



Celebrating Two Decades of Analytical Excellence

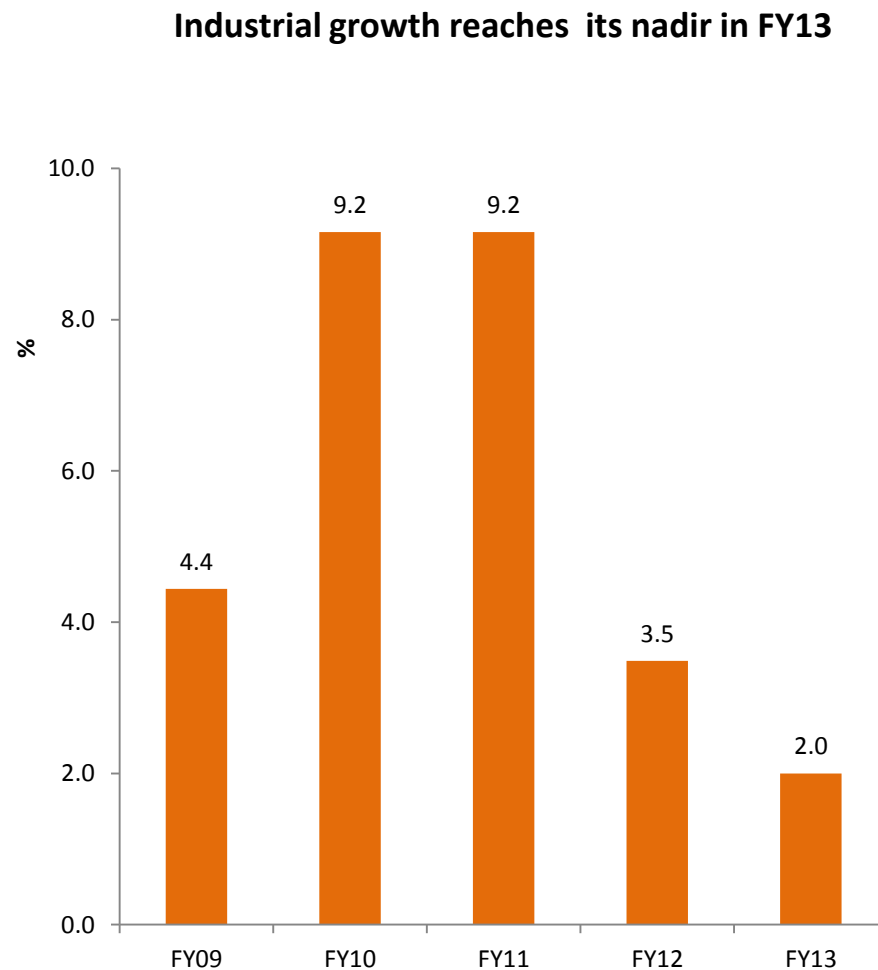
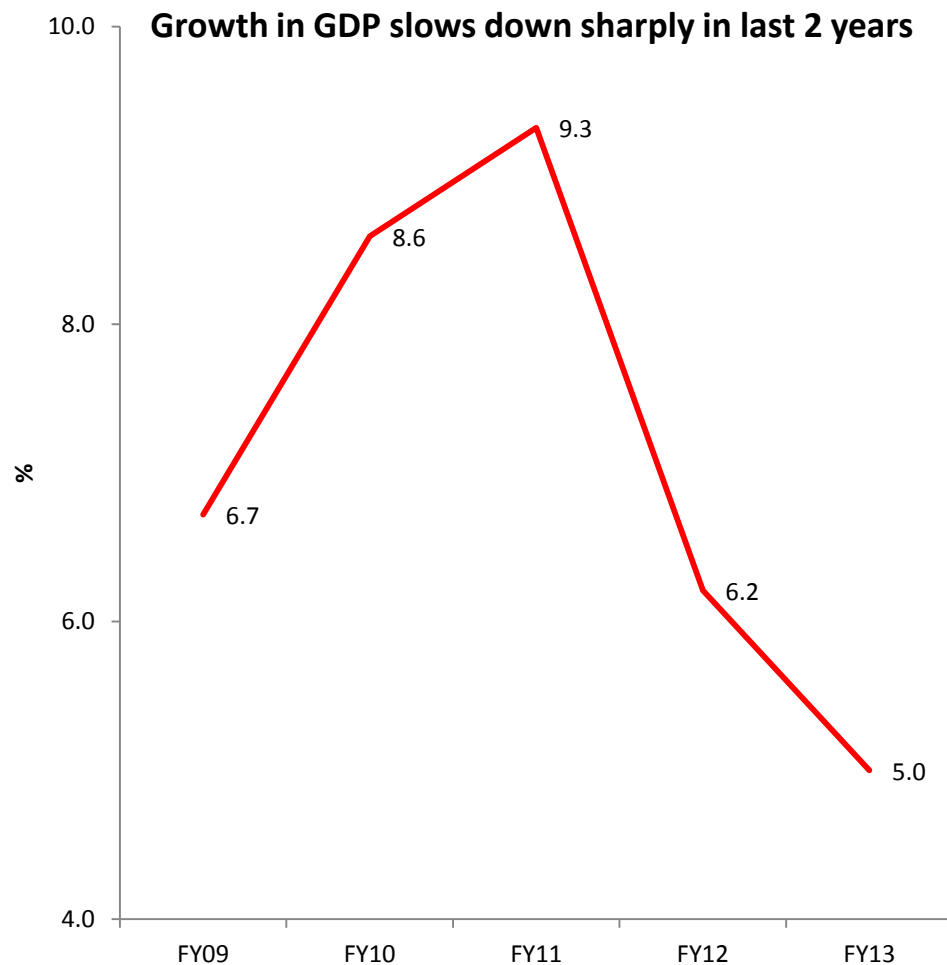
Welcome to Analysts Meet on CARE Ratings' Financials for FY13

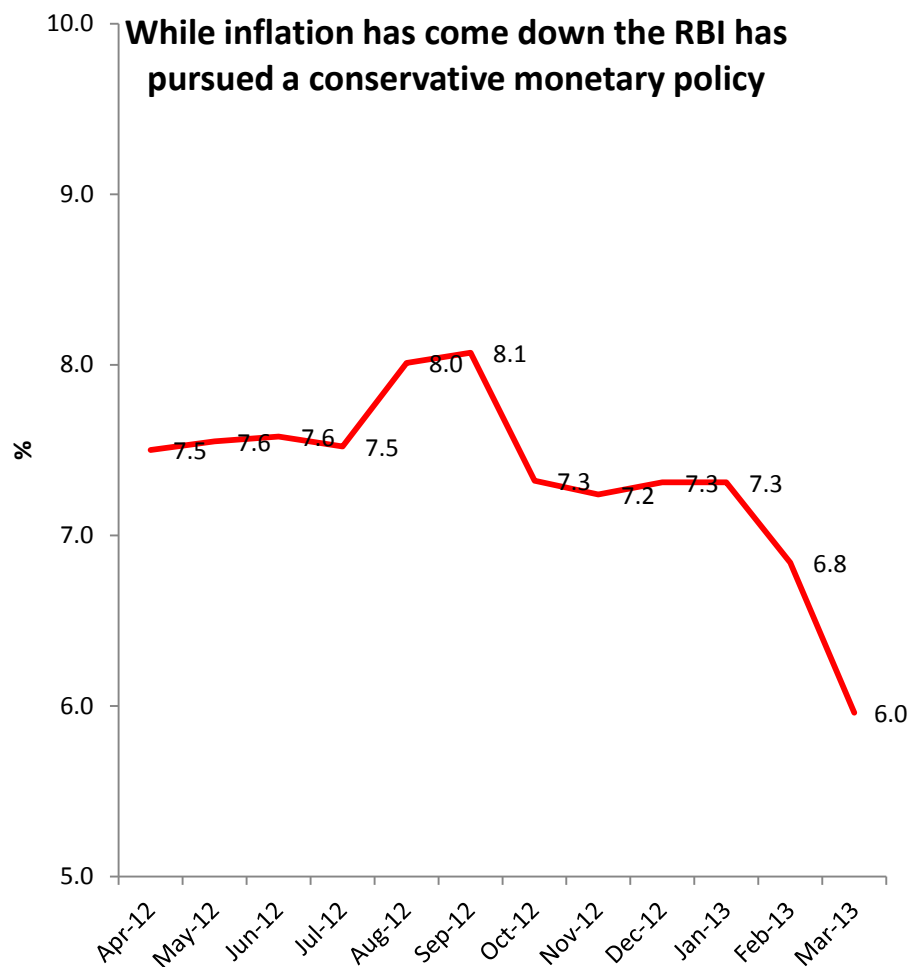
Key takeaways : Stories from FY13

- ❑ Aggressive business acquisition strategy pursued in low growth market
- ❑ Top line growth of 10.2%
- ❑ PBDT growth of 7.3%
- ❑ Net profit growth of 5.4%
- ❑ Maintenance of operating profit margin as well as net profit margin
 - Notwithstanding subdued rating business and competitive pressures
- ❑ Strategy for future in place

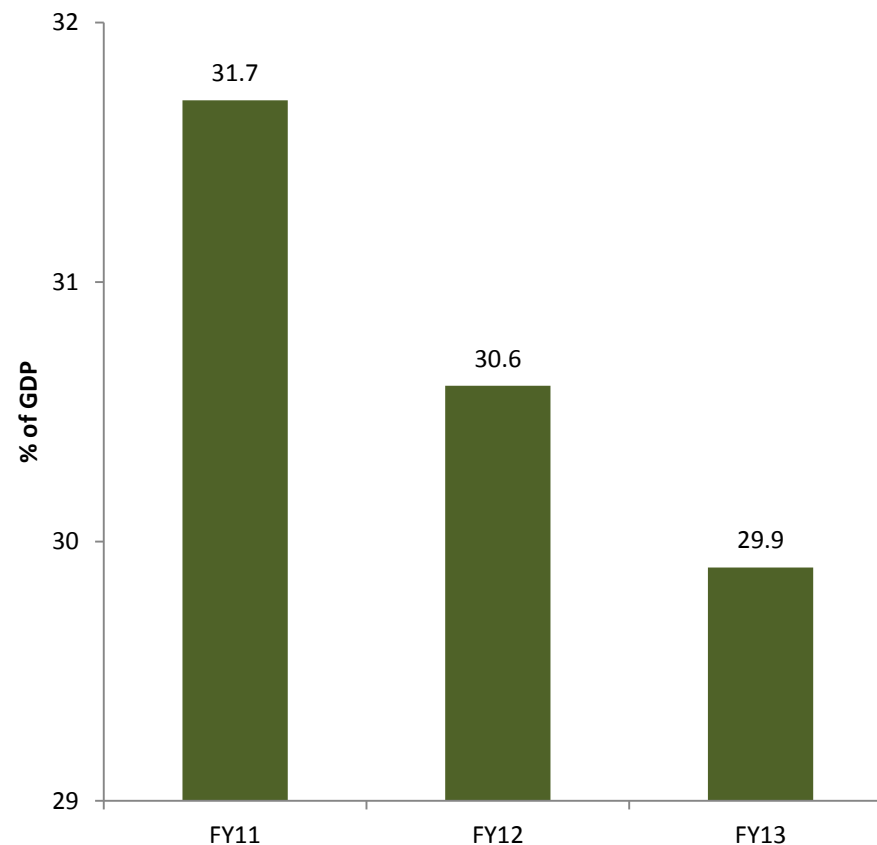
Economic backdrop

Macro economic background

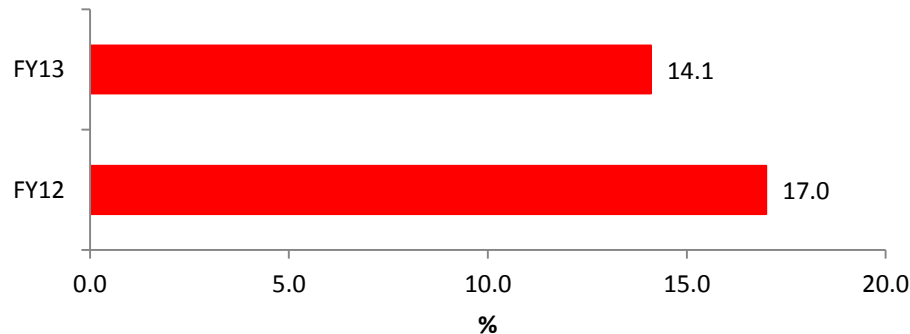




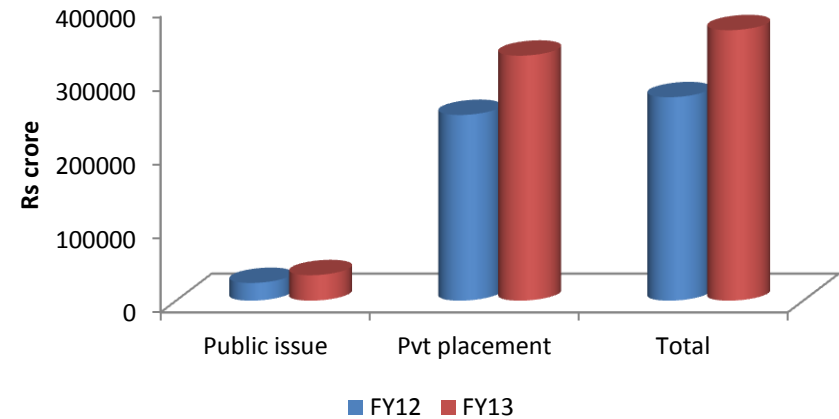
Gross fixed capital formation too has come down



Growth in bank credit has been tardy



Debt issuances mainly through private placements



- ❑ Fiscal Deficit brought down to 5.2% , at the expense of cuts in total expenditure from Rs 14.9 lakh crore as budgeted to Rs 14.3 lakh crore revised estimates.
- ❑ RBI maintained tight monetary policy has post of the year, reduced rated by 100 bps in FY13

- ❑ Corporate performance – 342 companies
 - Growth in net sales declined to 14.0% as against 26.4% in FY12
 - Growth in net profit improves to 13.8% from - 4.7%

.... All these factors have affected the growth of the debt and credit markets

What is expected for FY14?

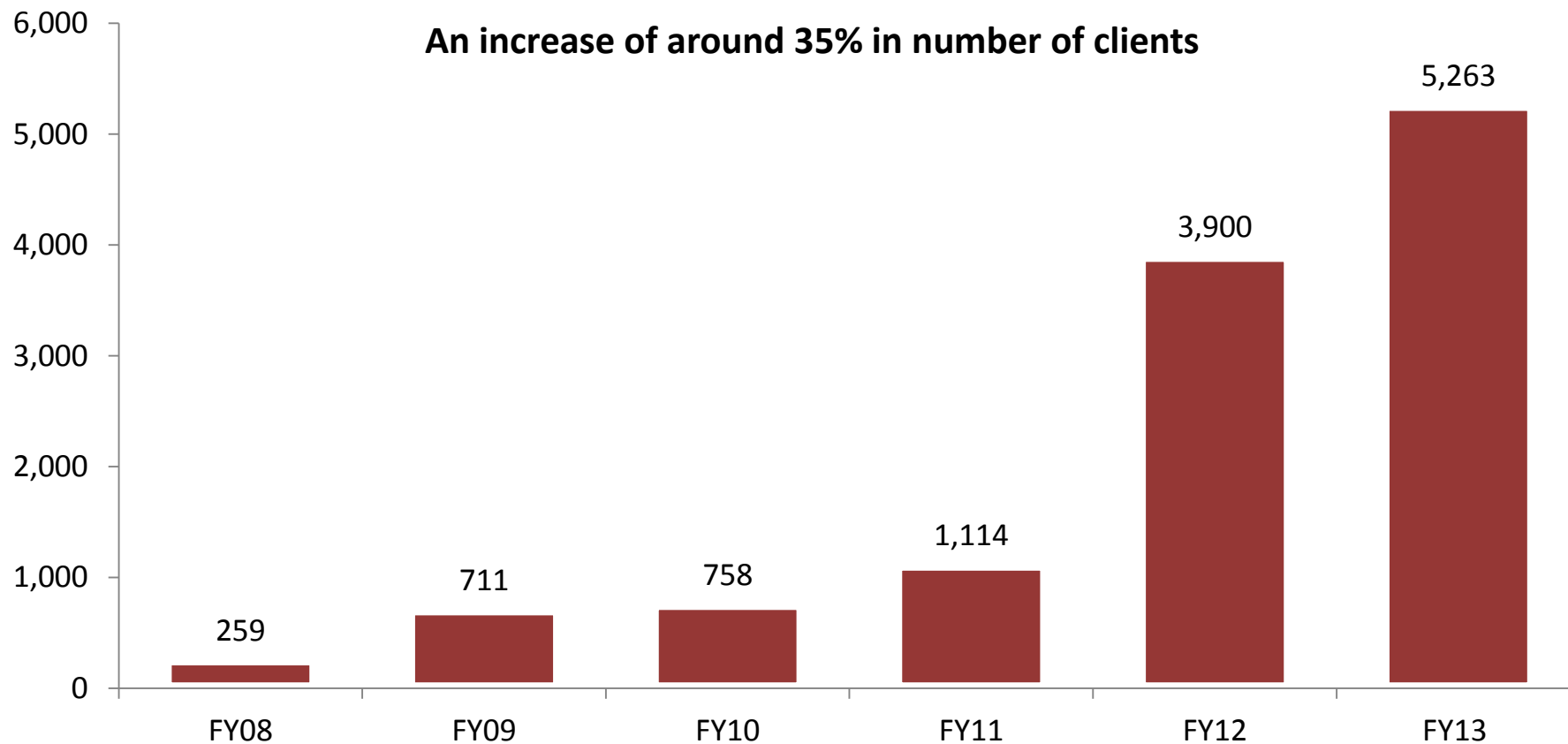
- ❑ GDP growth expected to improve in FY14
 - RBI 5.7%
 - PMEAC 6.4%
 - Economic Survey 6.1-6.7%
 - Union Budget around 6.7-6.9%
 - Industrial activity to improve: consumption and investment: 4-5%
- ❑ Inflation 5.5% (RBI) 6.5% (PMEAC)
- ❑ Growth in bank credit to pick up to 15%
- ❑ Increased borrowing could drive debt market in limited way
- ❑ Trade to pick up and current account deficit to moderate (4.7% PMEAC)
- ❑ Inward capital flows to be robust
- ❑ Downside risks to Rupee

Impact on rating business

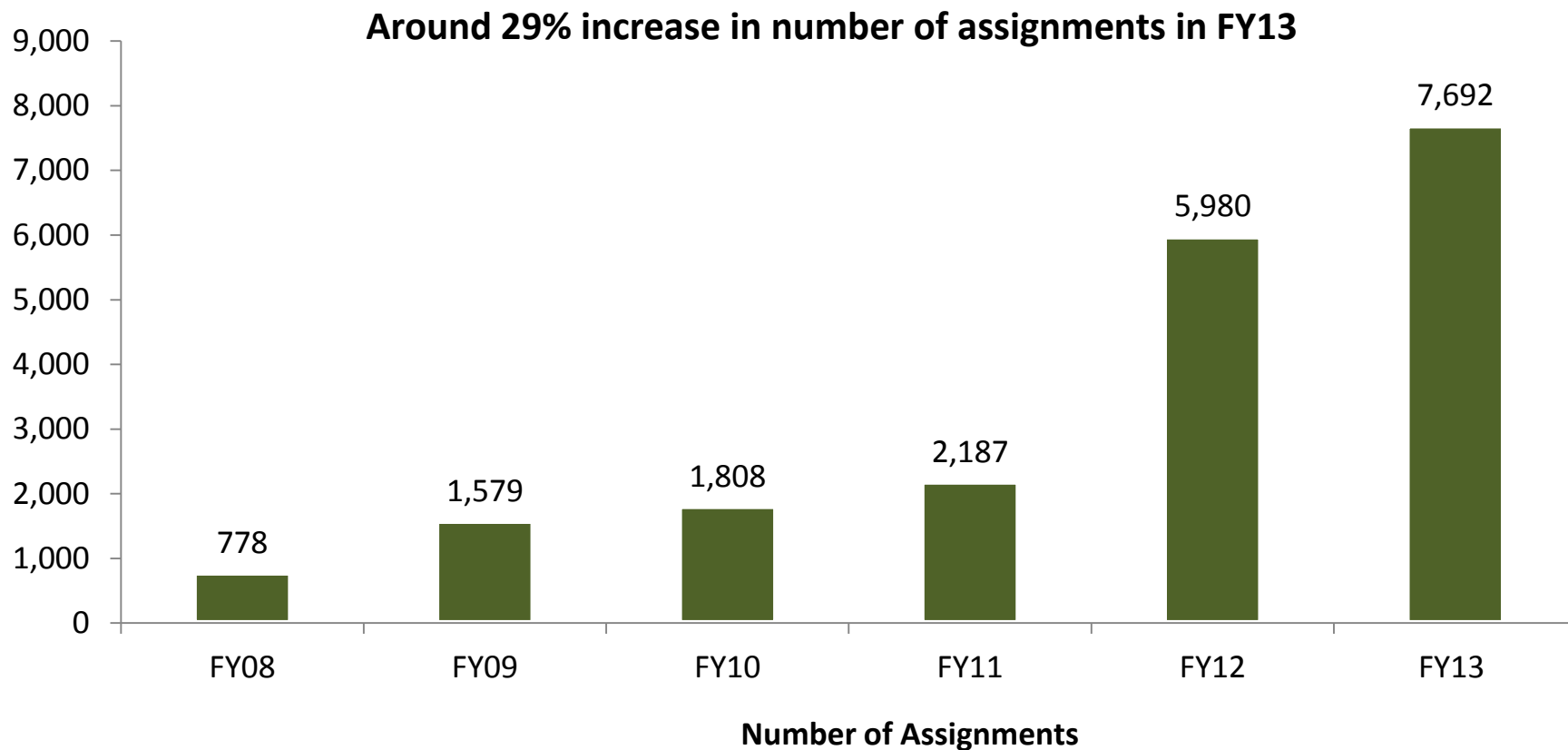
- ❑ Growth in investment expected to move up gradually
 - Creation of IDFs and higher limits for FII to help in broadening the market
 - Debt markets to revive, albeit, slowly
 - Direction and timing of interest rate cuts to largely drive the market
- ❑ Growth in bank credit placed marginally higher by RBI for FY14 relative to FY13
 - Quantum of bank loan ratings to be stable
 - Focus to be on unrated clients
 - SMEs to be the driver
 - Ticket size to be smaller

Business profile

Our Growing Client Base under challenging times

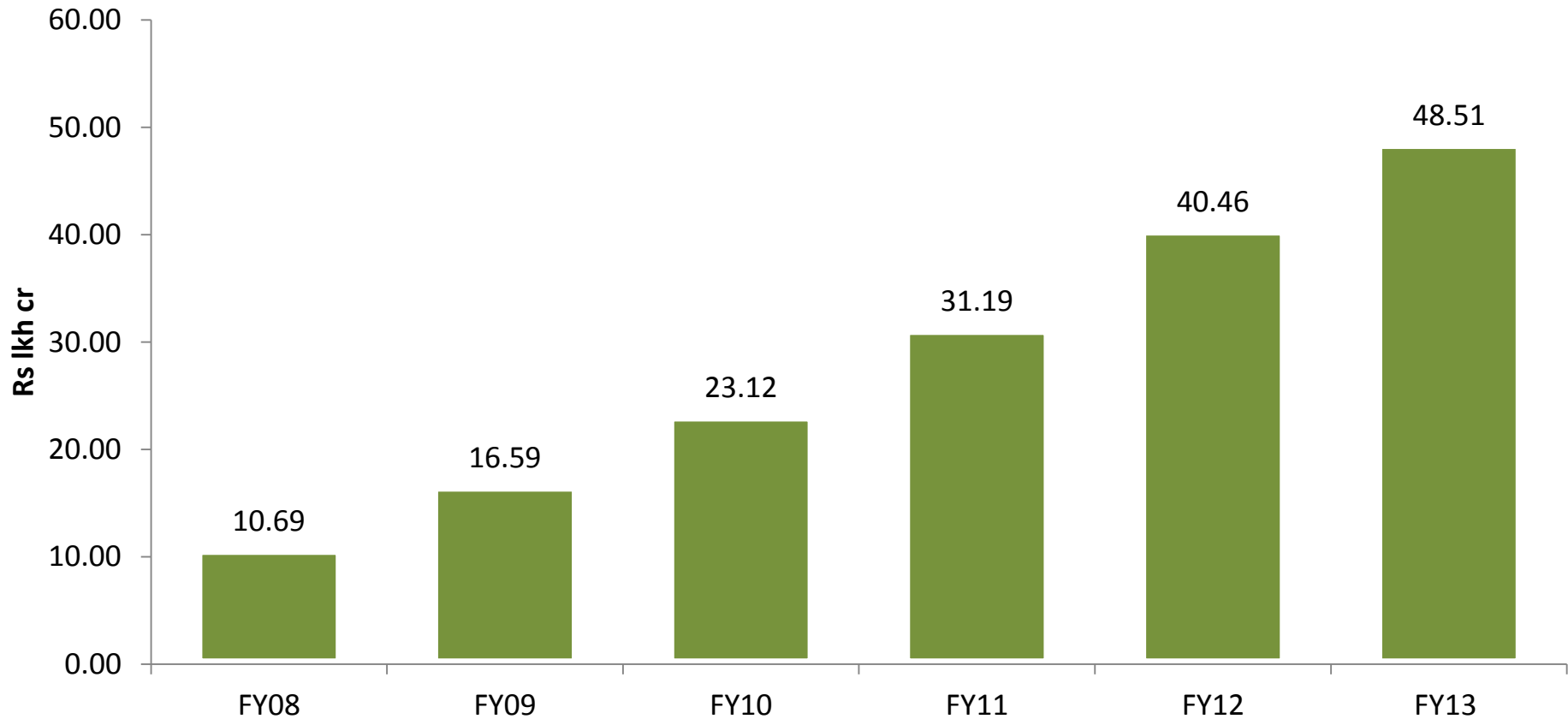


No of Assignments continue to increase



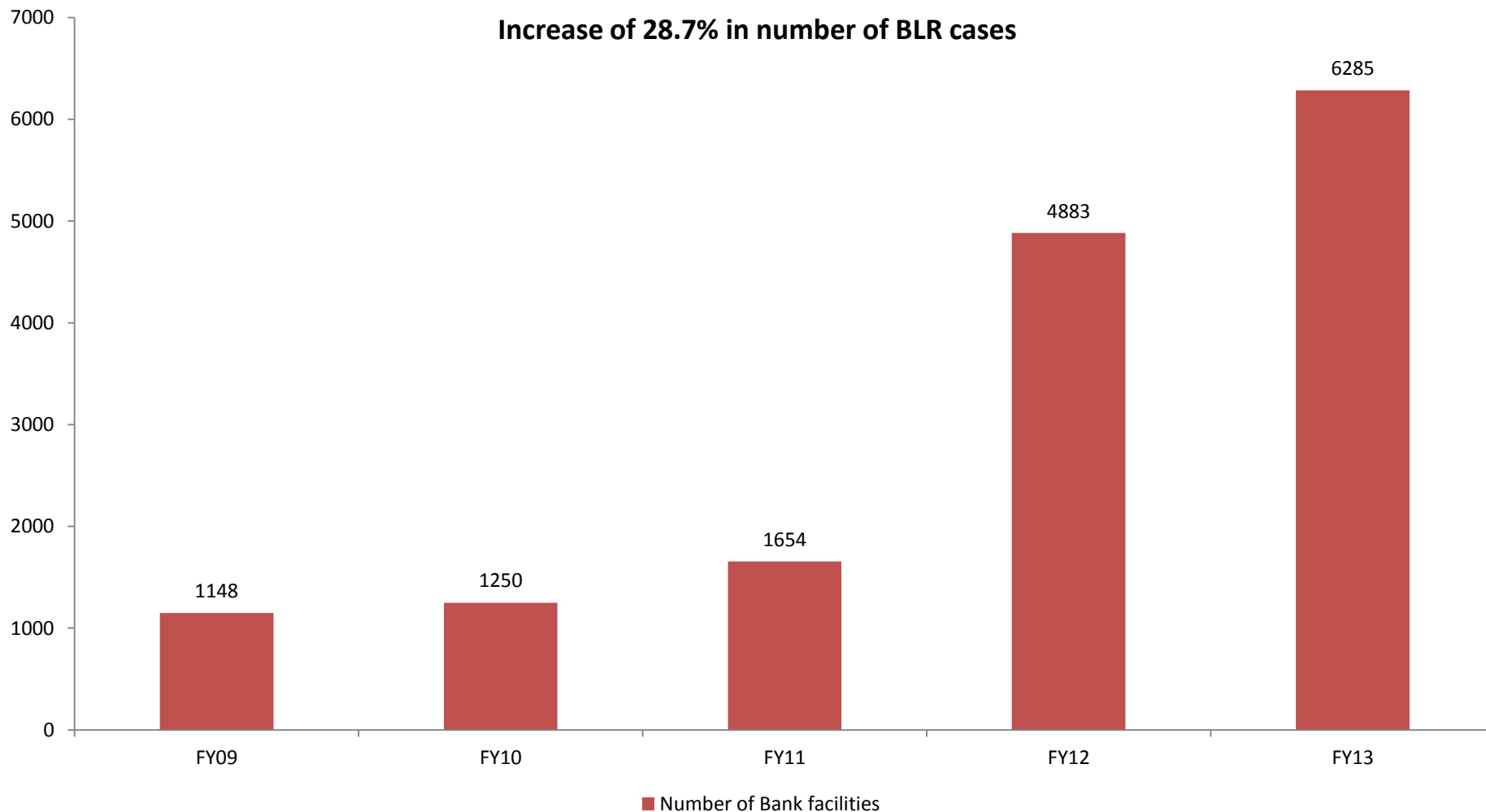
Total number of assignments from new clients increases from 1174 in FY11 to 2119 in FY12 to 2919 in FY13

Cumulative Debt rated crosses 50% of India's GDP *

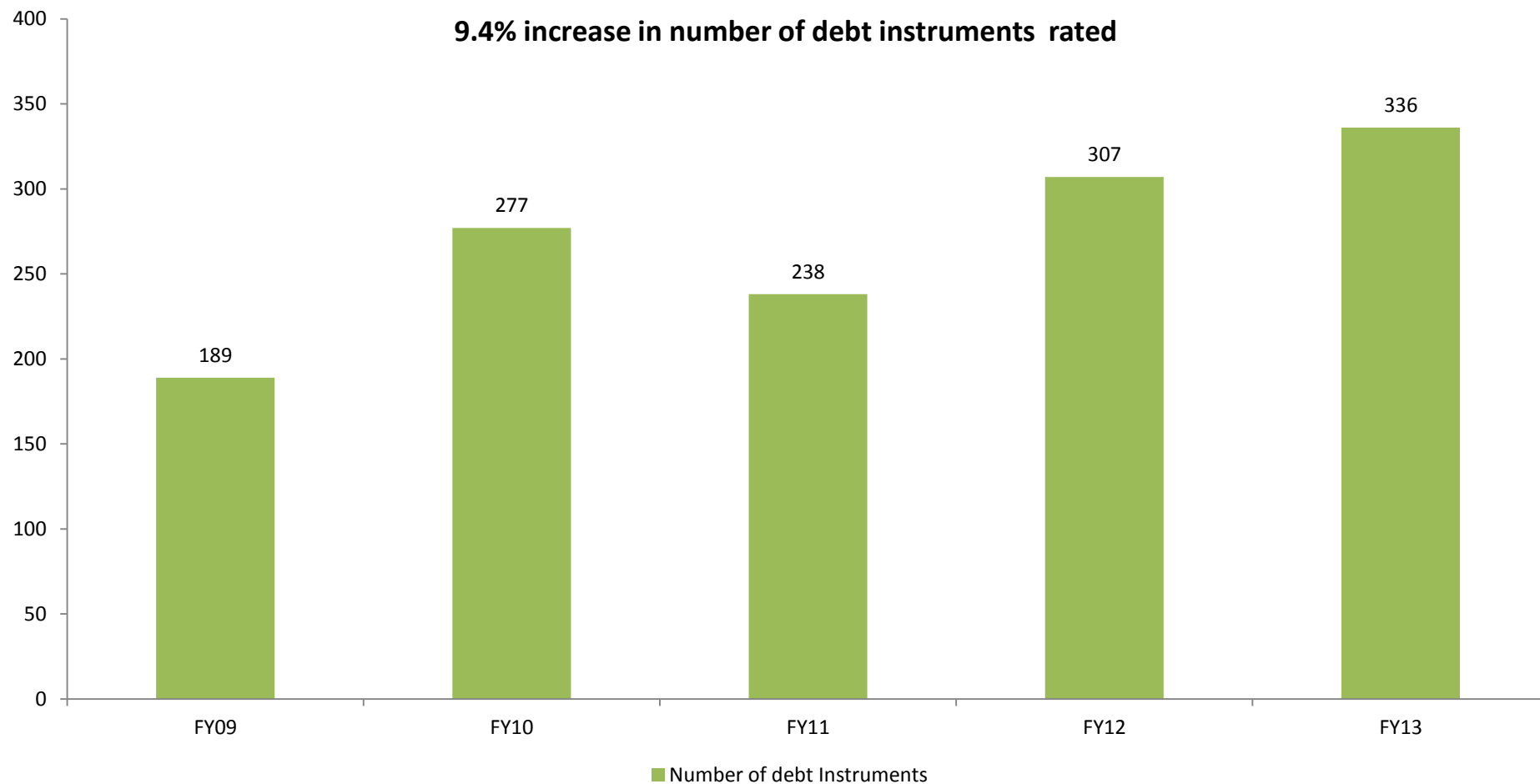


*GDP at factor cost at current prices in FY13 expected to be Rs 94.6 lkh crore

Rating Business in last 5 years: Bank Loans



Rating Business in last 5 years : Debt



Branding and other initiatives

New initiatives

❑ CARE Research

- Launched MLD Valuation
 - Launched a thematic monthly report on PPMLD - first of its kind in the market
- 46 industries covered now under Research services
- 116 sectors under CIRM

❑ SME

- Launch of SME Digest
- SME Fundamental Grading introduced

New initiatives

- ❑ Other ratings and grading
 - 23 companies under Equi Grade
 - Real estate star grading for 12 projects
- ❑ Education
 - Completed international training in Dubai besides Male earlier
 - Certification programme at NIBM Pune

Events

- ❑ CARE Ratings Banking Summit in Mumbai in October with Mr Anand Sinha, Deputy Governor, RBI as Chief Guest
- ❑ Listed on BSE and NSE on 26th December 2012
- ❑ CARE Ratings Debt Market Summit (CDMS- 2013) at New Delhi on March 2013, with Mr R.M. Malla, CMD, IDBI Bank as Chief Guest and Mr Atul Kumar Rai, CEO &MD, IFCI as special Guest
- ❑ '20 years of Analytical Excellence' in April 2013 with Mr Pradip Shah, Chairman , India Asia Fund, as Chief Guest

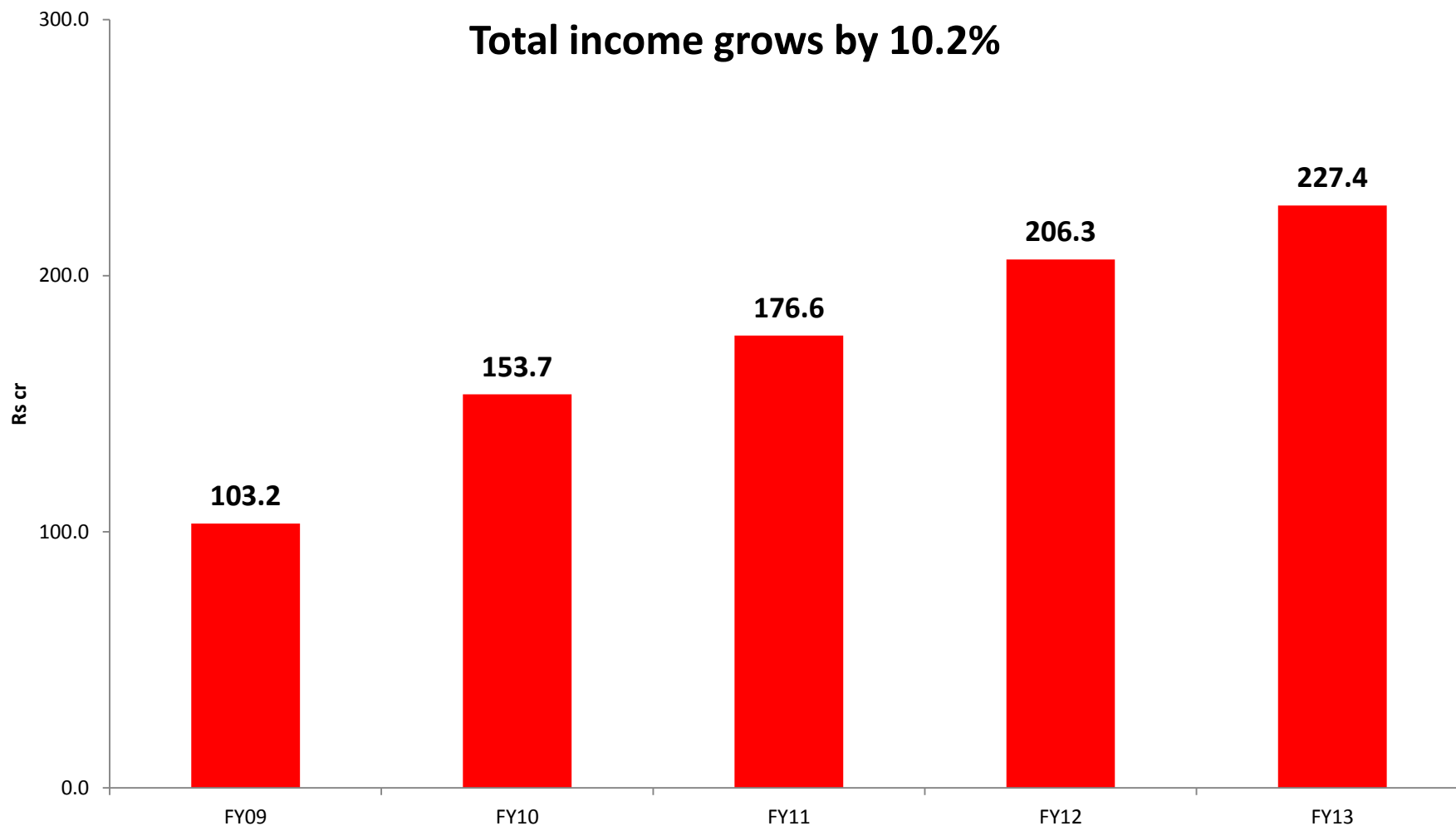
Financial Performance

Financial Performance: Q4-FY13 & FY13

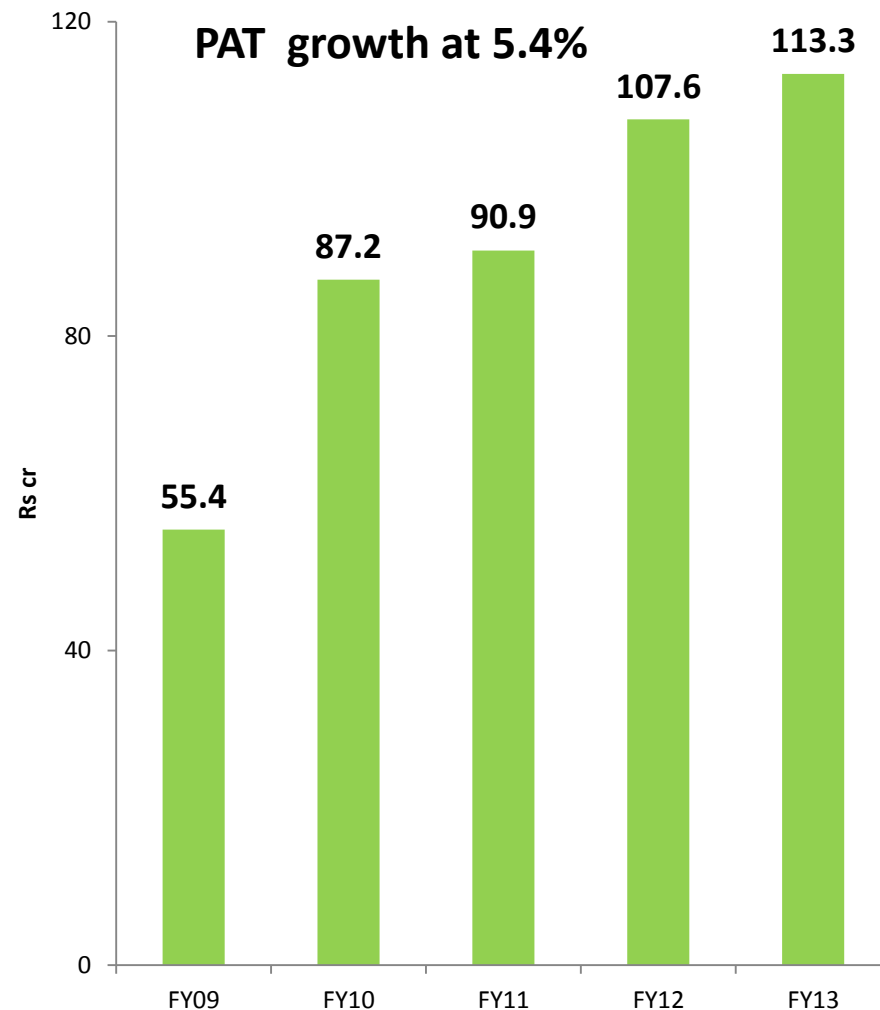
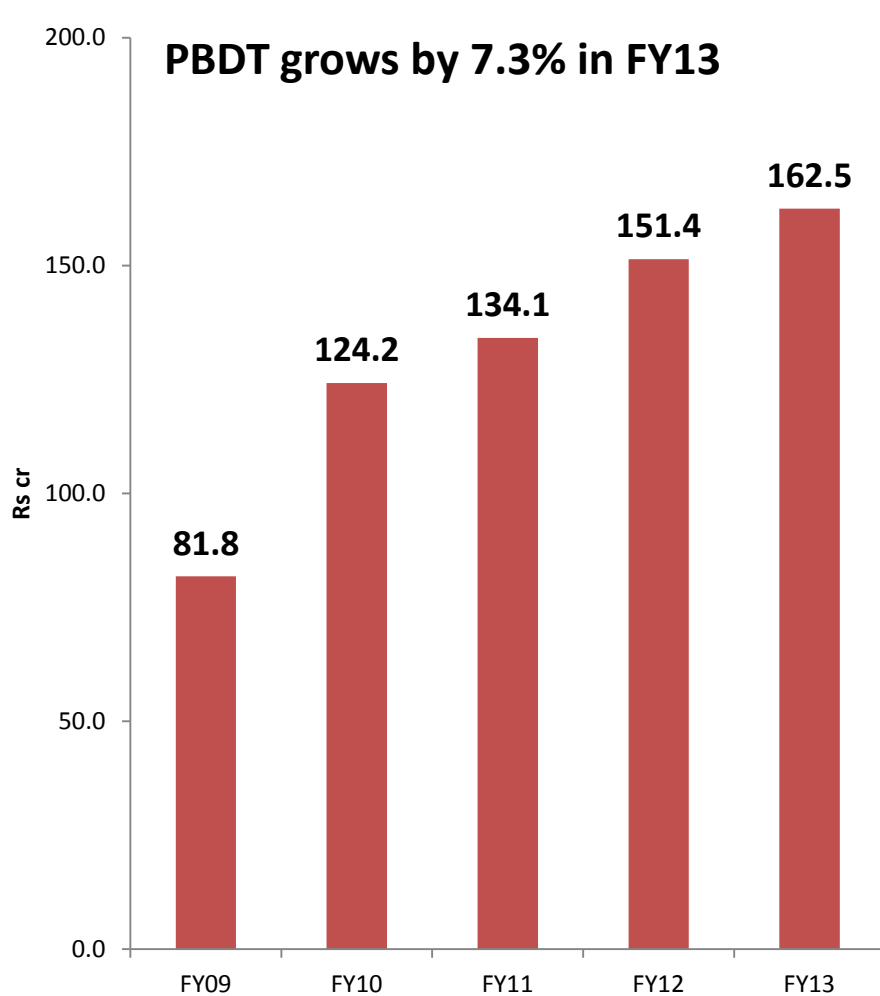
Rs crore

	Q4 FY13	FY13	FY12	Growth in FY13 (%)
Rating Income	62.14	197.27	176.85	11.5
Research Income	1.16	1.49	1.23	21.1
Other Income	8.10	28.63	28.21	1.5
Total income	71.40	227.39	206.29	10.2
Staff expenses	15.55	50.65	42.24	19.9
Other expenses	3.97	14.23	12.65	12.5
Total expenses	19.52	64.88	54.89	18.2
PBDT	51.88	162.51	151.39	7.3
Depreciation	0.53	2.63	1.88	39.9
PBT	51.35	159.88	149.51	6.9
Taxation	15.74	46.55	41.97	10.9
PAT	35.61	113.33	107.54	5.4

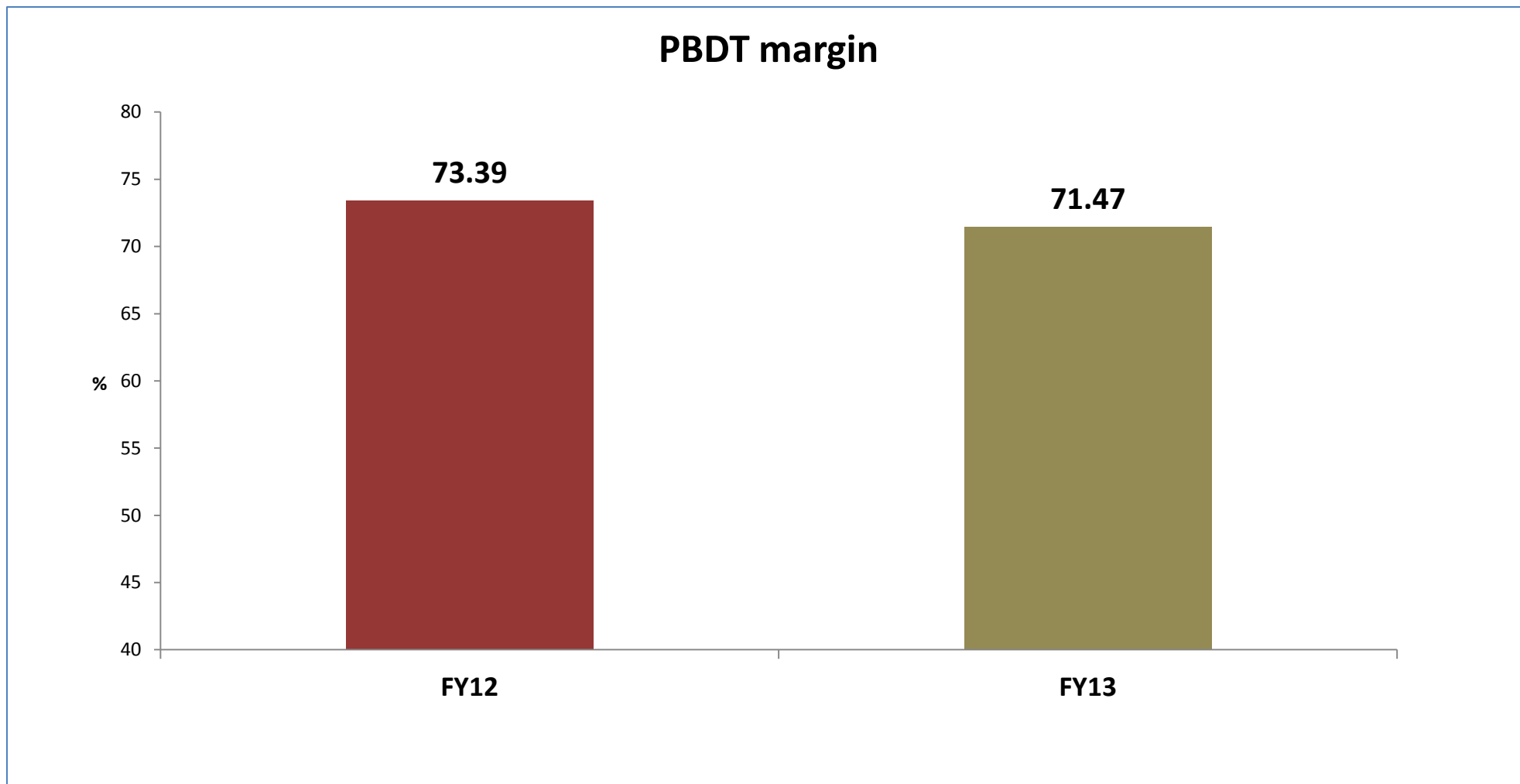
Financial Position and Profitability – FY13



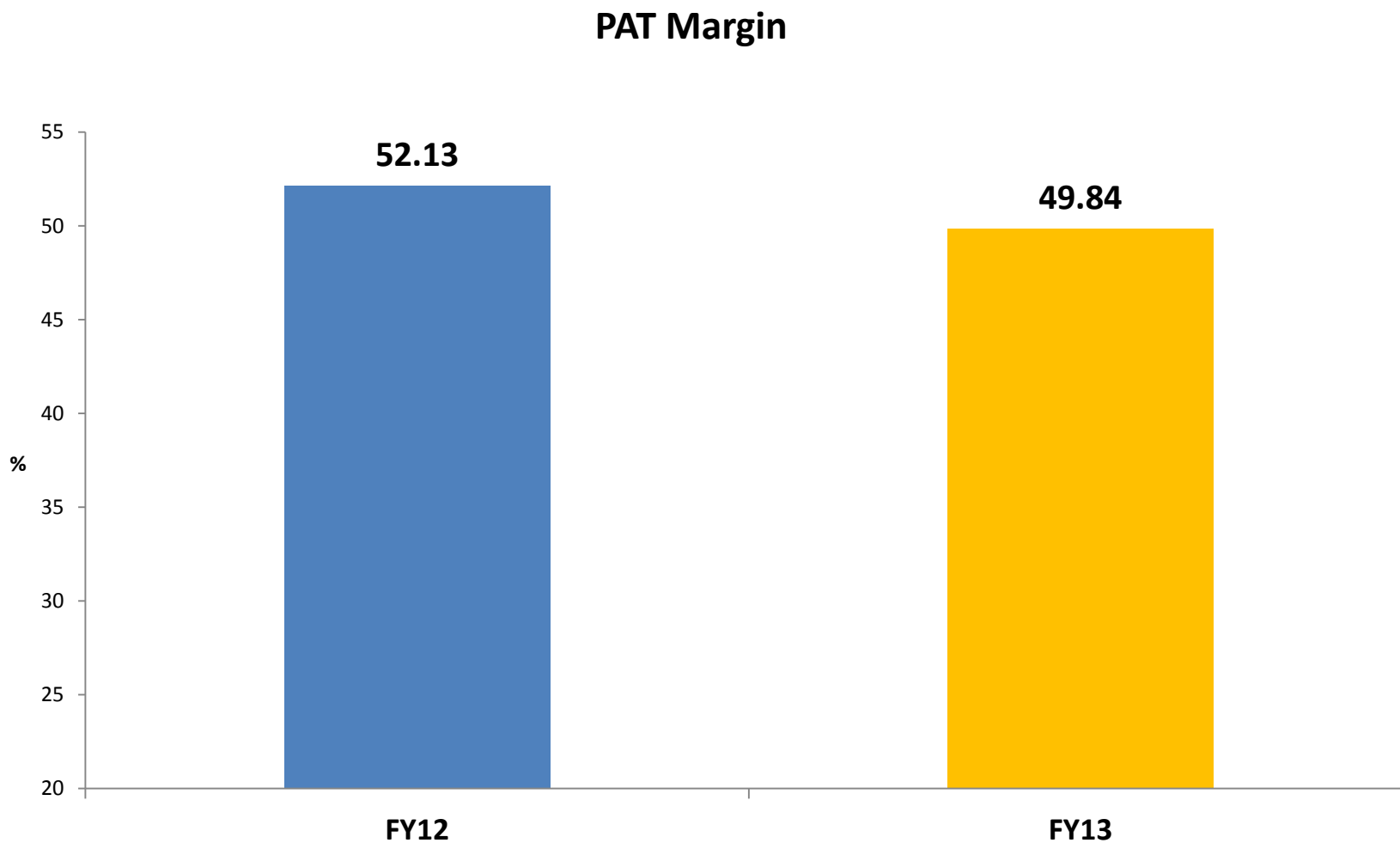
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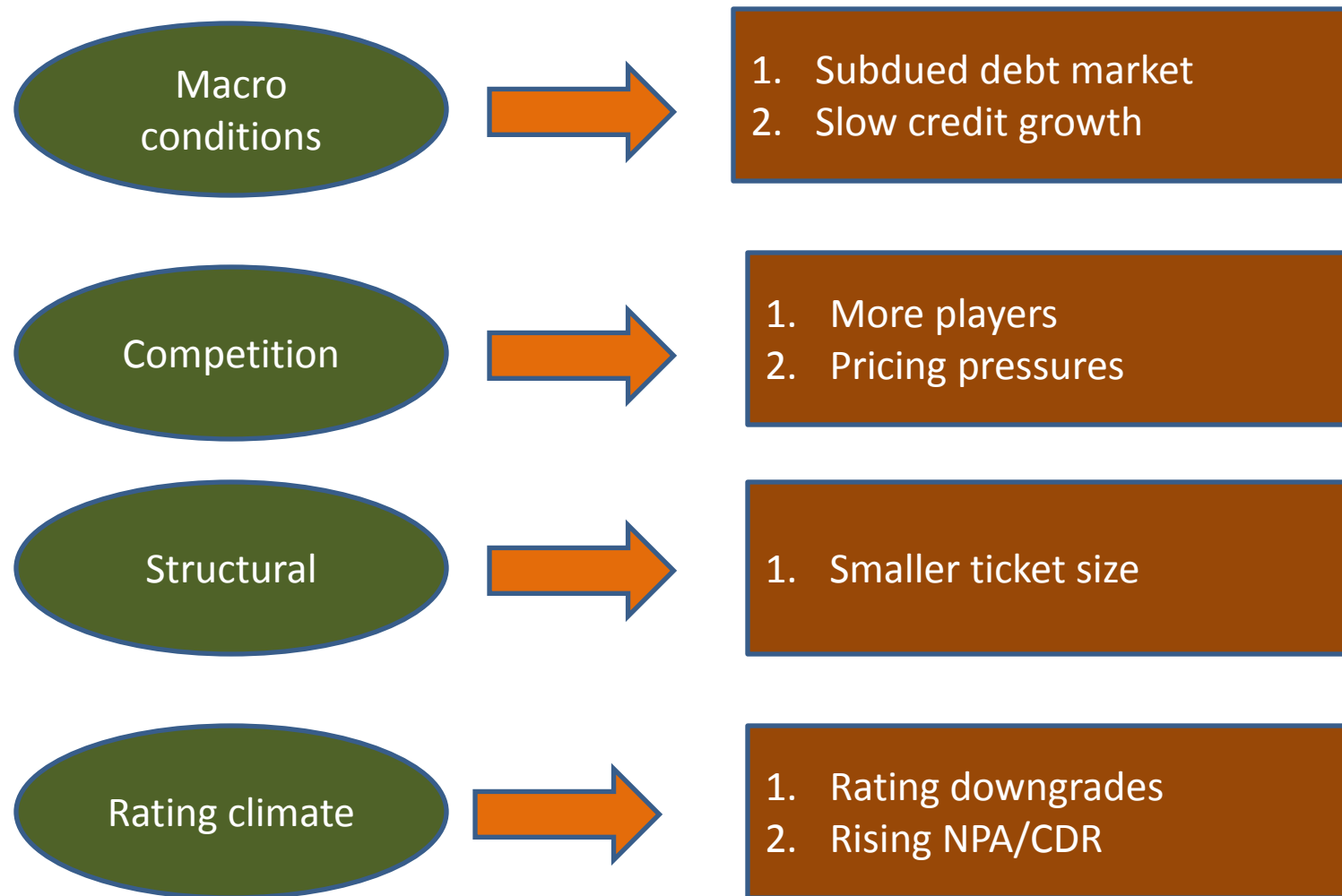
Profit margins maintained in FY13



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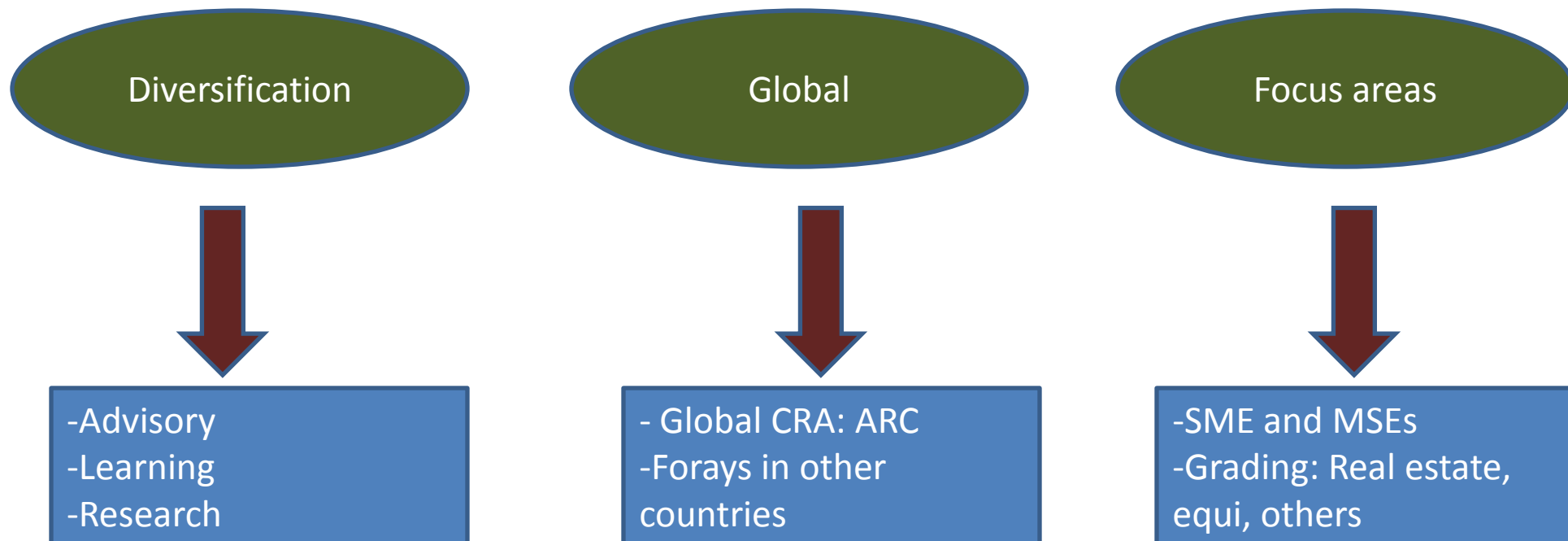


Challenges during the year



Strategies going ahead in FY14

Multi-pronged strategy



Thank You

