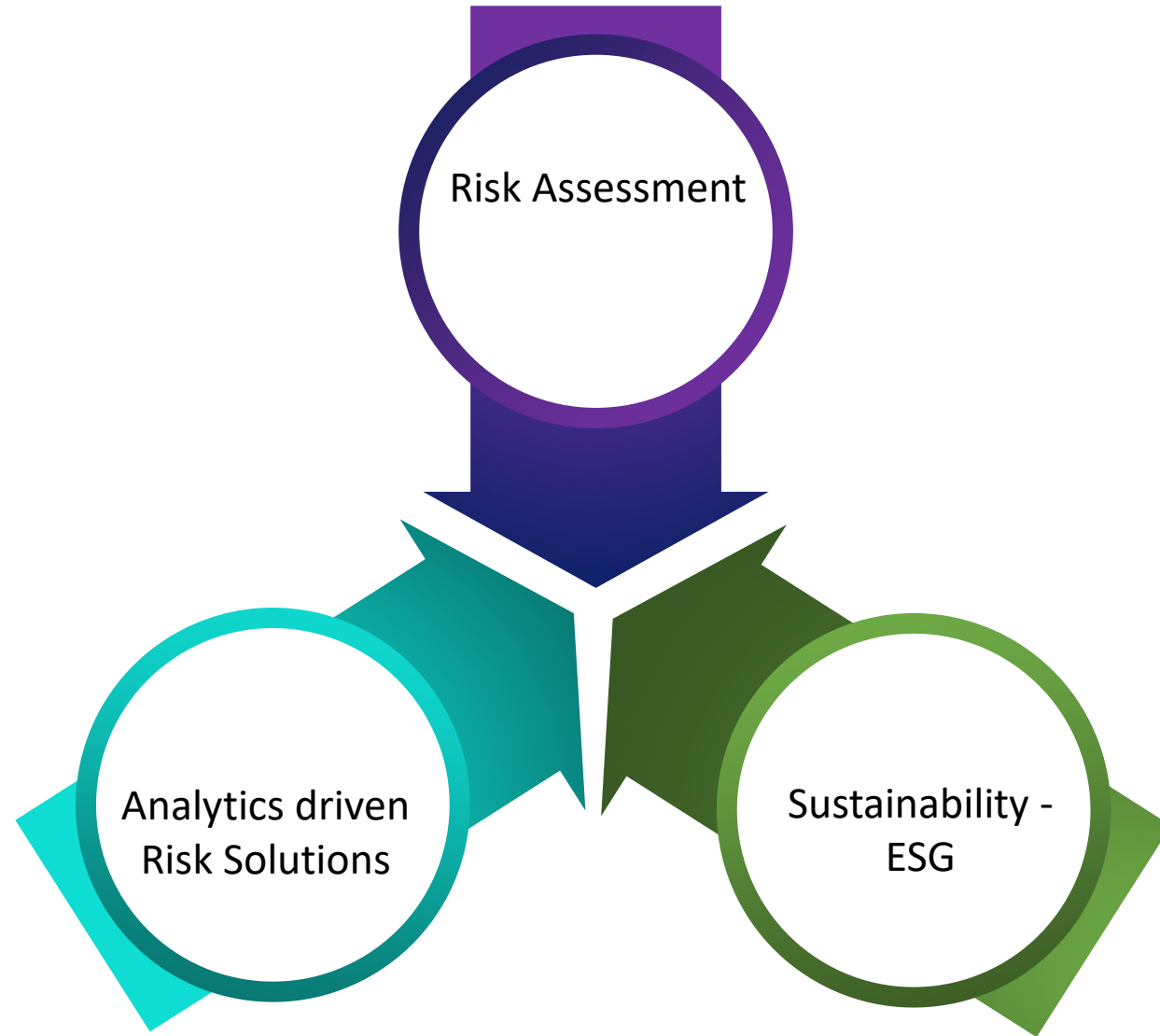


Macro Trends & CareEdge

Foresight backed by expert insights

December 2022

Group outlook – focus on three pillars

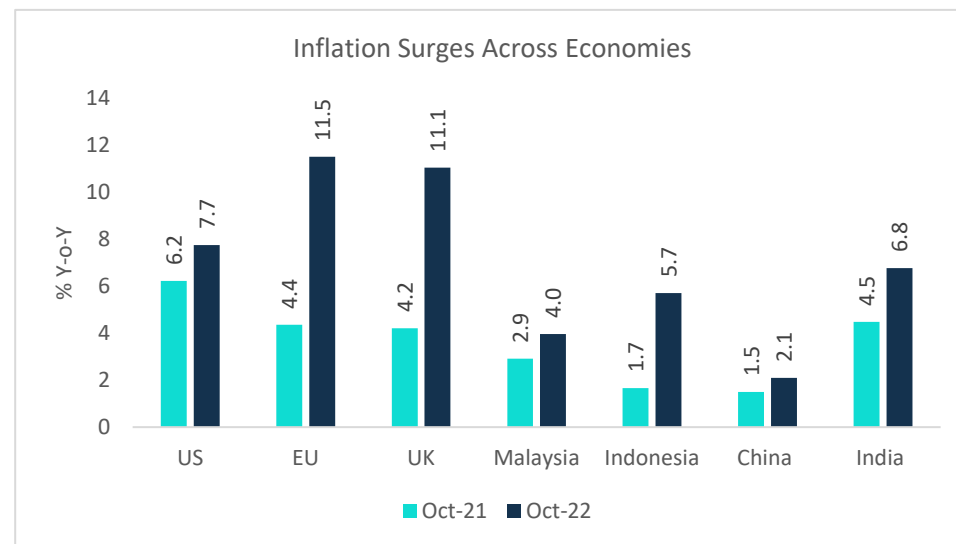


India Silver Lining Amidst Global Turmoil

	GDP Growth Projection (%)		
	2021	2022	2023
World	6.0	3.2	2.7
Advanced Economies	5.2	2.4	1.1-
- United States	5.7	1.6	1.0
- Euro Area	5.2	3.1	0.5
- Japan	1.7	1.7	1.6
Emerging Market & Developing Economies	6.6	3.7	3.7
- China	8.1	3.2	4.4
- India	8.7	6.8	6.1
- Brazil	4.6	2.8	1.0

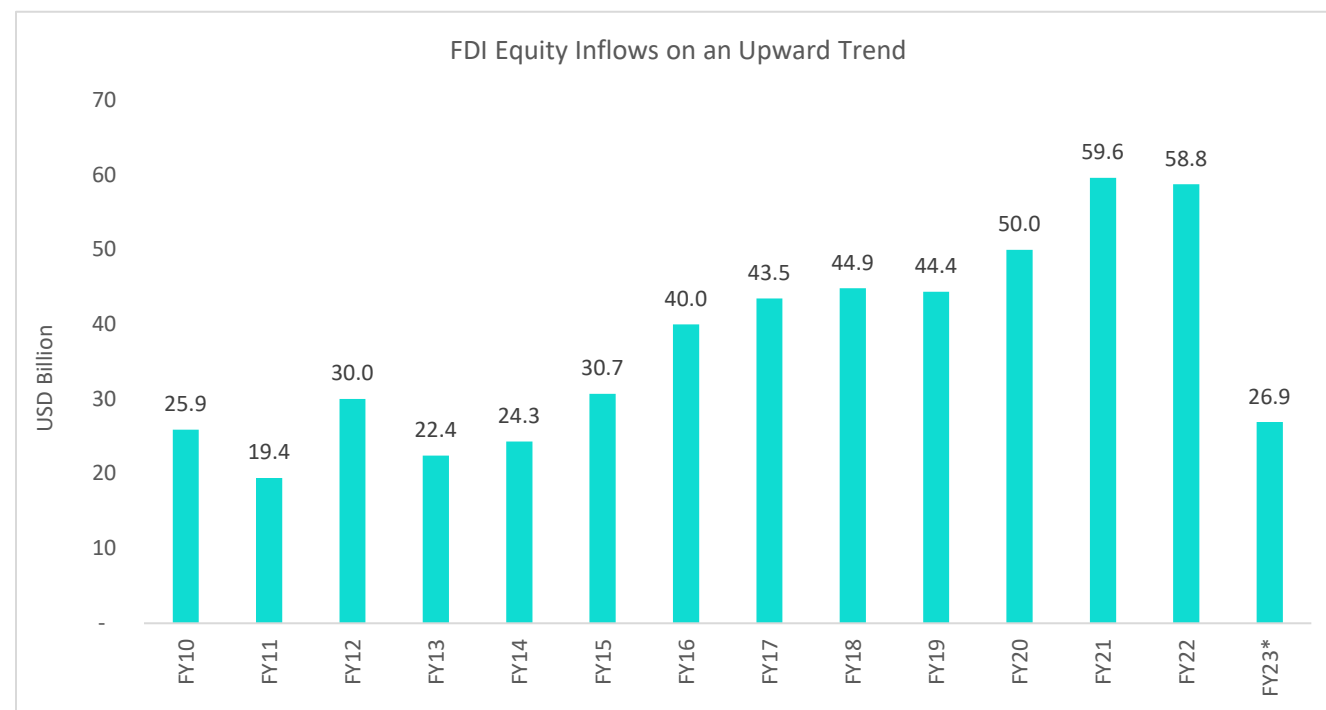
Source: IMF World Economic Outlook, October 2022; Note: Forecasts for India on fiscal year basis

- India overtook Britain to become the world's fifth-largest economy.
- India projected to record 6.8-7% growth in FY23 and 6-6.5% growth in FY24, even in midst of the global turmoil.
- Inflation is a global concern, but the inflationary spike in India less when compared to many developed economies.



Source: CEIC

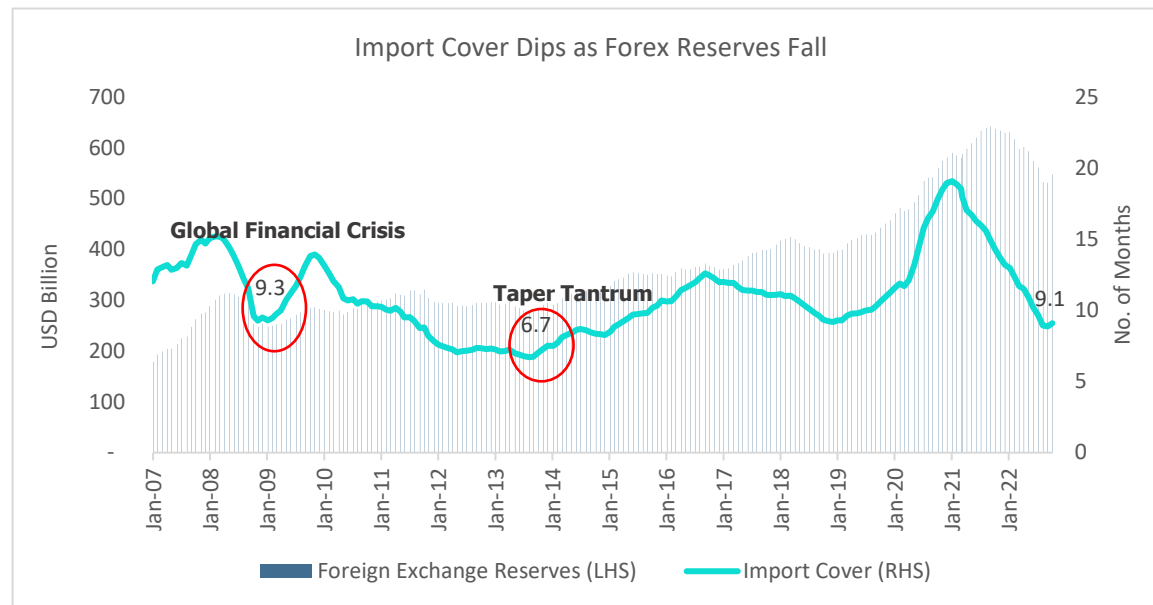
India a Preferred Investment Destination



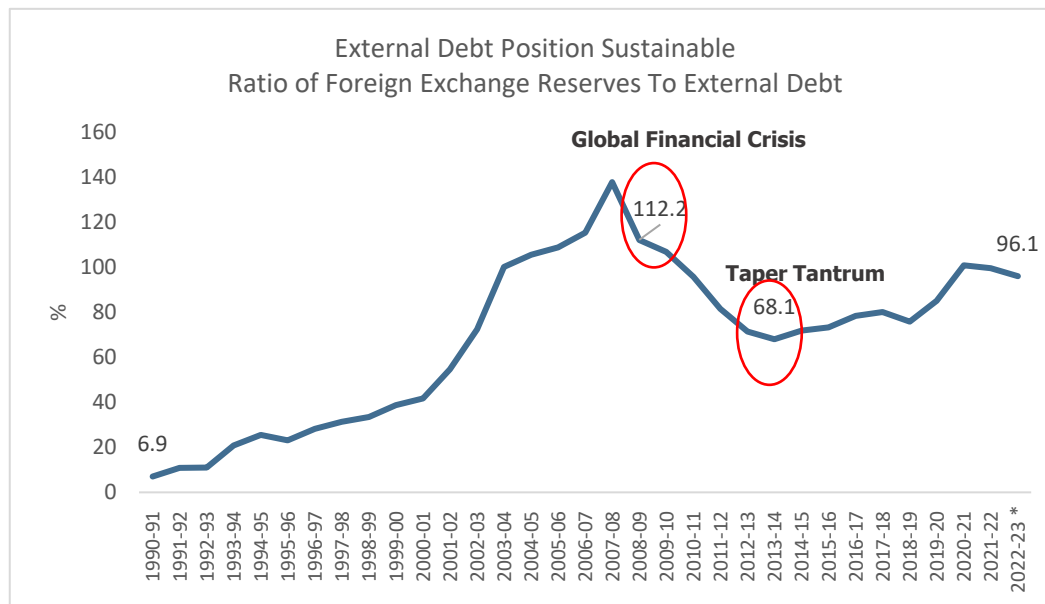
Source: CEIC; * Data up to September FY23

- India showing an improvement in FDI flows.
- India's ranking in the EoDB has improved sharply to 63 (2019) from 100 in 2017.
- With world looking at diversifying their over exposure to China, India stands to benefit from China + 1 strategy.

External Vulnerability Limited



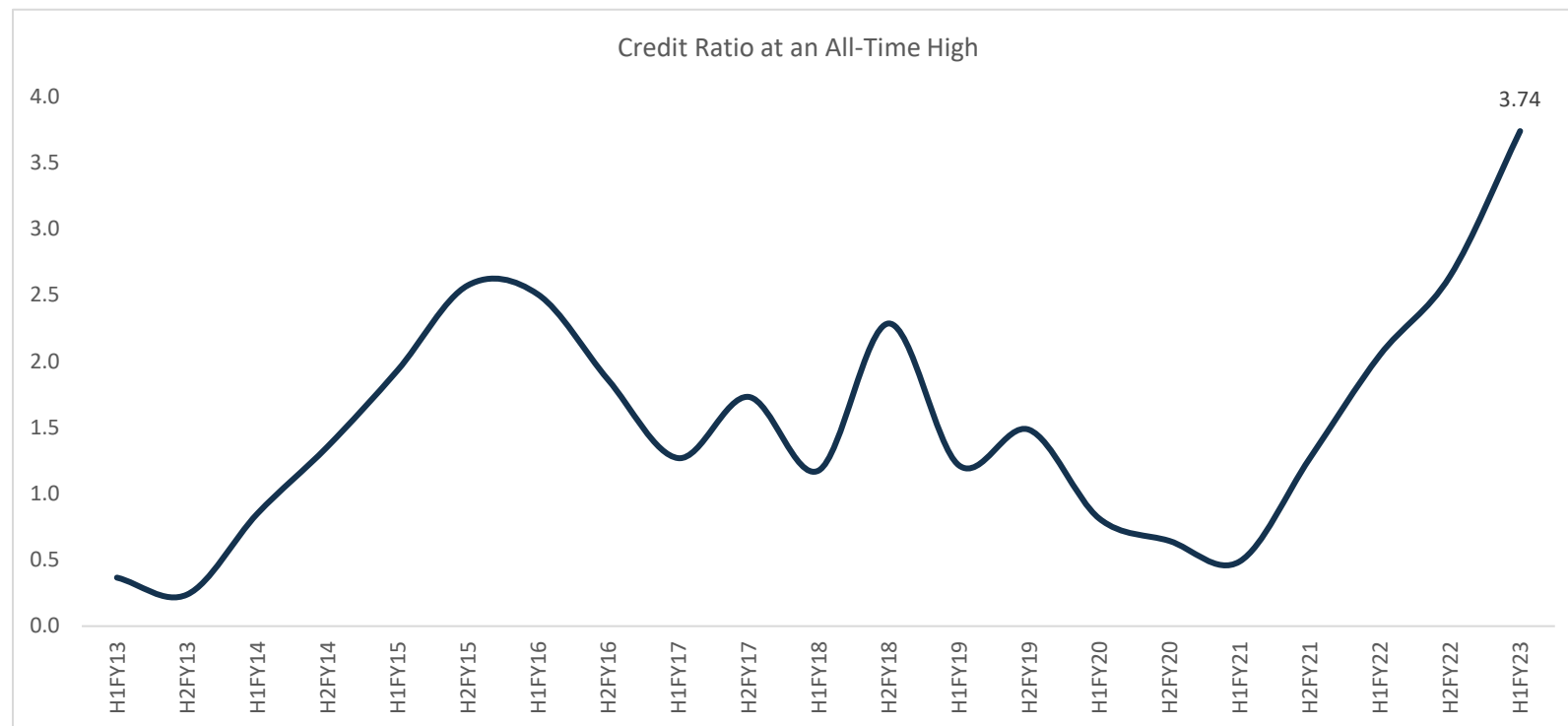
Source: CEIC & CareEdge



Source: CMIE & CareEdge; Note: Data till Q1: 2022-23

- India's comfortable forex reserves by end 2021 supportive of the economy during current years' external turmoil.
- Import cover has slipped to 8-9 range, but still higher than 6.7 touched during taper tantrum.
- India has relatively low external debt to GDP ratio of 20%. Forex Reserves to external debt still at a comfortable level.

Corporate Balance Sheet stronger, gearing reduced

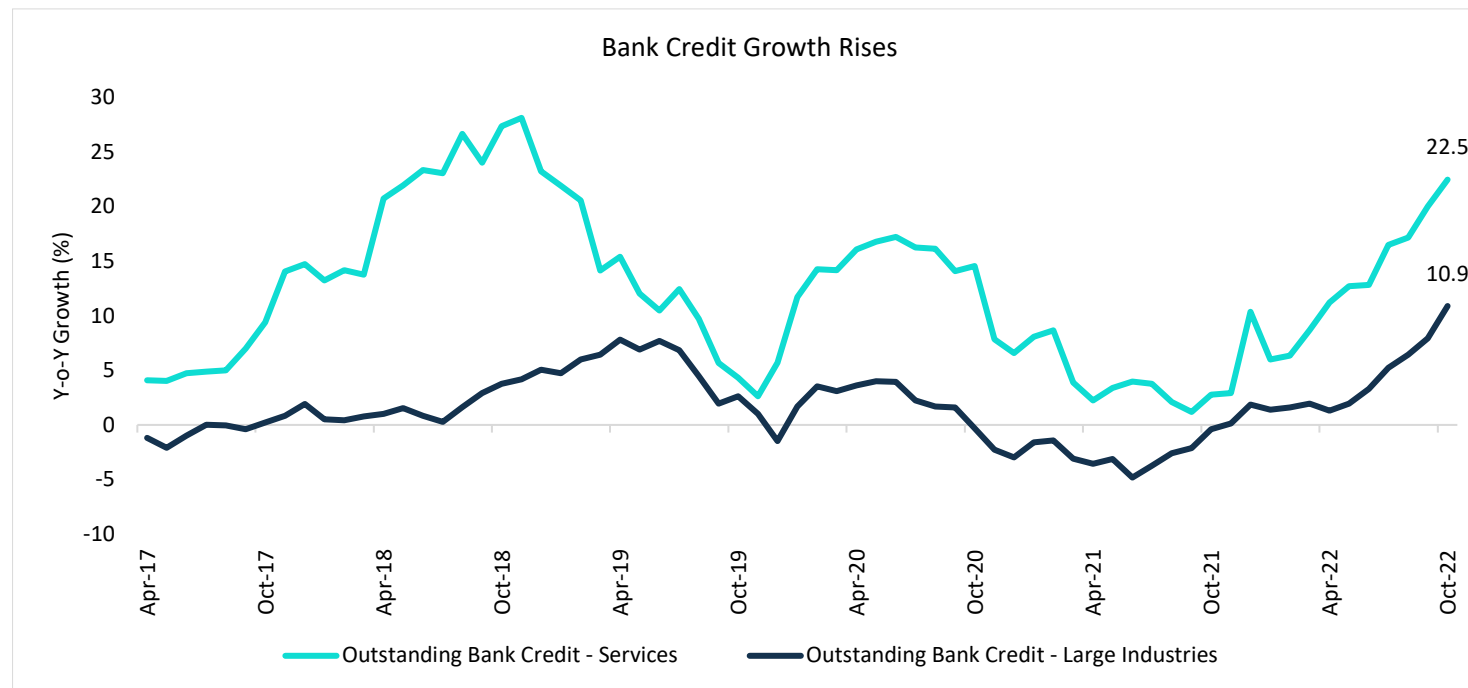


- Balance sheets of corporates growing stronger with deleveraging over the last few years.
- CareEdge credit ratio (number of upgrades to downgrades) improved to 3.74 in H1 FY23 from 2.64 times in H2 FY22.
- Credit ratio of both, Investment grade and Below investment grade entities was at an all-time high in H1 FY23.

CreditRatio = Upgrades/Downgrades A ratio higher than unity denotes more upgrades than downgrades.

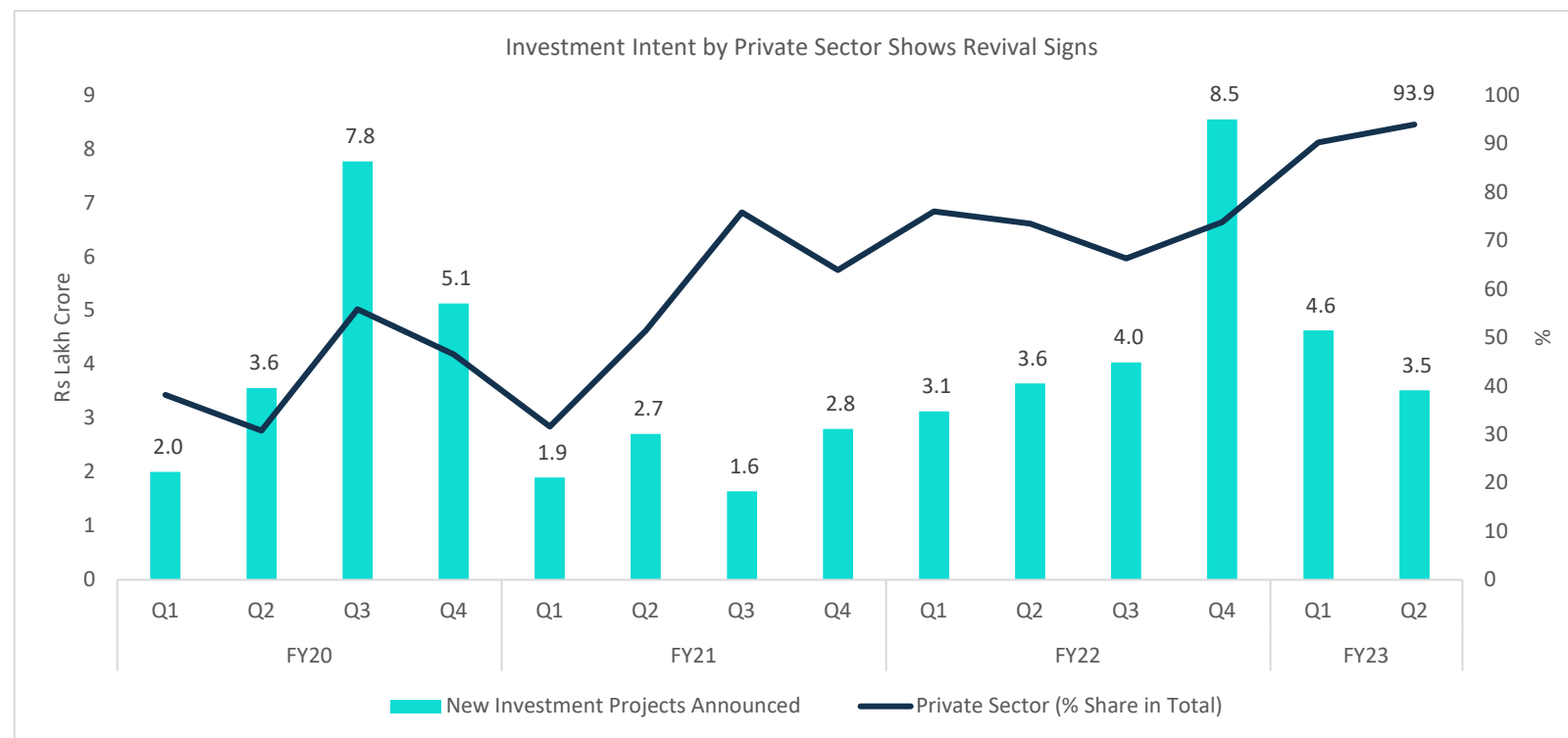
An increase in ratio as compared to previous periods denotes an improvement in the credit quality of rated entities and vice versa.

Credit Demand



- Credit to large enterprises picked up to 11% in October 2022 (de-growth of 0.4% in October 2021), while credit to services growing by a strong 23%.

Private Investment

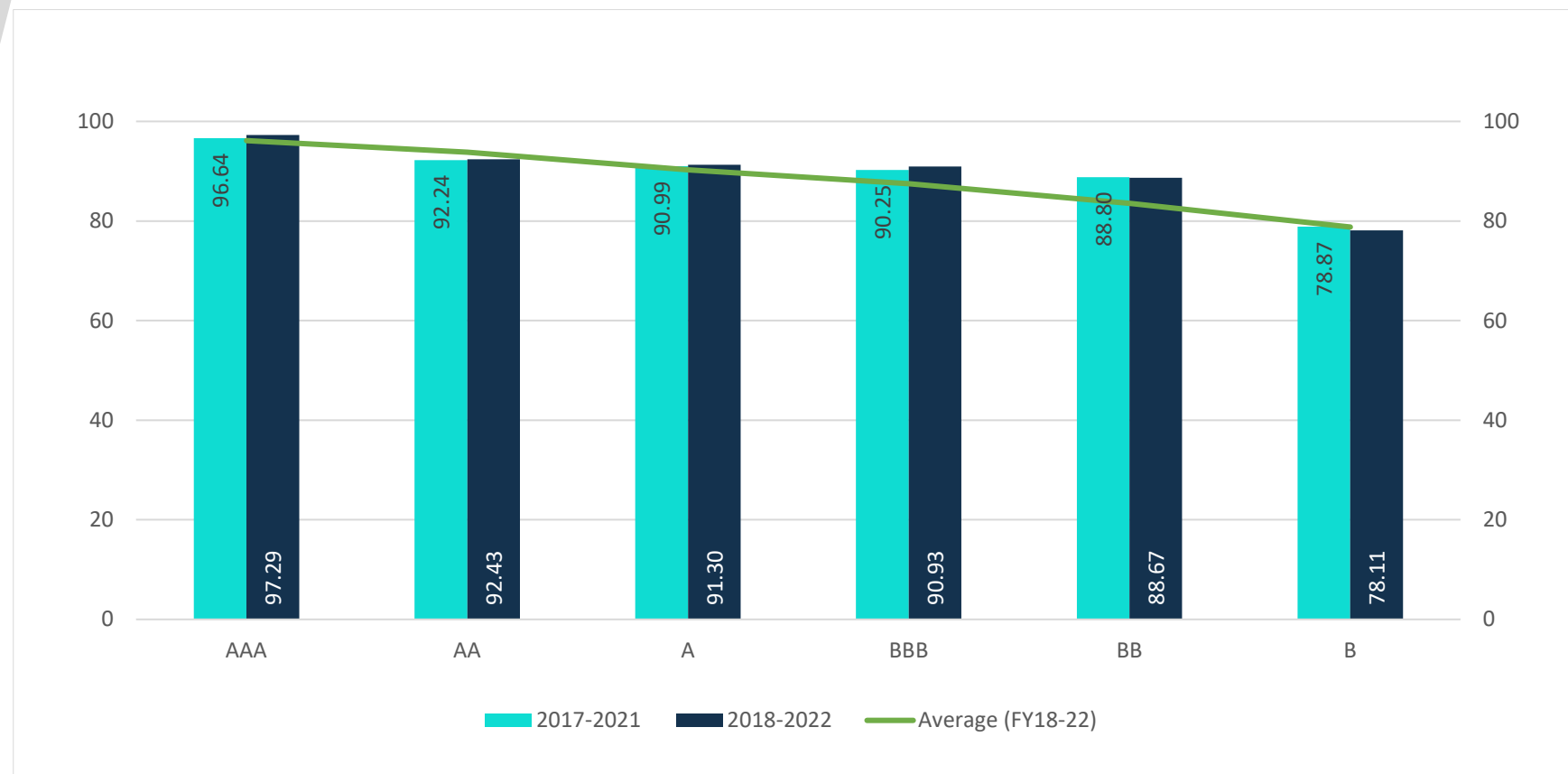


Source: CMIE

- The share of the private sector in new investment projects announced has shot above 90% in the first two quarters of FY23.
- IIP capital goods production has been upbeat logging a pre-pandemic growth of 12.6% in September. Capital goods imports rose by 3.9% (y-o-y) in October.

Rating Stability: In sync with Industry average

Average one-year stability rates in (%) for the last 5 financial years



Other Ratings Subsidiaries

Other Ratings Subsidiaries



Mauritius

Received license in 2019 for Ratings business to operate in Kenya

Nepal

Small geography, limited market

Non-Ratings Subsidiaries – Analytics driven Risk Solutions & Sustainability - ESG

Analytical driven Risk Solution

**Text
Analytics**

**Fraud
Analytics**

Customer Segmentation

Campaign Response

**Customer
Attrition**

Customer Risk Profiling

Targeted Advertising

**Risk
Scoring**


**Sentiment
Analysis**

**Pattern
Recognition**


**Customer
360°**

CareEdge Advisory Research & Training (CART) ESG Expertise – AMFI Empanelled ERP


CareEdge Advisory Research & Training (CART) has completed the ESG assessments of over 600 listed companies in India. Our sectoral coverage ranges to over various sectors and subsectors some of which are given below




Banks & NBFCs




IT & IT services




Industrials




Healthcare & Pharma




Auto & Auto Ancillary




Consumer Staples




Real Estate




Cement



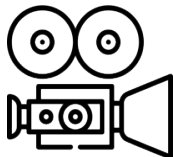
Power & Utilities




Telecom



Paints



Media & Communication



Oil & Gas

CareEdge Group – Vision, Mission & Values



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

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

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