

Date: June 12, 2021
SE/2021-22/13

To,

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

Please find enclosed herewith the Press Release & Investor Presentation of CARE Ratings Limited as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

We wish to inform you that we have scheduled a conference call with analyst/ investors to discuss the financial results for the quarter ended March 31, 2021 (Q4FY2021 Results) on Monday, 14th June 2021, 2 PM to 3 PM.

The participants may use the below link to attend the call.

Please Click and Register on:

<https://attendee.gotowebinar.com/register/5908271227353712396>

Kindly take the above on record.

Thanking you,

Yours faithfully,

For CARE Ratings Limited



Ajay Mahajan

Managing Director & CEO

CARE Ratings Ltd.

12th June 2021

Press Release

Audited financial Results for Fourth quarter of 2020-21 and fiscal 2020-21

The Board of Directors of CARE Ratings approved the financial results for the fourth quarter of 2020-21 and full year 2020-21 in the Board meeting held on Saturday the 12th of June 2021.

Consolidated results

CARE Ratings consolidated total income increased by 1.68% percent from Rs. 275.11 Crore in 2019-20 to Rs. 279.74 crore in 2020-21. Total expenses have decreased by 5.80 percent during this year. Operating profit increased by 20.28 percent from Rs. 72.63 crore to Rs.87.35 crore. Net profit increased from Rs.83.48 crore to Rs.90.97 crore, an increase of 9%.

For the fourth quarter total income increased by 16.14 percent from Rs.73.41 crore to Rs.85.25 crore, while net profit rose by 69% from Rs.15.68 crore to Rs.26.49 crore.

The consolidated financials include those of CARE Ratings and its four subsidiaries.

Standalone results

CARE Ratings standalone total income increased by 0.54 percent from Rs.250.44 crore in 2019-20 to Rs. 251.78 crore in 2020-21. Total expenses have decreased by 7.42 percent during this period. Operating profit increased by 16.98 percent from Rs.68.91 crore to Rs.80.62 crore. Net profit increased from Rs.80.50 crore to Rs.85.83 crore.

For the fourth quarter total income increased by 15.30 percent from Rs. 64.89 crore to Rs. 74.82 crore, while net profit increased by 58.36% from Rs. 13.95 crore to Rs. 22.09 crore.

The financial year was challenging for businesses as the economy registered degrowth of 7.3% which was reflected in a decline in the investment rate in the country. This had an impact on the overall demand for funds. Growth in credit to the manufacturing and services sectors, which are pertinent to our business, registered lower growth rates. Credit growth to manufacturing was lower at 0.4% for the year (0.7%) and that to services was 1.4% (7.4%). Debt issuances were higher but concentrated in the financial sector and PSUs. The growth of 0.54 percent in our rating income should be viewed against this backdrop as our business and ratings teams worked hard to maintain the surveillance book while enhancing new business notwithstanding the low economic conditions.

At the macro level the RBI did introduce measures to enhance liquidity in the system through TLTROs to provide a boost to specific sectors like NBFCs and SMEs. There was also a onetime restructuring scheme (OTR) which was introduced that provided some scope for ratings.

The subsidiary companies have witnessed growth of 13 percent in total income with net profit improving from Rs.3.48 crore to Rs. 5.87 crore. This was supported by a significant contribution from CARE Risk Solutions Private Limited and CARE Ratings Nepal Limited.

The company had concentrated on a planned outreach programme with several webinars being held on various sectors like banking, steel, construction, real estate, among others with guest speakers from industry. This was complemented with research reports on the economy (domestic and world) and industry to provide views on performance and prospects.

“Our performance during the year has been reasonably good given the external environment that witnessed severe deceleration due to Covid, as evident in the sluggish growth in credit offtake.”, said Ajay Mahajan, MD & CEO of CARE Ratings. ‘We are firmly on a transformative journey at CARE Ratings, and we are pleased about the overall performance in such challenging times. Our focus firmly remains on improvement in productivity, strengthening analytical rigour in ratings & also diversifying revenue streams going forward. FY22 has not quite begun on the right note with two months of lockdowns across the country which has already affected growth in credit and debt issuances. We surely have another challenging year ahead, which hopefully will be less severe than last year though still quite a distance from normal,’ he added.

The Board of Directors have recommended final dividend of Rs.6/- per share (of Rs. 10/- face value) which will take the total declared for the year to Rs 17/share.

For further information contact:

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Mehul Pandya, Executive Director – mehul.pandya@careratings.com

Investor Presentation – Q4 FY21

June 12, 2021