

Date: October 30, 2021

SE/2021-22/49

To,

The General Manager
Corporate Relation Department
BSE Limited
Phiroza Jeejeebhoy Towers
14th Floor, Dalal Street
Mumbai 400 001
Scrip Code: 534804

The National Stock Exchange India Ltd.
Listing Department
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Scrip Code: CARERATING

Dear Sir/ Madam,

SUB: PRESS RELEASE AND INVESTOR PRESENTATION ALONG WITH DETAILS OF EARNINGS CALL

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 and half year ended September 30, 2021 (Q2FY2022 & H1FY22 Financial Results) on Monday, November 01, 2021, at 2.00 PM (IST) to 3.00 PM (IST).

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

Please Click and Register on:

<https://attendee.gotowebinar.com/register/6698151587795933195>

The above information is also being made available on the Company's website i.e., www.careratings.com.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,
For CARE Ratings Limited

Nehal Shah

Nehal Shah
Company Secretary & Compliance Officer
Encl: As Above



CARE Ratings Ltd.

Press Release

Financial Results for Q2 FY22 and H1 FY22

The Board of Directors of CARE Ratings approved the financial results for Q2 FY22 and H1 FY22 in the Board meeting held on 29th of October 2021.

Consolidated results

CARE Ratings consolidated total income decreased by 1.9% from Rs. 83.87 crore in Q2 FY21 to Rs. 82.29 crore in Q2 FY22. Total expenses Increased by 23.8% during this period. Operating profit decreased by 20% from Rs. 41.92 crore to Rs. 33.53 Crore and net profit from Rs.35.84 crore to Rs. 27.07 crore, a decrease of 24.5%.

The consolidated financials include those of CARE Ratings and its four subsidiaries. For H1 FY22 total income increased by 6.15% and net profits decreased by 15.2 %.

Standalone results

CARE Ratings standalone total income decreased by 4.8% from Rs. 79.65 crore in Q2 FY21 to Rs. 75.83 crore in Q2 FY22. Total expenses have increased by 19.8% during this period. Operating profit decreased by 18.9% from Rs. 43.42 crore to Rs. 35.20 crore while net profit decreased from Rs. 38.00 crore to Rs. 29.76 crore.

Operating profit margin and net profit margin were 50.8% and 39.3% respectively in Q2 FY22.

For H1FY22 total income increased by 3.12 crores and net profits decreased by 7.27 crores respectively. Operating profit margin and net profit margin were at 38.1% and 32.5% respectively.

The progressive easing of lockdown restrictions across states since June led to increased mobility and activity. Various economic indicators reflected higher levels of economic activity. Industrial output, PMI for manufacturing and services, e-way bills, toll collections, GST collection, power consumption among others have witnessed a notable improvement in the second quarter over the first quarter of the current financial year. Economic activity in the first quarter, it may be recollected, was adversely impacted by the reimposition of lockdowns across states to control the second wave of the pandemic.

There has been stability in bond market activity in Q2 F22 with total corporate bond issuances amounting to Rs.1.77 lakh crore (Rs.1.71 lakh crore). Issuances in the second quarter were considerably higher i.e., by 95% than in the first quarter of FY22. However, despite the improvements in the second quarter, the overall issuances in the first half of the current fiscal have been 30% lower than that in the same period of last year. In 2020, the RBI had announced a series of LTRO and TLTRO operations which helped the corporate bond market. This year, while there have been announcements made for special LTROs for small finance banks the response has been limited.

Bank credit growth, although better in the current year relative to 2020 continues to be subdued. The incremental bank credit growth as of end September'21 was 0.1% as against the degrowth of 1% in the corresponding period of last year. On a sector-wise basis for the first five months of FY22, although the incremental credit growth to industry and services sector continues to be in contractionary territory, the decline has been less severe. The credit growth to industry and services during Apr-Aug'21 was (-) 1.8% as against the degrowth of 3% in the same period of last year.

Issuance of commercial paper in the second quarter of this fiscal at Rs.6.22 lakh crore is a 50% increase over the same period of 2021 and 60% higher than in Q1.

There has been stability in the overall environment in the credit and debt markets during Q2 following the easing of the lockdown restrictions.

The company has persevered with its outreach effort during this period. This was in terms of holding webinars on various subjects as well as bringing out thematic reports on different industries as well as economy to share our views on these subjects. With the lockdown being widespread the company reintroduced the 'work-from-home' model which worked quite seamlessly.

'The broad-based economic recovery is encouraging and could bear good tidings for a revival in the investment cycle in the next few months. This in turn holds promise for the debt and credit markets. However, we would be cautious in our outlook as we need to see how demand in the festival cum post-harvest season plays off. While we would be working towards expediting our surveillance assignments and bringing in new business, we are sanguine on our subsidiary businesses accelerating in the next two quarters' said Ajay Mahajan, MD & CEO of CARE Ratings. He further added, 'We remain focussed on our stated goal of diversification and developing other viable businesses for the CARE Group'.

The Board of Directors have recommended an interim dividend of Rs.7/- per share (of Rs. 10/- face value) for the second quarter of FY22.

For further information contact:

Ajay Mahajan, MD & CEO
Jinesh Shah, CFO
Nehal Shah, Head - Compliance, Legal & Secretarial

ajay.mahajan@careratings.com
jinesh.shah@careratings.com
nehal.shah@careratings.com

CARE Ratings Limited

Corporate Office: 4th Floor, Godrej Colliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel. : +91-22-6754 3456 | CIN: L67190MH1993PLC071691

Connect:

