.**Registered Office:** 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.
CIN: L67190MH1993PLC071691

3rd November 2020

Q2-FY21 and H1-FY21 Results

The Board of Directors of CARE Ratings approved the financial results for the second quarter and first half of FY21 in the Board meeting held on Tuesday the 3rd of November 2020.

Consolidated results

For the quarter consolidated total income was Rs 83.87 crore as against Rs 80.72 crore in corresponding quarter of FY20. Profit after tax (PAT) moderated from Rs 36.73 crore in Q2-FY20 to Rs 35.84 crore in Q2-FY21.

For the six-months period total income was Rs 130.77 crore (Rs 138.45 crore in FY20) and profit after tax Rs 45.54 crore (Rs 50.22 crore in FY20).

Standalone results

CARE Ratings standalone total income increased from Rs 75.36 crore in Q2-FY20 to Rs 79.65 crore in Q2-FY21. Operating income increased from Rs 66.43 crore to Rs 71.40 crore. Total expenditure decreased from Rs 31.80 crore to Rs 29.93 crore during this period. PAT has gone up from Rs 36.99 crore to Rs 38.00 crore for the quarter.

For the six-months period total income was Rs 122.13 crore (Rs 128.32 crore in FY20) and profit after tax Rs 47.93 crore (Rs 50.07 crore in FY20).

The macro-economic environment though improving since June due to the unlock measures in still in the negative territory as evidenced by growth in credit to manufacturing and services which are the quick indicators of economic activity. Growth in credit to manufacturing fell by 4.5% between April and September while that to services by 0.7%. Within manufacturing growth in credit to large industry declined by 5.1% while that to micro, small and medium increased due to the guarantee support provided by the government. Further, with industry having surplus capacity with the utilization rate being 47.3% in June investment level was low. Therefore, fresh investment in this sector would be delayed until utilization rates reach the optimal level. Corporate bond issuances were higher while CP issuances lower.

With CPI inflation remaining high at 7.3% in September, the RBI had kept the repo rate unchanged though taken an accommodative stance. Liquidity infusion has been signalled to remain comfortable with announcement of on-tap TLTRO, and OMOs in GSecs and SDLs.

'We are seeing sequential improvement in some of the high frequency monthly economic indicators which is on expected lines as we do expect quarterly GDP growth to improve over Q1 and turn marginally positive in Q4,' said Ajay Mahajan, MD & CEO of CARE Ratings. 'The announcement of on-tap TLTROs and the government's additional spending on capex should help to revive private investment and we would be keenly watching whether this will lead to more differentiated issuances in the bond market which is still biased towards the financial sector,' he added.

The Board of Directors have recommended interim dividend of Rs. 8/- per share (of Rs. 10/- face value) which will take the total declared for the year to Rs 8/- share.

During the financial year the company leveraged the opportunity of working from home and being connected by technology with several webinars on different subjects. There was concerted effort to build the brand with these sessions. The difference this time was the industry webinars had experts from the concerned sector share their views. There were three major Surveys carried out related to the pandemic. CARE Ratings was the knowledge partner of CII's Financial Markets Summit in October where the Knowledge paper was released by the Chairman, SEBI. Ajay Mahajan, MD & CEO was a panellist in one session and a moderator in another.

We are also scheduling our company's investors' call on **Thursday – Nov 5th, 2020 – 3:00 PM to 4:00 PM IST**

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For further information contact:

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