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# ***Q2 FY15 Financial Results***

**D. R. Dogra**  
***MD & CEO***

# Disclaimer

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*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, economic developments, and many other factors that could cause the company's actual results to differ materially from those contemplated by the relevant forward-looking statements. Credit Analysis and Research Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

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# Highlights Q2 FY15

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## **Steady growth in financial indicators**

- Growth in operating income of 13.8% over Q2 FY14
- Growth in total income of 37.1% over Q2 FY14
- Growth in expenditure of 30.8% (including ESOP charge Rs.1.37 cr & additional depreciation charge of Rs.0.69 cr pre-tax)
- EBITDA margin at 76.4% and PAT margin at 54.1% in Q2 FY15 as against 74.9% and 49.6% respectively in Q2 FY14
- 761 new clients added during Q2 FY15

# Highlights Q2 FY15 (contd.)

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## Business profile

- Total Volume of debt rated increased from Rs 1.84 lkh cr in Q2 FY14 to Rs. 2.12 lkh cr in Q2 FY15
- Total number of instruments rated stood at 1,655

# Highlights H1 FY15

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## **Strong financial performance continues...**

- Growth in operating income of 17% over H1 FY14
- Growth in total income of 27.6% over H1 FY14
- Growth in expenditure of 25.6% (including ESOP charge Rs. 2.8 cr & additional depreciation charge of Rs. 1.53 cr pre-tax)
- EBITDA margins at 70.5% and PAT margins at 51.1% in H1 FY15 as against 69.4% and 49% in H1 FY14
- 1,271 new clients added during H1 FY15, active relationship with 8,692 clients as on September 30, 2014

# Highlights H1 FY15 (contd.)

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## Business profile

- Total Volume of debt rated increased from Rs 4.21 lkh cr in H1 FY14 to Rs 4.5 lkh cr in H1 FY15
- Total number of instruments rated stood at 2,740

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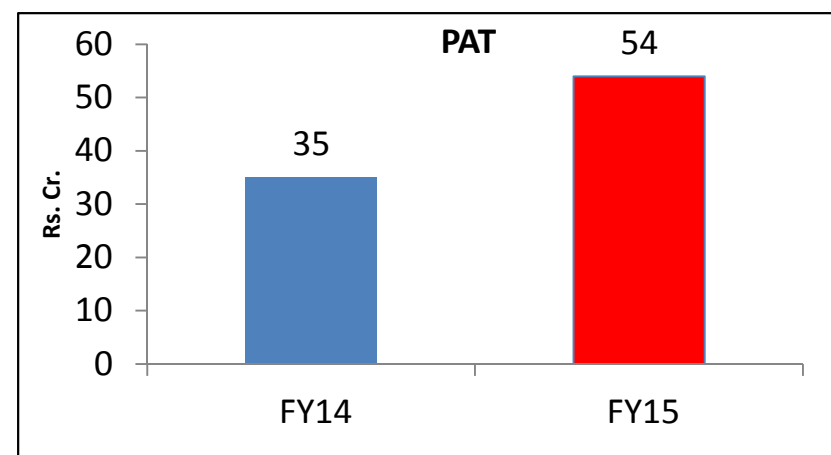
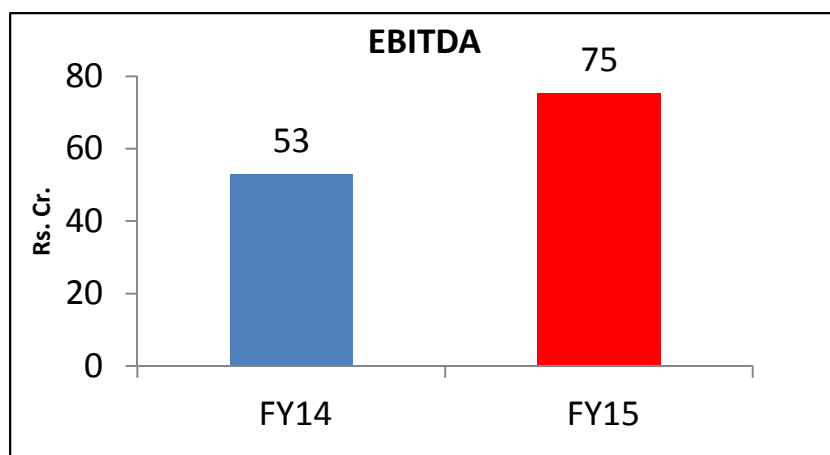
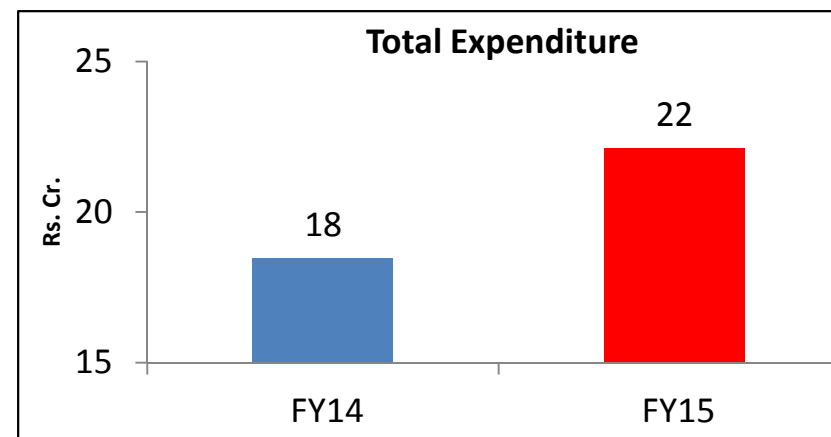
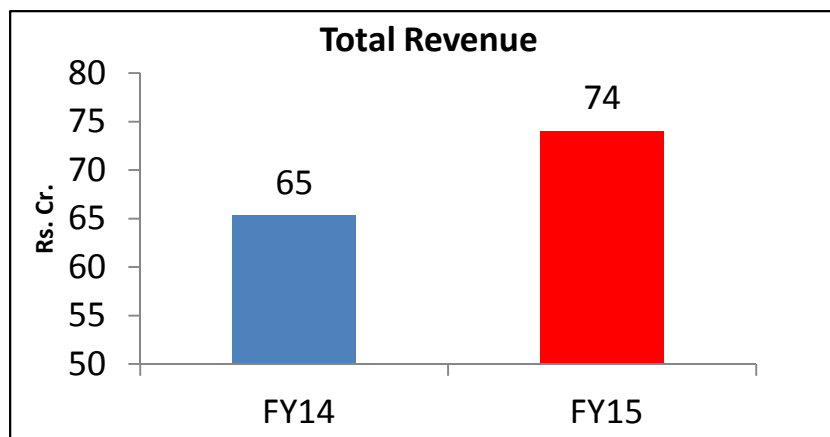
# Financial Performance

Rs. Crore	Q2 FY14	Q2 FY15	Growth (%)	H1 FY14	H1 FY15	Growth (%)
Rating Revenue	65.07	74.09	13.87	99.52	116.51	17.07
Other Revenue	0.21	0.17	-20.23	0.44	0.43	-2.91
<b>Total Revenue</b>	<b>65.28</b>	<b>74.26</b>	<b>13.76</b>	<b>99.96</b>	<b>116.94</b>	<b>16.98</b>
Other Income	5.45	22.69	316.25	21.06	37.52	78.20
<b>Total Income</b>	<b>70.73</b>	<b>96.95</b>	<b>37.07</b>	<b>121.02</b>	<b>154.46</b>	<b>27.63</b>
<b>Total Expenses *</b>	<b>18.48</b>	<b>24.18</b>	<b>30.82</b>	<b>38.37</b>	<b>48.18</b>	<b>25.56</b>
<b>EBITDA *</b>	<b>53.03</b>	<b>74.03</b>	<b>39.59</b>	<b>83.97</b>	<b>108.95</b>	<b>29.76</b>
<b>PAT *</b>	<b>35.05</b>	<b>52.41</b>	<b>49.52</b>	<b>59.35</b>	<b>79.00</b>	<b>33.10</b>

\* includes effect of ESOP charge Rs.1.37 cr & additional depreciation charge of Rs.0.69 cr in Q2 FY 15 and Rs. 2.8 cr & Rs. 1.53 cr in H1 FY 15 respectively (all pre-tax)

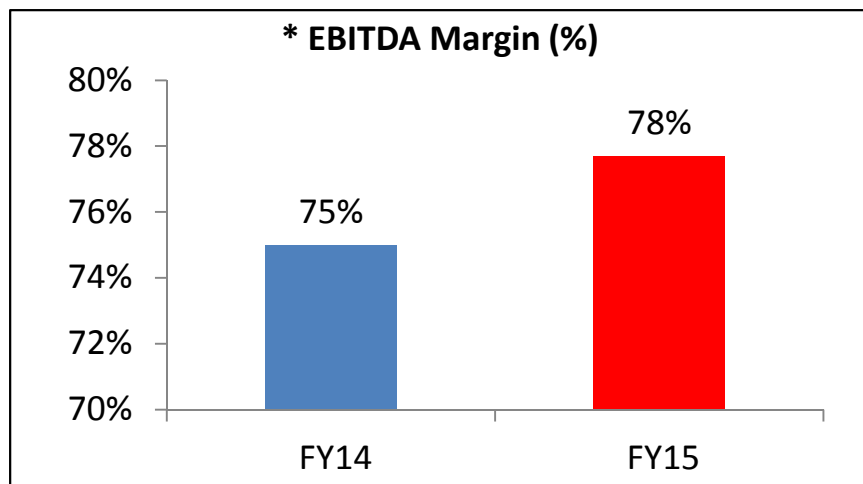
# Financial Performance: Q2 FY15

Rs. crore



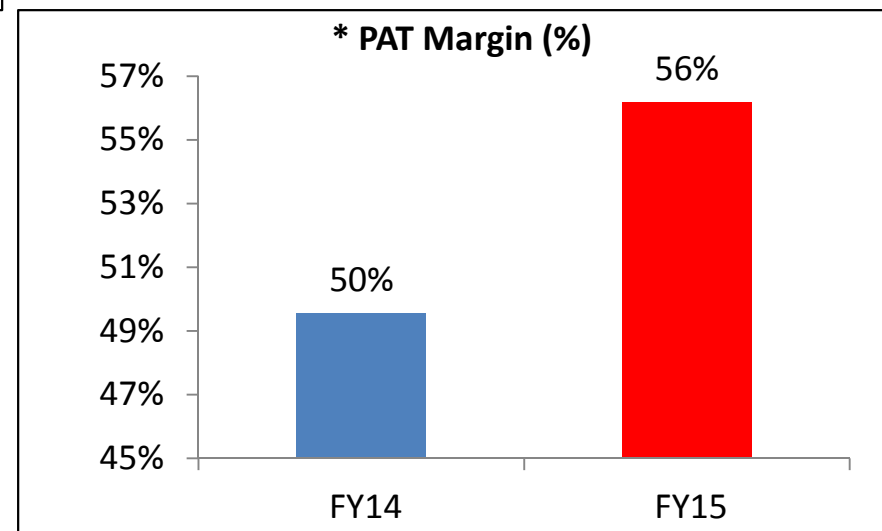
\* The performance numbers in the charts above excludes ESOP charge of Rs. 1.37 crores and additional depreciation charge of Rs. 0.69 crores in Q2 FY15 results

# Financial Performance: Q2 FY15



**Q2 FY15 EBITDA margin is 76.4% including charge for ESOP (Rs. 1.37 cr) and additional depreciation (Rs. 0.69 cr)**

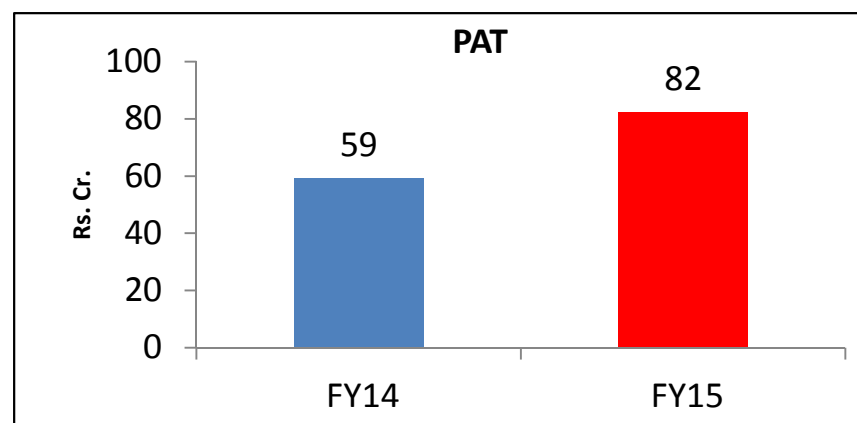
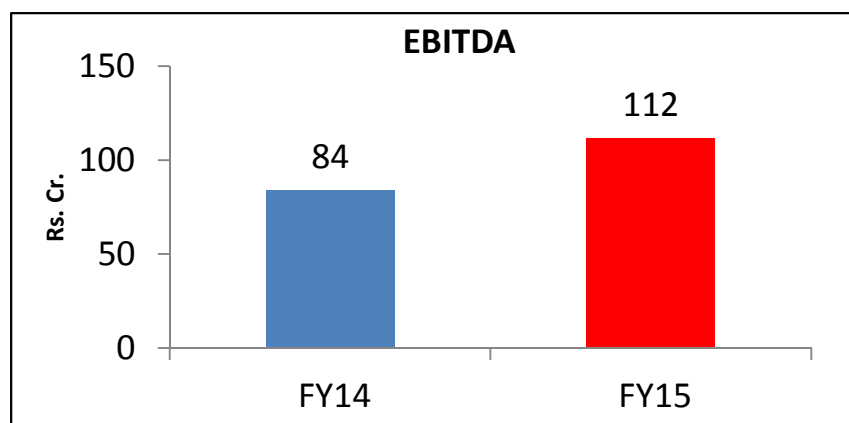
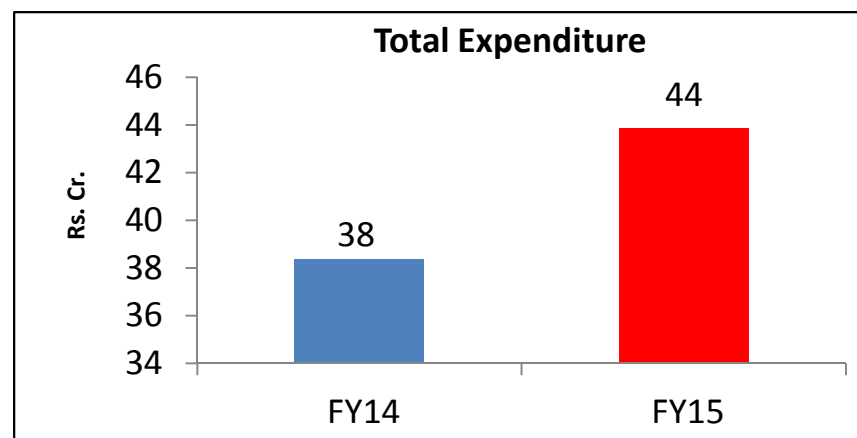
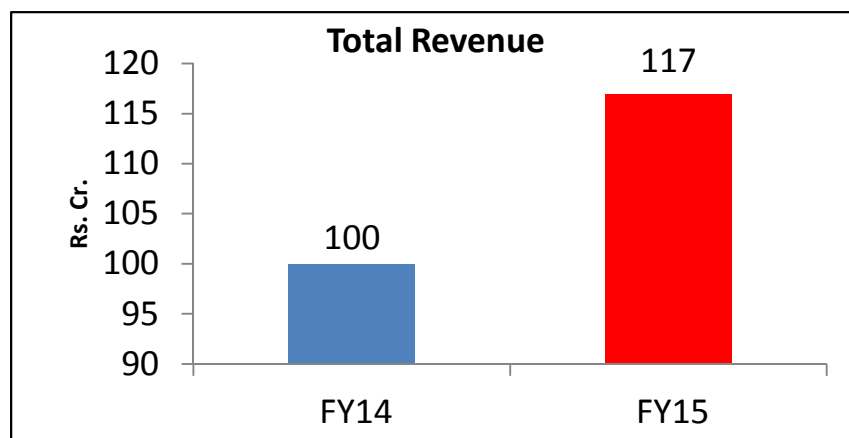
**Q2 FY15 PAT margin including ESOP charge of Rs. 1.37 cr and additional depreciation of Rs 0.69 cr is 54.1%**



\* The performance numbers in the charts above excludes ESOP charge of Rs. 1.37 crores and additional depreciation charge of Rs. 0.69 crores in Q2 FY15 margins

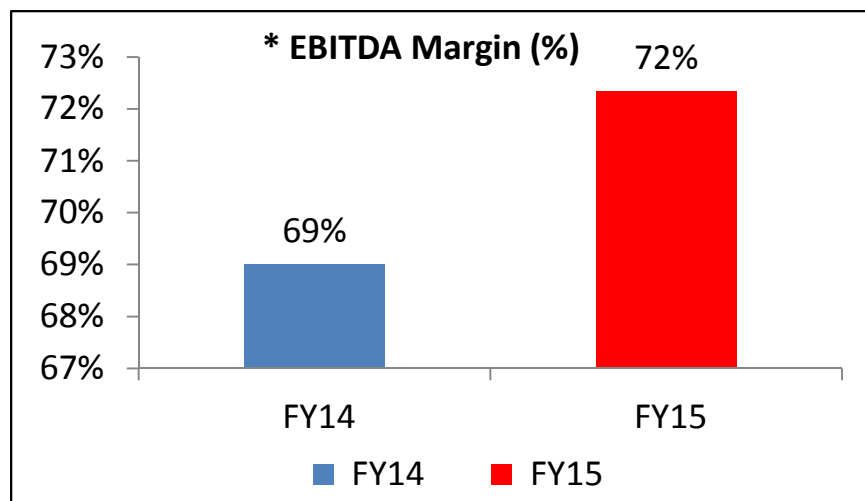
# Financial Performance: H1 FY15

Rs. crore



\* The performance numbers in the charts above excludes ESOP charge of Rs. 2.8 crores and additional depreciation charge of Rs. 1.53 crores in H1 FY15 results

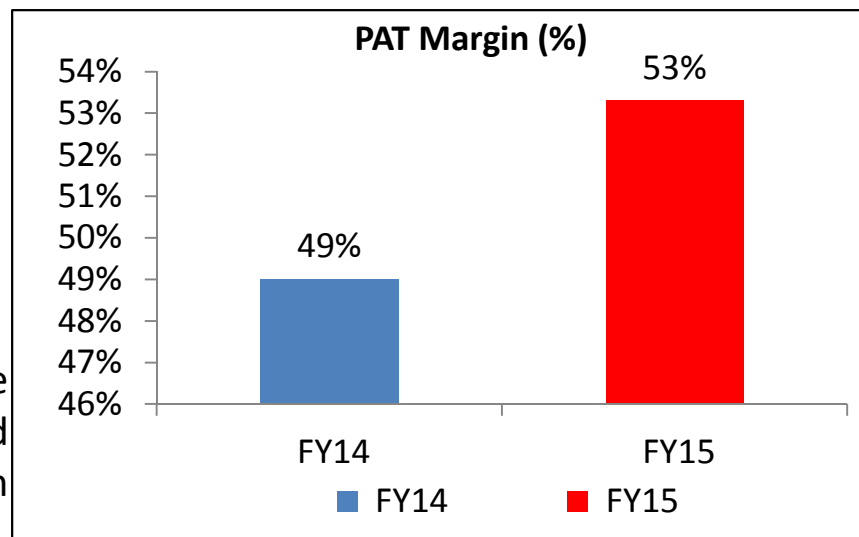
# Financial Performance: H1 FY15



**H1 FY15 EBITDA margin is 70.5% including charge for ESOP (Rs. 2.80 cr) and additional depreciation (Rs. 1.53 cr)**

**H1 FY15 PAT margin including ESOP charge of Rs. 2.8 cr and additional depreciation of Rs 1.53 cr is 51.1%**

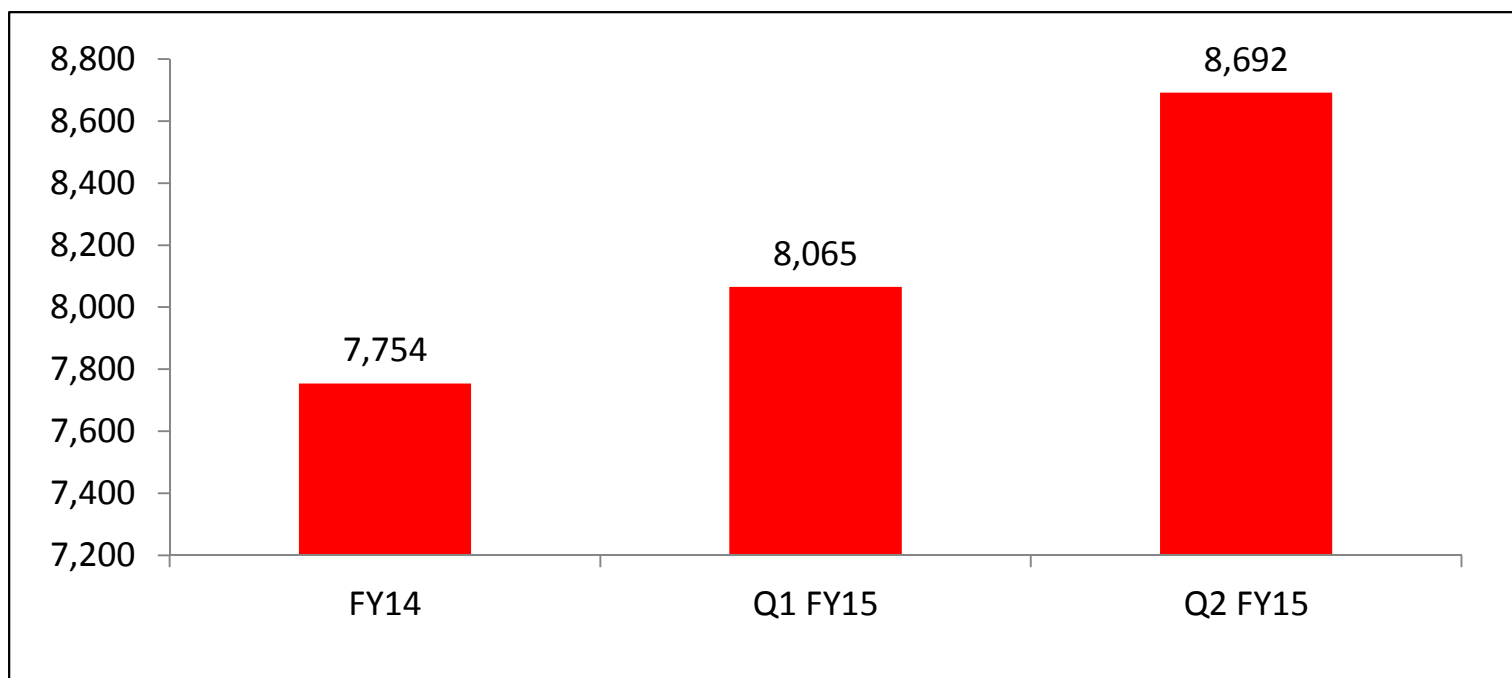
\* The performance numbers in the charts above excludes ESOP charge of Rs. 2.8 crores and additional depreciation charge of Rs. 1.53 crores in H1 FY15 margins



# Business Performance: Q2 FY15

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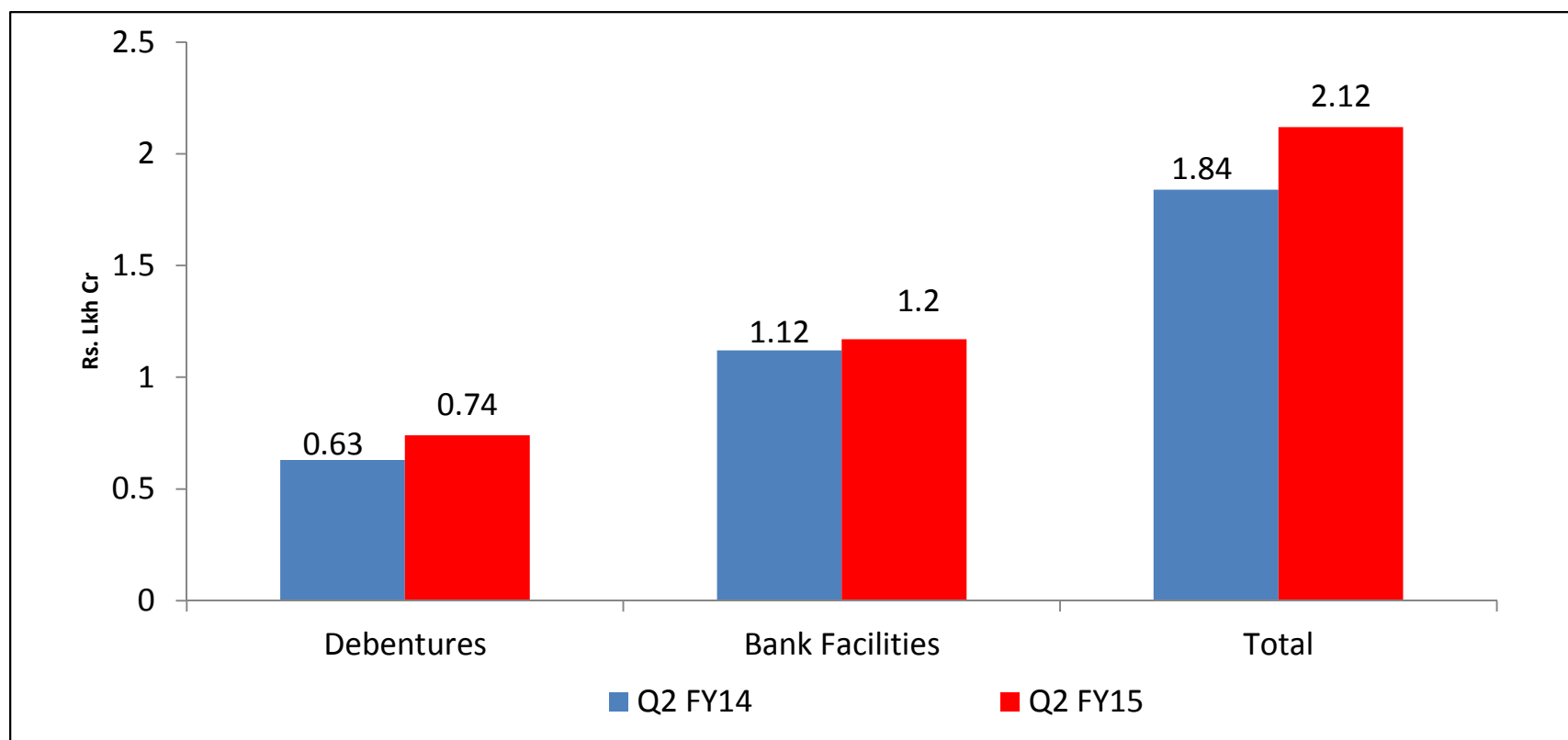
**Total Active Clients**



CARE's total active clients have risen to 8,692 at the end of Q2 FY15 from 8,065 in Q1 FY15.

# Business Performance: Q2 FY15

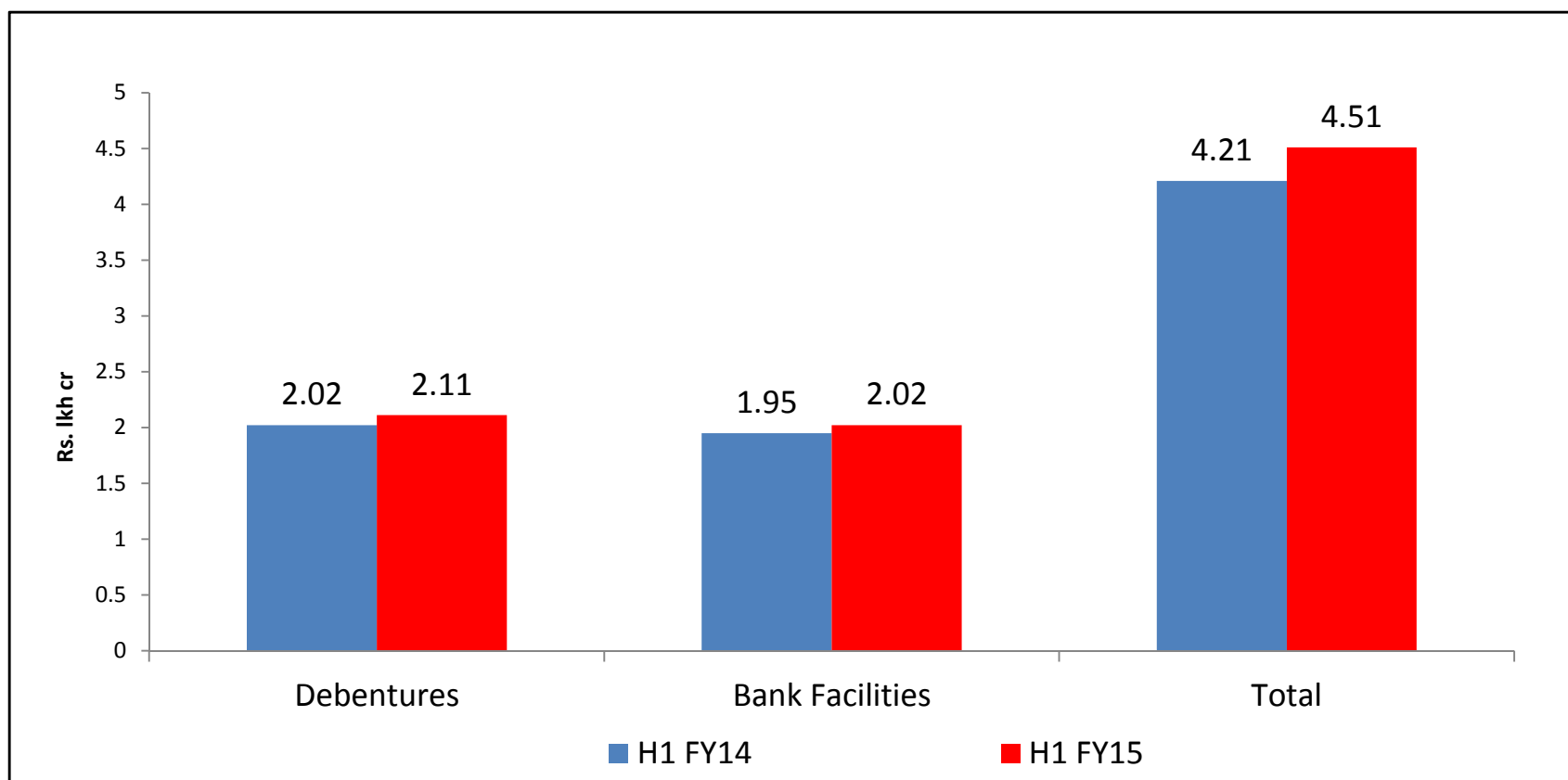
Volume of debt rated



- A total of 1,655 instruments were rated in Q2 FY15 as against 2,188 in Q2 FY14

# Business Performance: H1 FY15

Volume of debt rated



- A total of 2,740 instruments were rated in H1 FY15 as against 3,672 in H1 FY14



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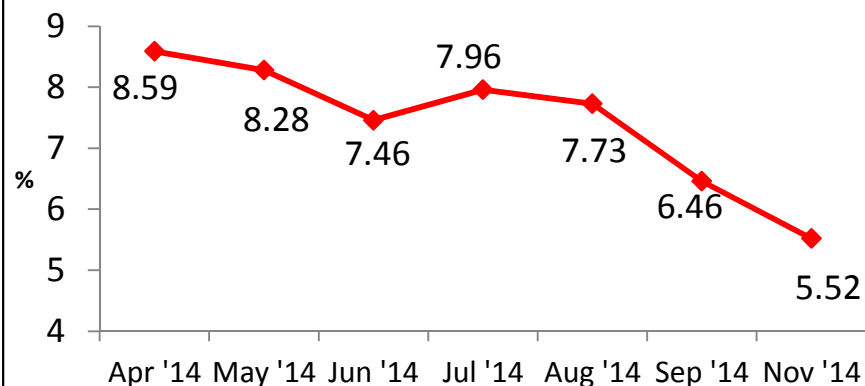
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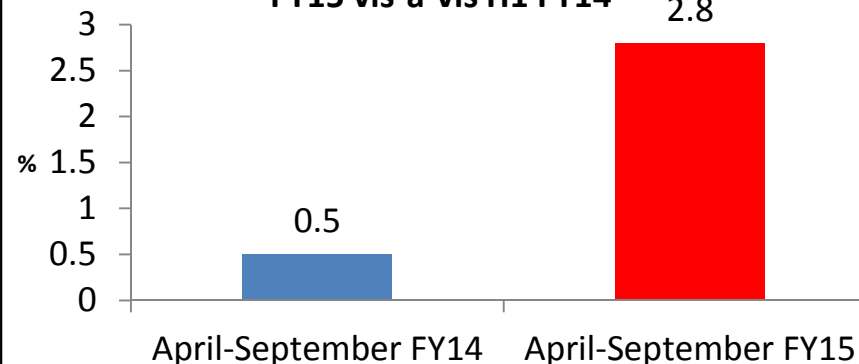
# Economic Backdrop

**CPI inflation is downward bound in FY15**

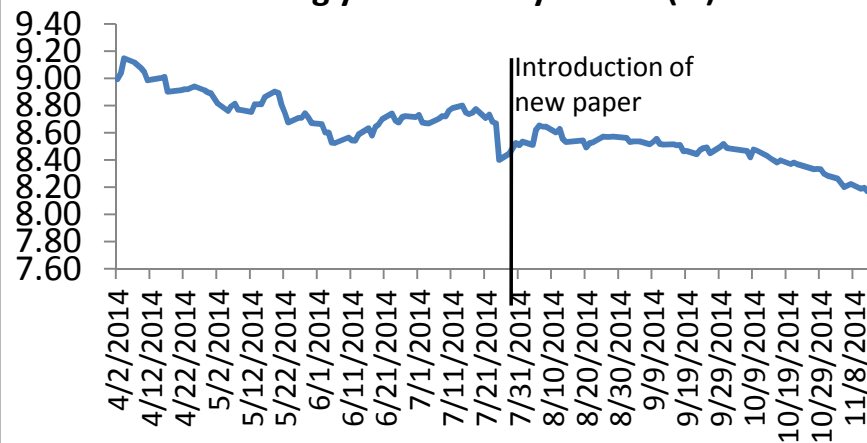


**Industrial Growth has strengthened in H1**

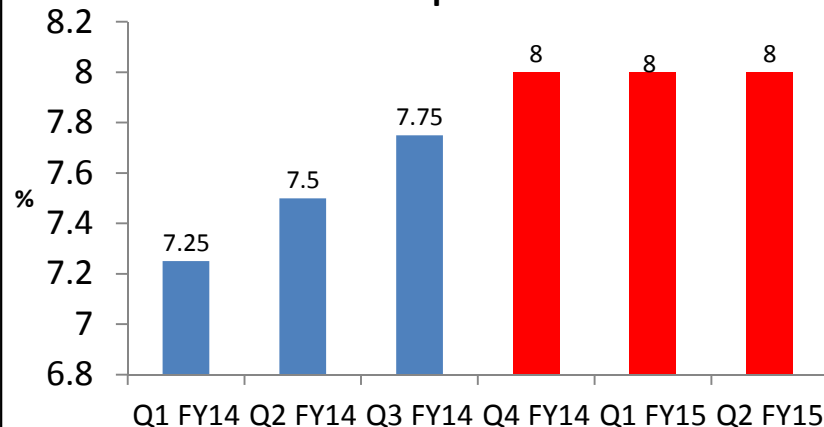
**FY15 vis-à-vis H1 FY14**



**Falling yields on 10 yr Gsecs (%)**

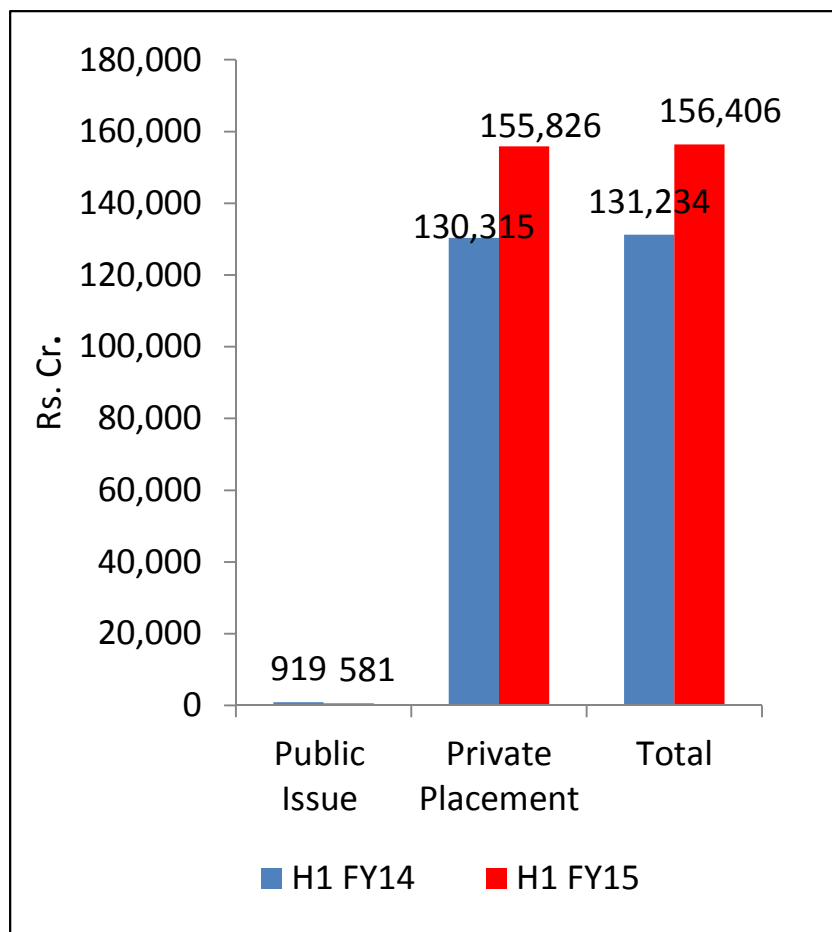


**Repo rate**

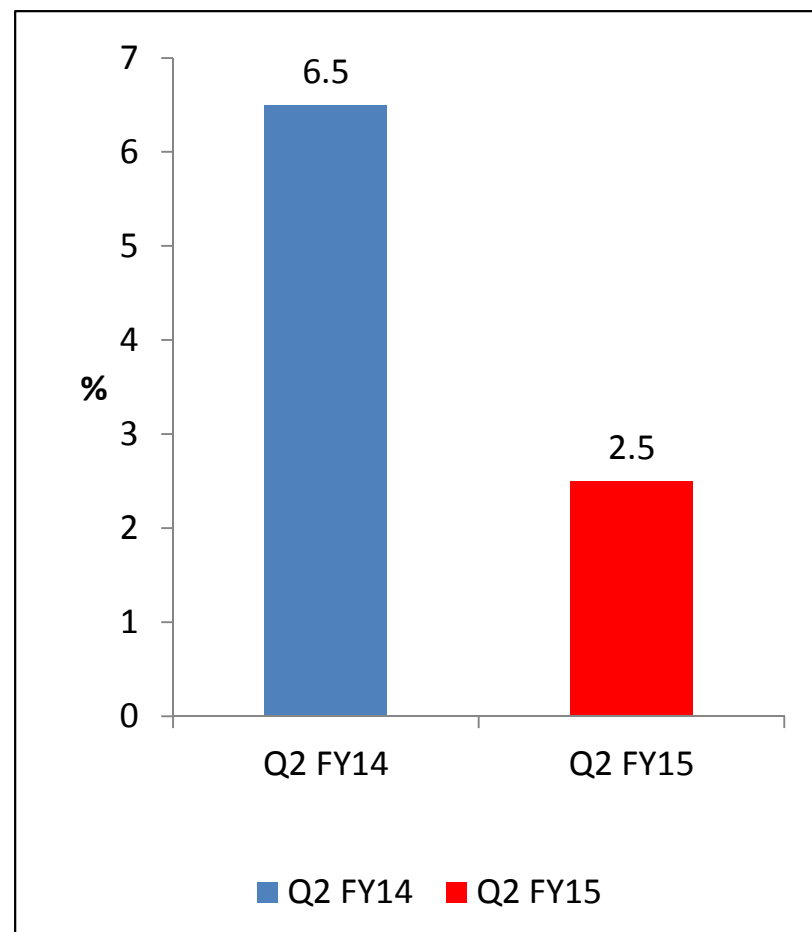


# Economic Backdrop (contd.)

**Total Debt Raised is higher this year**

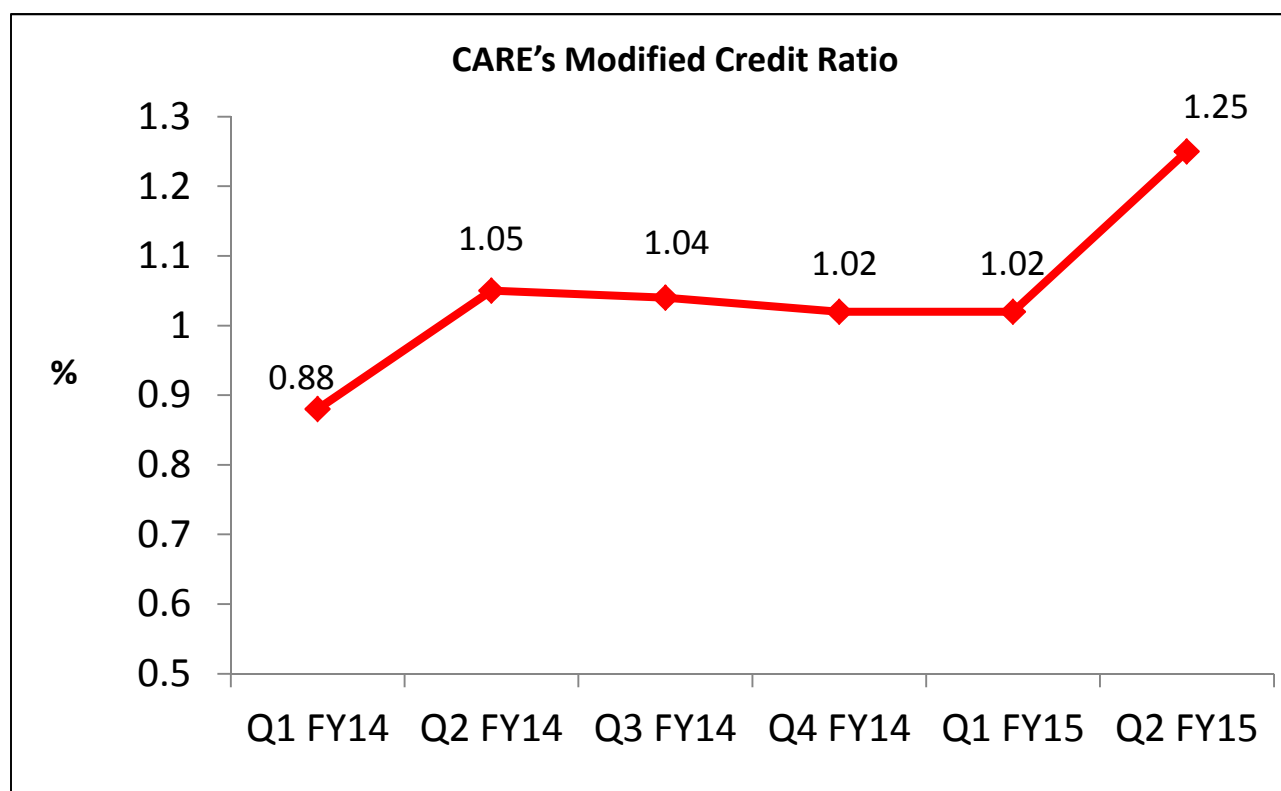


**Growth in Bank Credit sluggish September over March**



# Rating Movement since Q1 FY14

Credit environment has improved during the recent quarters as suggested by CARE's Modified Credit Ratio (MCR) which has moved upwards from 1.25 in Q2 FY14 to 1.25 in Q2 FY15.



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# Thank You