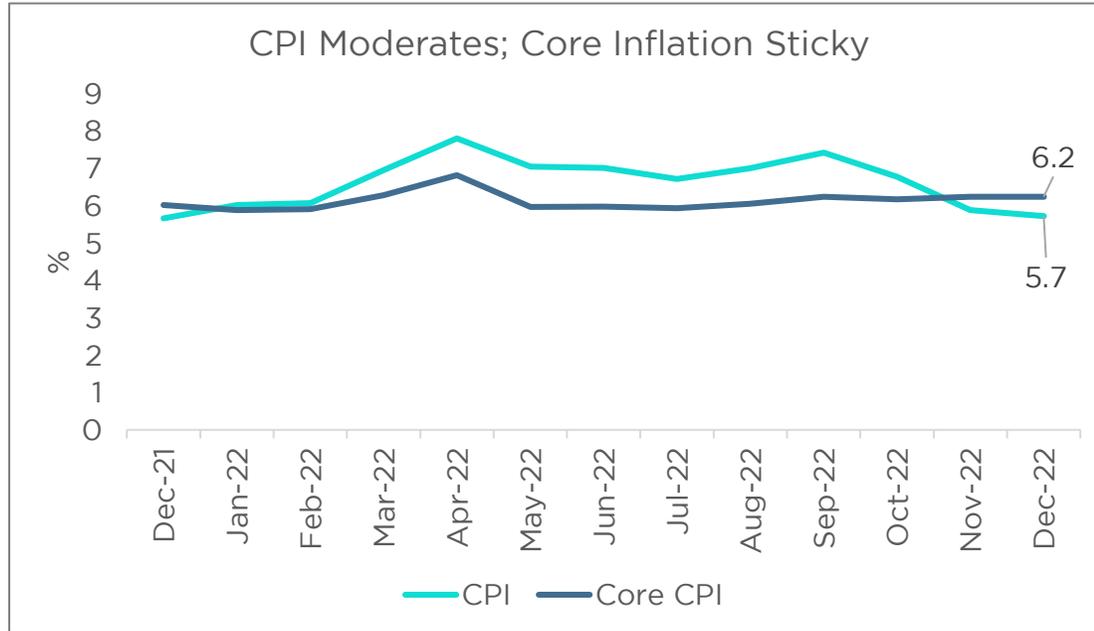
Source: MOSPI



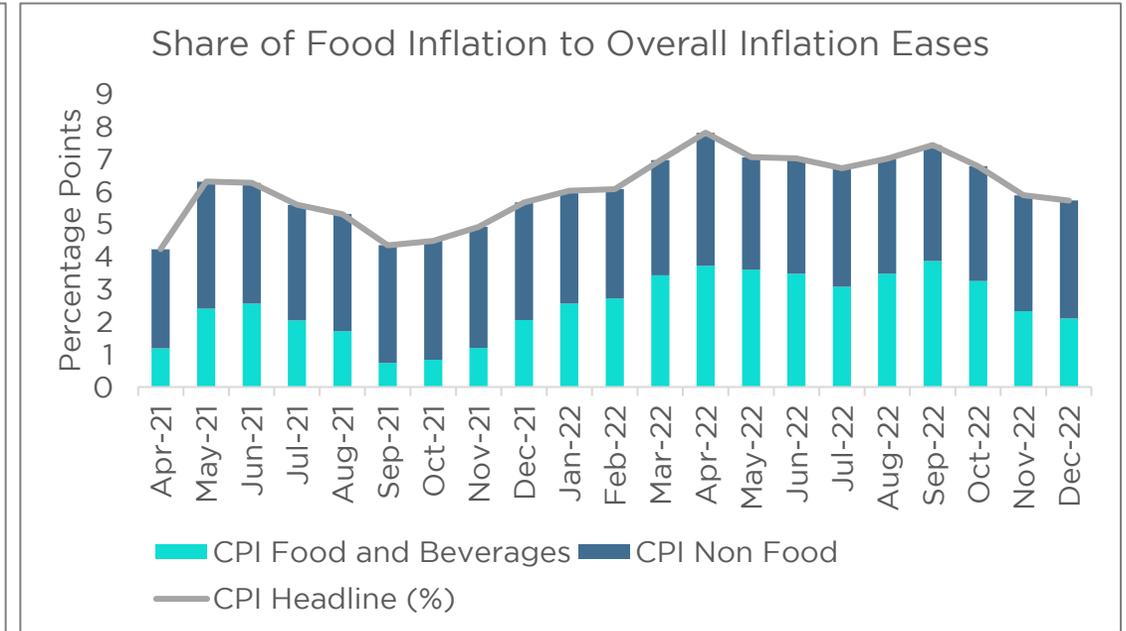
Source: IHS Markit

- IIP jumped to 7.1% in November with broad based recovery across sectors.
- Manufacturing and Services PMI continue to move up in December.

# Inflation Moderates



Source: MOSPI, CareEdge



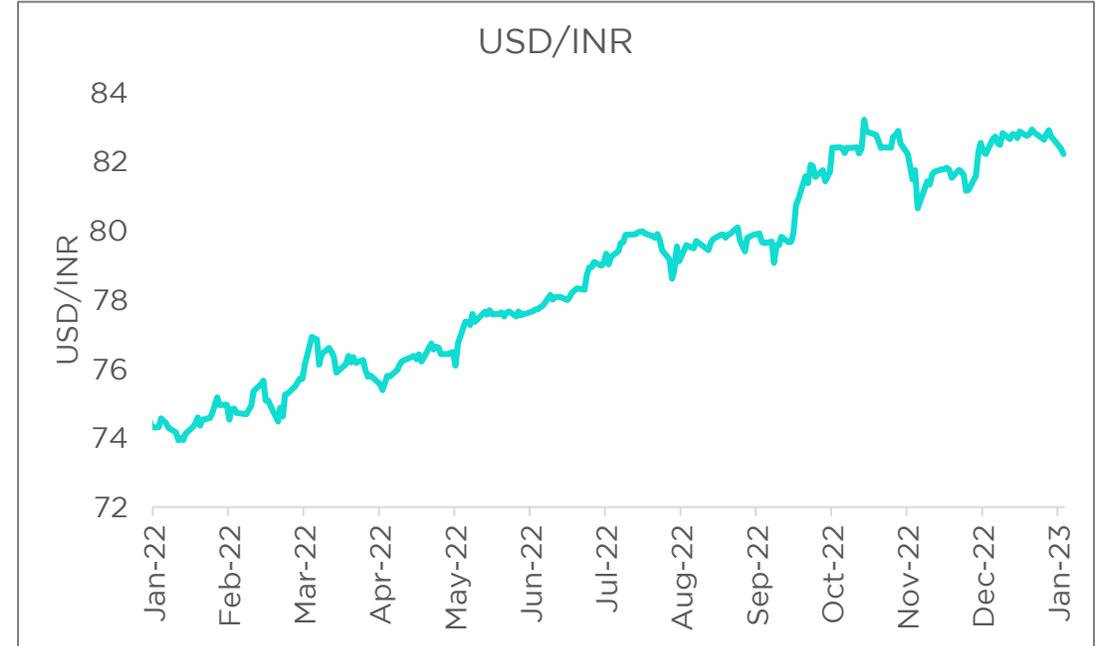
Source: MOSPI, CareEdge

- Headline CPI inflation eased to 5.7% in December 2022, its lowest levels since November 2021.
- Core inflation at 6.2% exhibited stickiness as it remained unchanged for the fourth straight month.
- Share of Food inflation in overall inflation eased due to sharp fall in vegetable prices, even while cereal and milk inflation remained high.

# Yields Range Bound; Volatility in Rupee Continues



Source: CEIC



Source: CEIC

- Moderating inflation providing some reprieve to gsec market; but there are concerns around high government borrowings for FY24.
- Rupee was broadly weakening in Q3 FY23 amid aggressive rate hikes by US Fed. However, with market factoring in moderation in Fed rate hikes, there is some strengthening pressure building for rupee.

# Thank You!

## About Us

CareEdge is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE Ratings Ltd, the parent company in the group, is one of the leading credit rating agencies in India. Established in 1993, it has a credible track record of rating companies across multiple sectors and has played a pivotal role in developing the corporate debt market in India. The wholly-owned subsidiaries of CARE Ratings are (I) CARE Advisory, Research & Training Ltd, which offers customised advisory services, credible business research and analytical services (II) CARE Risk Solutions Private Ltd, which provides risk management solutions.

## CARE Ratings Limited

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

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