

Registered Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express
Highway, Sion (East), Mumbai 400 022
Website : [www. careratings.com](http://www.careratings.com)
Email: investor.relations@careratings.com
CIN-L67190MH1993PLC071691

Mumbai, 5th August 2016

CARE Ratings Unaudited financial results for Q1-FY17

Highlights

- Rating income increases by 18.1%
- Total expenses contract by 10.3%
- Operating profit up by 49%, Operating profit margin improves to 60.2% from 47.7%
- EBITDA and PAT grow by 39.4% and 41.1%, respectively
- EBITDA and PAT margins improve from 52.7% to 63.3% and 34.1% to 41.4% respectively
- Interim dividend of Rs. 6/- per share declared

CARE Ratings posted growth of 18.0% in total income from operations. Total income from operations increased from Rs 48.44 crore in Q1-FY16 to Rs 57.15 crore in Q1-FY17. Higher growth of 18.1% in rating income was on account of an increase in both the volume of fresh debt rated and surveillance exercises carried out during the quarter. Total volume of new debt rated increased from Rs 2.65 lakh crore to Rs 3.78 lakh crore with increases being witnessed in both the corporate debt and bank loans rating. Other income, which is primarily investment income, came down by 14.8% from Rs 2.92 crore to Rs 2.49 crore mainly due to investments made for a longer tenure where income can be booked only when it is earned and not on an accrual basis.

Total expenses declined by 10.3% in Q1-FY17. The employee cost, which accounts for around three quarters of the total cost, came down by 5.4% from Rs 18.72 crore to Rs 17.71 crore mainly due to charge for ESOP of Rs. 1.34 crores included in Q1-FY16. Other expenses declined by 25.1%. The ratio of total expenses to total income declined from 49.4% to 38.1%. Headcount reduced to 569 employees in June 2016 from 627 employees in June 2015.

Higher growth in income and a decline in expenses led to an increase in EBITDA by 39.4%. While tax expenses increased by 43.4%, profit after tax (PAT) witnessed an increase of 41.1%. Consequently, the EBITDA margin improved from 52.7% to 63.3% while PAT margin increased from 34.1% to 41.4%. Basic EPS was at Rs 8.39 per share (Rs. 6.03 per share in Q1-FY16). The Board has announced an interim dividend of Rs. 6/- per share.

Commenting on the performance D R Dogra, MD & CEO said, 'CARE has posted fairly good results this quarter. The future course of the economy will guide the progress in the market which will have a bearing on our prospects.'

Contact:

D.R. Dogra, MD & CEO 022-67543435
Chandresh Shah, CF 022-67543603

ABOUT US

Credit Analysis and Research Limited (CARE Ratings) is the second largest full service rating Company in India. CARE Ratings offers a wide range of rating and grading services across a diverse range of instruments and has 23 years of experience in the rating of debt instruments and related obligations covering wide range of sectors. The Company's list of clients includes banks and other financial institutions, private sector companies, central public sector undertakings, sub-sovereign entities, small and medium enterprises ("SMEs") and micro-finance institutions, among others. The Company also provides issuer ratings and corporate governance ratings and has rated innovative debt instruments, such as perpetual bonds. CARE Ratings is recognized for being knowledge based Company and has continued to work towards deepening the base. The company is part of a global venture, which is a JV with 4 other global CRAs, 'ARC Ratings' and has also a subsidiary CARE (Ratings) Africa Private Limited (CRAF) in Mauritius and CARE Kalypto Risk Solutions & Advisory Services Private Limited (CARE Kalypto) in Mumbai.*

The Company has its registered office in Mumbai, and branches in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, New Delhi, and Pune. The subsidiary CRAF has an office in Mauritius and CARE Kalypto in Mumbai.

*** In terms of rating income FY16**