

Date: October 31, 2023
SE/2023-24/72

To,

The General Manager Corporate Relation Department BSE Limited Phiroze Jeejeebhoy Towers 14 th 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
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Dear Sir/ Madam,

SUB: PRESS RELEASE AND INVESTOR PRESENTATION FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

Please find enclosed herewith the Press Release and Investor Presentation of the CARE Ratings Limited for the quarter and half year ended September 30, 2023 as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For CARE Ratings Limited

Nehal Shah
Company Secretary & Compliance Officer

Encl: As Above

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022.
Phone: +91-22-6754 3456 • Email: care@careedge.in • www.careedge.in

Investor Release: 31st October 2023, Mumbai

CARE Ratings Limited (NSE: CARE, BSE: 534804)

The Board of Directors of CARE Ratings Limited have declared its unaudited financial results for quarter ended 30th September 2023

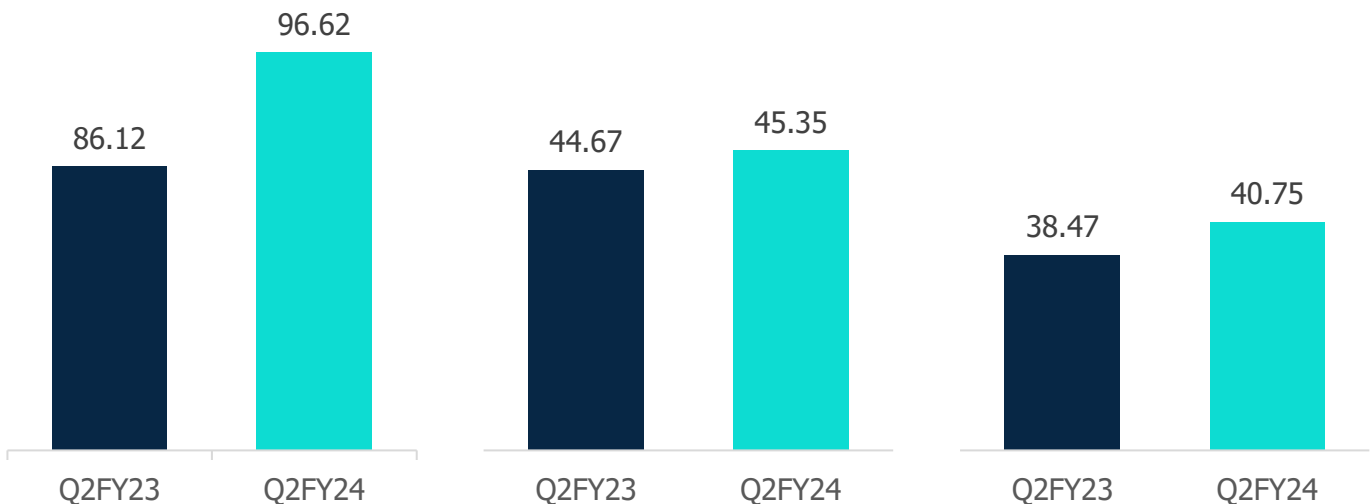
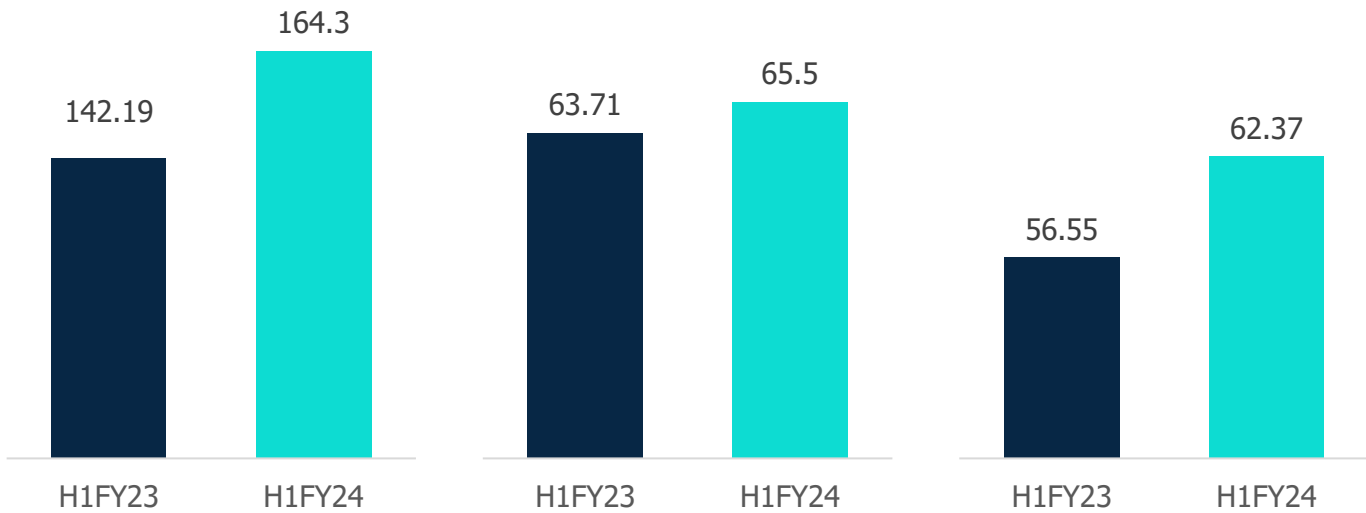
Standalone Financial Highlights

Rs. In Crore

Total Income

EBIDTA

Profit After Tax



Commenting on the results and performance for H1FY24, Mr. Mehul Pandya, Managing Director & CEO of CARE Ratings Ltd said:

India's economic resilience has proven to be remarkably robust in the face of an uncertain and challenging global landscape during the first half of FY24. The domestic economy exhibited considerable strength, posting a healthy 7.8% growth in Q1 FY24, buoyed by a supportive base and impressive performance in services and construction sectors. Urban demand has remained robust, as evidenced by indicators such as GST collections, e-way bill generation, domestic passenger traffic, passenger vehicle sales, and retail credit growth, even though some moderation is anticipated in the latter part of the fiscal year.

During Q2 FY24, fundraising activity by businesses did experience a marginal slowdown, and commercial paper issuances declined, primarily in response to the overall increase in interest rates. However, the growth in gross bank credit witnessed double-digit expansion, largely driven by the retail and services segments. However, the bank credit to industry grew by 6.1% till August 2023, with large industries recording a growth of 5.4%.

Further our research indicates that there is steep slowdown in net new projects announcements in the first half of FY24. The value of new projects announced fell to Rs 1.2 trillion in Q2 FY24 from Rs 6.6 trillion in Q1 FY24. Additionally, the value of dropped projects rose from Rs 3 trillion in the Q4 FY23 to Rs 4.2 trillion in Q1 FY24 and Rs 4 trillion in Q2 FY24. A rise in the value of dropped projects along with a slowdown in announcements of new projects pushed net new projects in the negative territory in H1 FY24. Net new projects fell into negative territory for the first time since March 2021.

So, despite the challenging Q2FY24, CareEdge Ratings reported YoY growth of over 14% in its consolidated Operating Income. The growth was principally driven by continued traction in our Initial Ratings business and improved revenue contribution from non-ratings businesses. With our unflinching emphasis on Quality led growth across the sectors and dedicated outreach, we look forward to sustaining this momentum.

The operating profit margin, though moderated a bit, continued to remain healthy at around 43% on consolidated basis. The moderation was attributed to some increase in salary cost, branding and outreach expenses as we organized series of events on completion of 30 years of our company, and some increase in technology cost.

On standalone basis, which is our ratings business, CareEdge reported YoY growth of 10% in its Operating Income in Q2FY24. Despite weakness witnessed in fund raising activity during Q2FY24, we saw robust growth in our Initial ratings business. As indicated earlier, though operating profit margin moderated, it still remained high at around 53%.

The Board of Directors have declared an interim dividend of Rs.7/- per share (of Rs.10/- face value per share) for the second quarter of FY24.



H1FY24 also marked CareEdge defining the agenda for insightful deliberations through some High-octane events coinciding with its 30th anniversary. It started with the infrastructure focused event at Delhi in May'2023 with the theme **"Infrastructure – the Key to India's Amrit Kaal Growth"** and was graced by Hon'ble Minister for Road Transport and Highways, Shri Nitin Gadkari as the Chief Guest. In July'2023, we had two events, one each at Pune and Mumbai. In the presence of Hon'ble Minister of State for Finance, Dr. Bhagwat Kishanrao Karad, as the Chief Guest at Pune, the theme was **"India – tapping into its potential"**. Focusing on **"Collaboration for Growth"** as the theme, our Mumbai event had Hon'ble Minister for Commerce and Industry, Textiles, Consumer Affairs and Food & Public Distribution, Shri Piyush Goyal as the Chief Guest. At Kolkata, in August'2023, we had Member – Economic Advisory Council to Prime Minister, Shri Sanjeev Sanyal as the Chief Guest, and the theme was **"India : Reversing the Gaze"**.

In quest of diversifying our revenue stream, we have already announced our expansion plan in Africa. We have setup the ratings subsidiary in South Africa and very soon, will apply for Credit Ratings License.

During Q2FY24, we have slump sold the advisory and research business operated by CARE Advisory Research and Training Limited (CART) to CARE Risk Solutions Pvt Ltd i.e. CRSPL. This will help us consolidate all our non-ratings / non-regulatory businesses under one roof and thus, will drive more synergies and bring cost efficiencies. We have already applied for ESG Ratings Providers license from erstwhile CART. The name change application for CART which is repurposed for ESG Ratings is under process.

I would also like to inform you that CARE Ratings has become the only rating agency in India to develop and launch Sovereign Risk Assessment framework.

We at CareEdge, sincerely believe that superior capital allocation and sustainable improvement in shareholders wealth is the primary objective of management of company. In this regards, we remain flexible in exploring all possible opportunities.

As we move forward, it is crucial to remain vigilant and adaptable to the evolving economic landscape. These are exciting times in the Indian economy, and with a holistic approach, we can navigate through both the challenges and opportunities that lie ahead.

I would also take this opportunity to wish everyone here a Very Happy Diwali and a Prosperous New Year in advance.



About CARE Ratings Limited

CARE Ratings Ltd. is one of India's leading credit rating companies with a track record of servicing diverse sectors for over 3 decades. It also provides credible and high quality research and analytics. The company's ratings cover a wide range of sectors, including banking, finance, insurance, infrastructure, and manufacturing. Company has over 15 years of experience in providing Risk and Compliance solutions. The Company's published reports, updates and newscasts on various sectors and economies are widely covered across all media.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact

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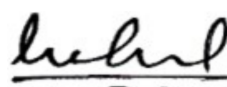
Investor Relations Advisors :



CIN: U74140MH2010PTC204285

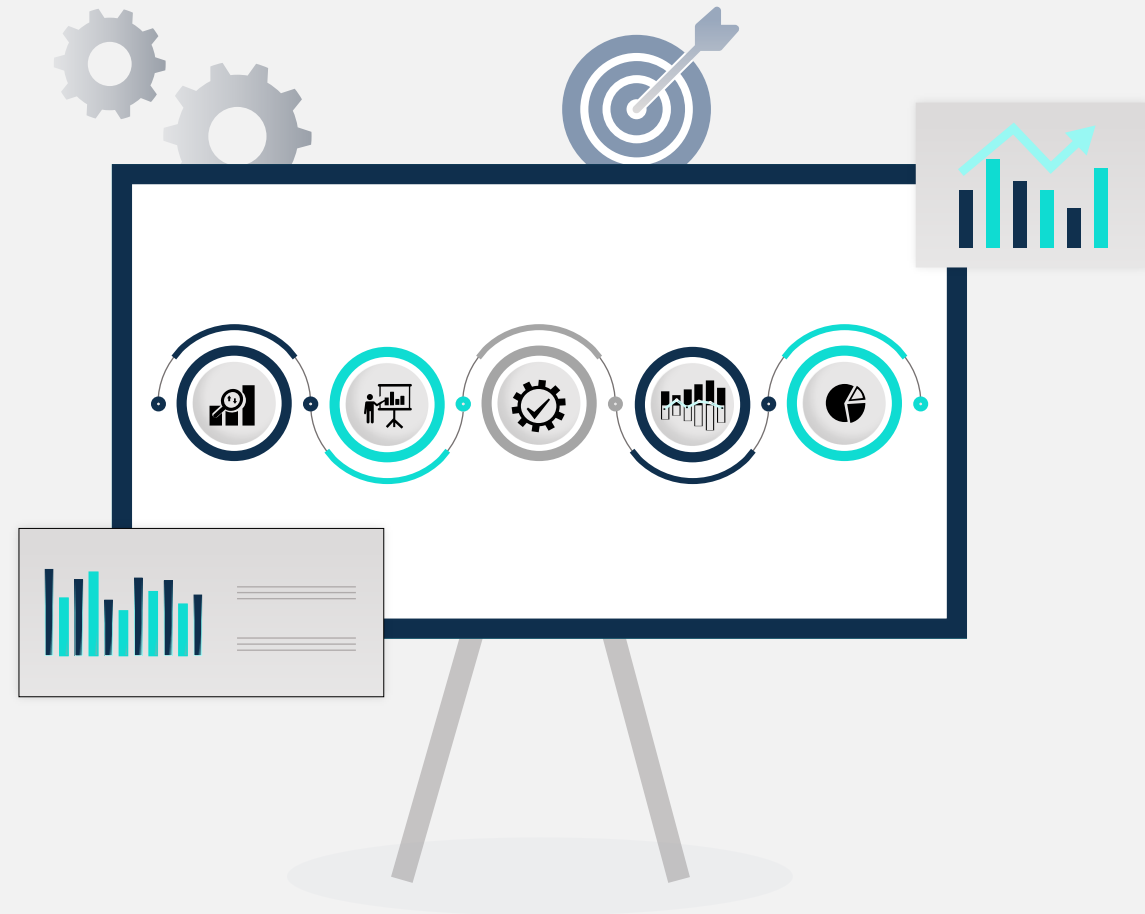
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CARE Ratings Limited

Investor Presentation



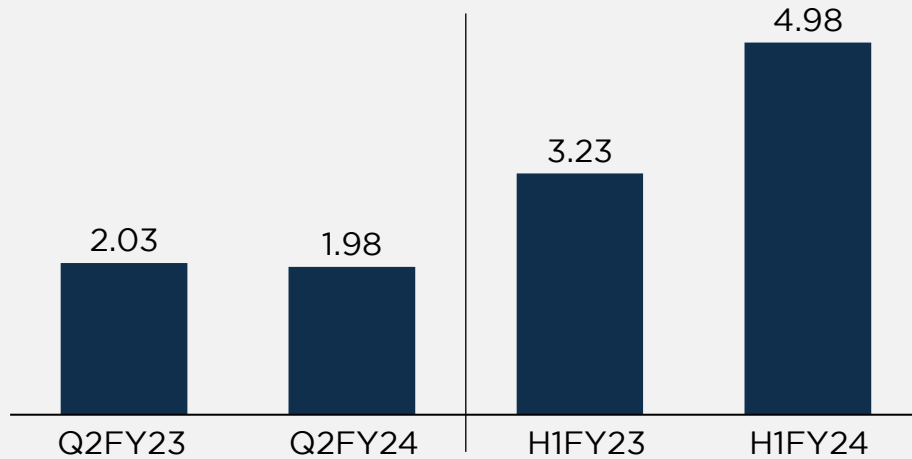
Q2FY24 & H1FY24

Macro-Economic Indicators



Corporate Bond Issuances

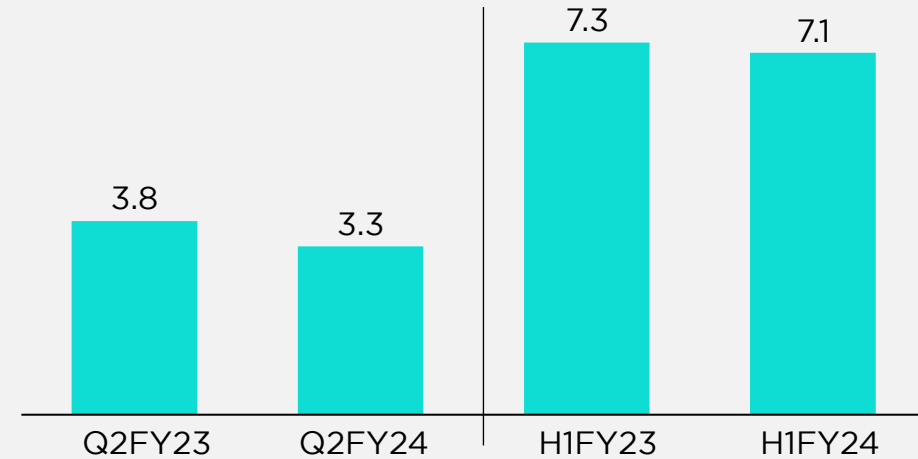
Corporate Bond Issuances Moderate in Q2 FY24 but register strong growth in H1FY24
(Rs. Lakh Crore)



Source: Prime database (Includes private placement and public issues)

CP Issuances

CP Issuances witness moderation in H1FY24
(Rs. Lakh Crore)

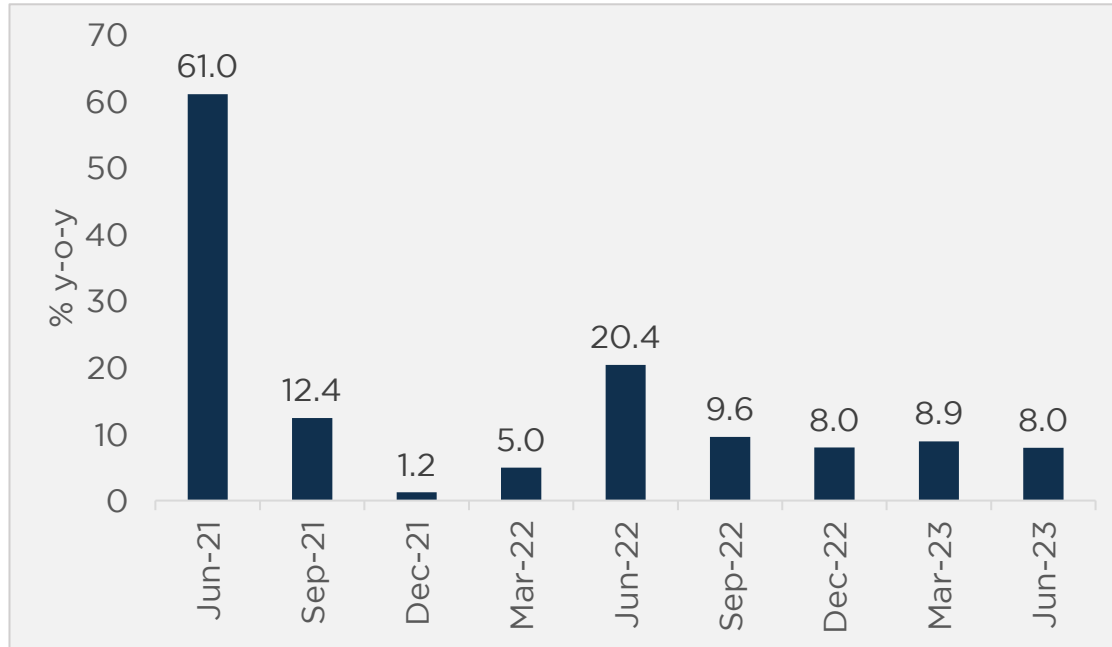


Source: CEIC

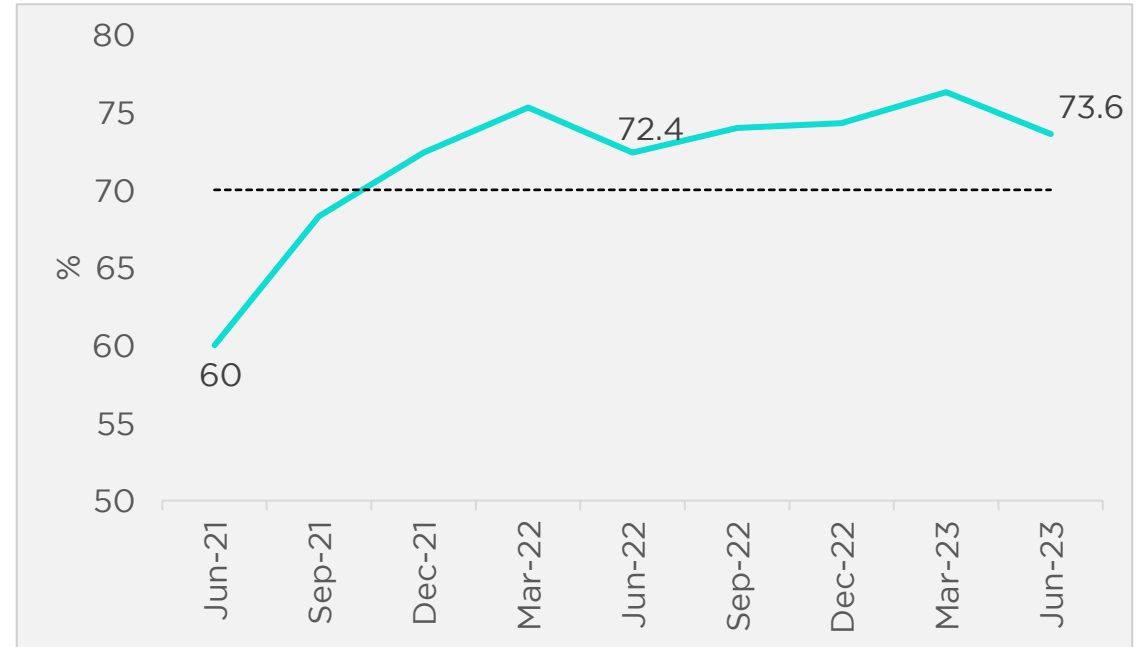
- Issuance of Commercial Papers (CP) and Corporate Bond issuances slowed marginally in Q2 FY24 due to increase in yields as a result of high inflation.
- In H1FY24, corporate bond issuances increased by ~50% (YoY).

GOVERNMENT CAPEX SUPPORTS INVESTMENT

Gross Fixed Capital Formation

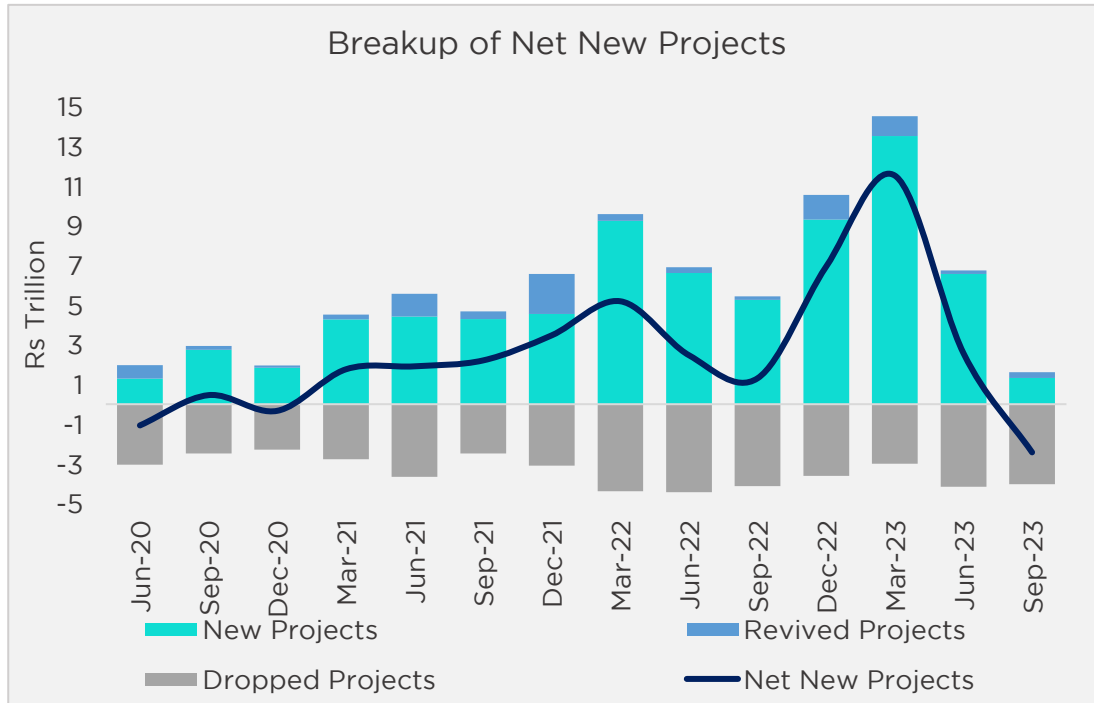


Capacity Utilisation

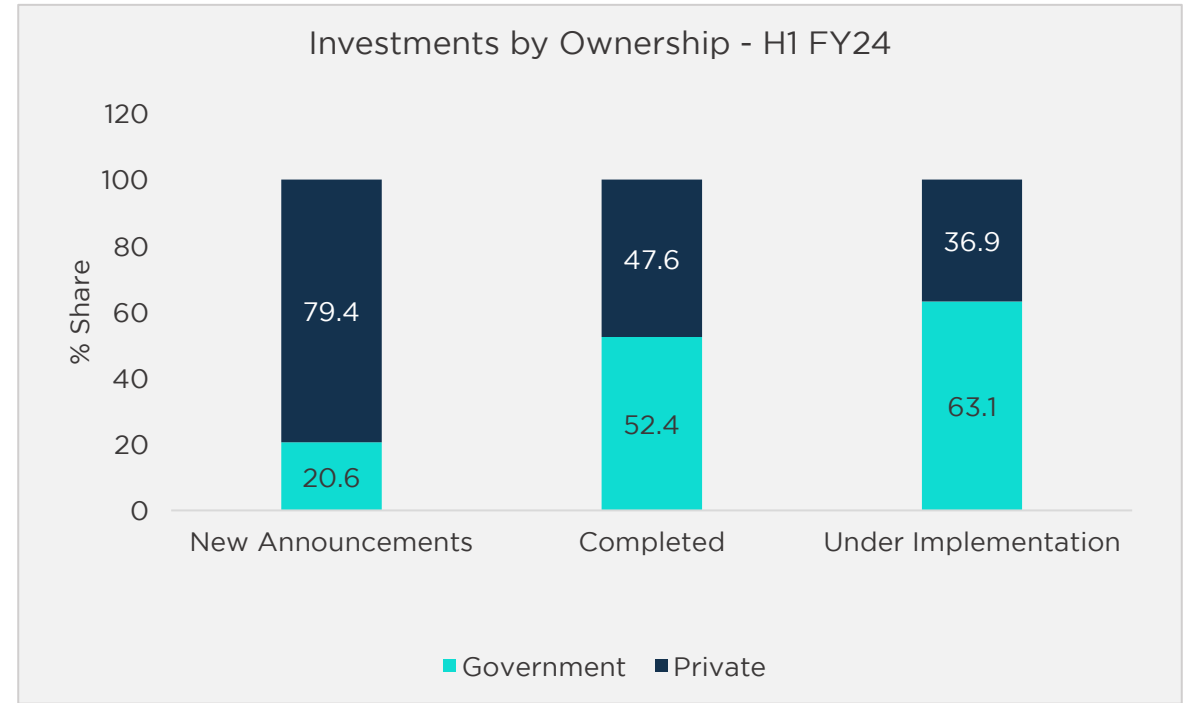


- Growth in GFCF remained strong rising by 8% (y-o-y) in Q1 FY24 on the back of front-loading of government capex ahead of elections.
- Manufacturing sector's capacity utilisation recorded a seasonal dip in Q1 FY24. However, it was higher than the levels seen in the same quarter (Q1) of previous two years.

INVESTMENT PROJECTS SLOW



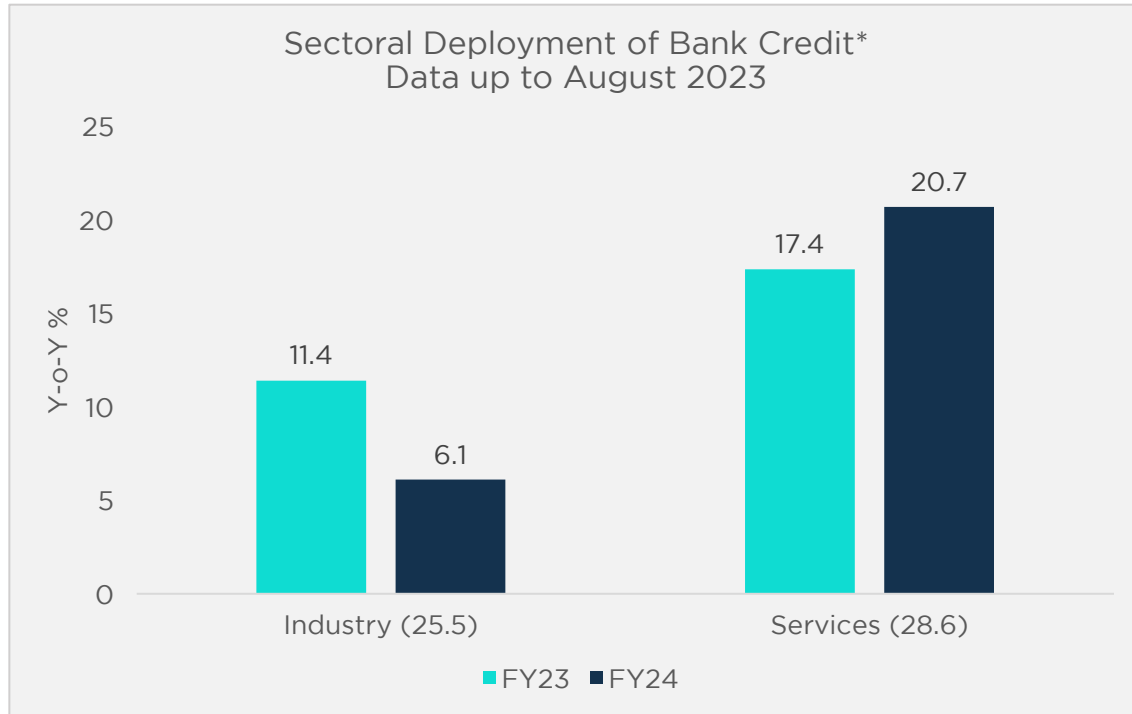
Source: CMIE, CareEdge
 Net New Projects = New Projects + Revived Projects - Dropped Projects



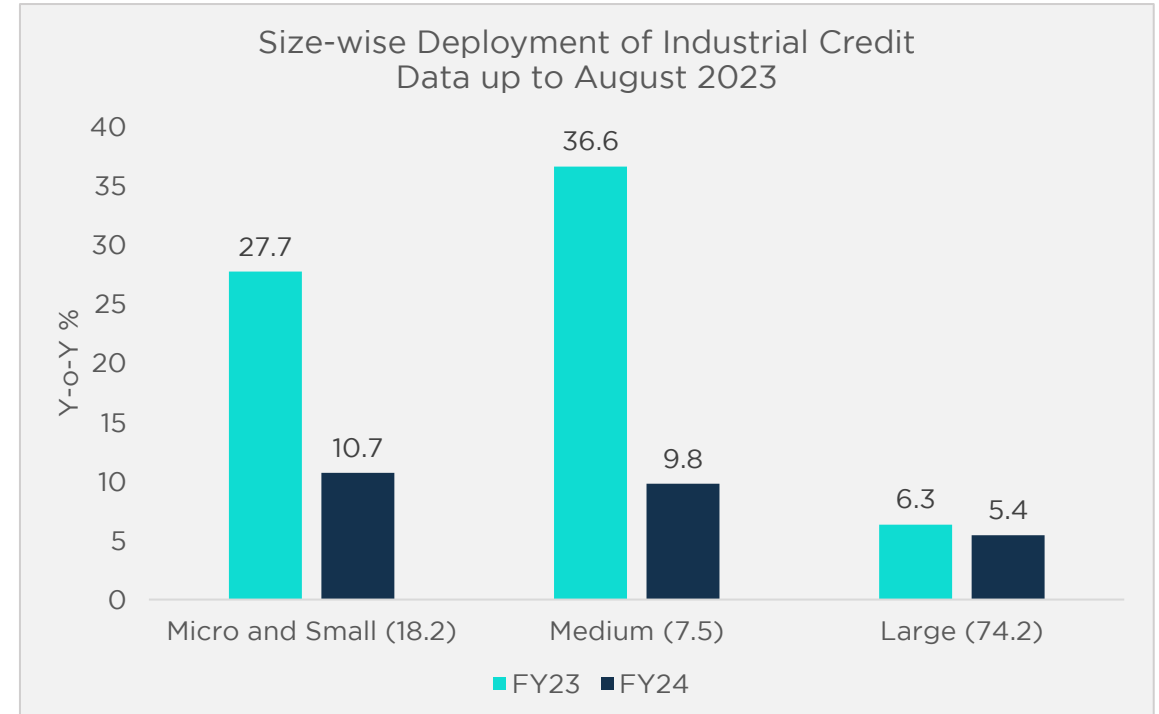
Source: CMIE, CareEdge

- Net new projects show a slowdown in H1 FY24 with the value of new projects falling to Rs 1.2 trillion in Q2 FY24 from Rs 6.6 trillion in Q1 FY24 and Rs 13.4 trillion in Q4 FY23.
- Private sector shows intent to undertake capex but implementation and completion lags.

SECTORAL BANK CREDIT GROWTH



Source: RBI; Note: Figures in bracket represent % share in total; Growth rates for FY24 exclude the impact of the merger of a non-bank with a bank.



Source: RBI; Note: Figures in bracket represent % share in total industrial credit; Growth rates for FY24 exclude the impact of the merger of a non-bank with a bank.

- Credit to industry grew by 6.1% in August, with large industries recording a growth of 5.4%.
- Infrastructure sector, which accounts for 37% of the industrial credit, grew by 2.2% ytd August 2023 compared to a growth of 11% ytd August 2022.

Financials



STANDALONE: H1FY24 KEY HIGHLIGHTS



▶ **Operating
Income**

Rs. 141.59 Cr

(12% YoY)



▶ **EBITDA**

Rs. 65.50 Cr

(3% YoY)



▶ **PAT**

Rs. 62.37 Cr

(10% YoY)

▶ **EBITDA
Margin**

46%

▶ **PAT
Margin**

38%

STANDALONE: Q2FY24 KEY HIGHLIGHTS



▶ **Operating
Income**

Rs. 85.11 Cr

(10% YoY)



▶ **EBITDA**

Rs. 45.35 Cr

(2% YoY)



▶ **PAT**

Rs. 40.75 Cr

(6% YoY)

▶ **EBITDA
Margin**

53%

▶ **PAT
Margin**

42%

PROFIT & LOSS STATEMENT: H1FY24

Profit and Loss (Rs. Crs)	Standalone			Consolidated		
	H1FY24	H1FY23	(YoY)	H1FY24	H1FY23	YoY
Total Operating Income (TOI)	141.59	126.23	12%	162.86	139.33	17%
Other Income	22.71	15.96		22.72	15.98	
Total Income	164.30	142.19	16%	185.58	155.32	19%
Total Expenses	80.45	66.49	21%	109.11	86.33	26%
EBITDA (TOI - Op. Exp.)	65.50	63.71	3%	59.75	58.13	3%
EBITDA (%)	46%	50%		37%	42%	
Profit Before Tax	83.85	75.70	11%	76.47	68.98	11%
Profit Before Tax (%)	51%	53%		41%	44%	
Profit After Tax	62.37	56.55	10%	54.09	48.99	10%
Profit After Tax (%)	38%	40%		29%	32%	
Basic EPS (Rs. Per Share)	20.99	19.07		17.83	16.18	

PROFIT & LOSS STATEMENT: Q2FY24

Profit and Loss (Rs. Crs)	Standalone			Consolidated		
	Q2FY24	Q2FY23	(YoY)	Q2FY24	Q2FY23	YoY
Total Operating Income (TOI)	85.11	77.49	10%	96.44	84.76	14%
Other Income	11.51	8.63		11.19	8.46	
Total Income	96.62	86.12	12%	107.63	93.22	15%
Total Expenses	42.02	34.82	21%	57.57	45.44	27%
EBITDA (TOI - Op. Exp.)	45.35	44.67	2%	41.91	42.00	0%
EBITDA (%)	53%	58%		43%	50%	
Profit Before Tax	54.61	51.30	6%	50.06	47.78	5%
Profit Before Tax (%)	57%	60%		47%	51%	
Profit After Tax	40.75	38.47	6%	35.73	34.86	3%
Profit After Tax (%)	42%	45%		33%	37%	
Basic EPS (Rs. Per Share)	13.71	12.98		11.83	11.57	

Who Are We



Established in 1993, we are India's second largest credit rating agency.



With an established presence in the credit ratings industry, we are now leveraging and diversifying into knowledge-based analytical businesses like Research and Advisory, Sustainability and Analytics.



We are a professionally managed company with diverse shareholding.

What We Offer



Ratings

Track record of servicing diverse sectors, with leadership positions in high-growth sectors such as BFSI and Infra.

Profitable operations in Mauritius and Nepal.



Advisory

Providing high-quality research and advisory, including sustainability services.



Analytics

Over 15 years of experience in providing Risk & Compliance solutions.



**Serving the financial markets
for over three decades**

CareEdge TURNS 30

1993-1996

- Commenced Rating Operations
- Expansion of ratings operations to rating of toll roads, electricity board, municipal corporations, structured instruments
- Completed studies on central public sector undertakings selected by disinvestment Commission

1997-2000

- Launched 'CARE Loan Ratings' for rating term loans
- Ventured into Advisory business and bagged 13 assignments
- Obtained registration with SEBI when rating agencies came under its purview

2001-2004

- Founding member of Association of Credit Rating Agency in Asia (ACRAA)
- Launched Corporate Governance and Value Creation Rating
- Signed MOU with NSIC for empanelment as an approved rating agency for small scale industries

2009-2012

- Launched an initial public offering in 2012, which was subscribed over 34 times, and listed on both NSE and BSE
- Acquired an application software company viz. Kalypto, renamed as CARE Risk Solutions Private Limited (CRSPL)
- Worked closely with Asian Development bank on prestigious assignments
- Provided technical assistance to some emerging rating agencies outside India

2005-2008

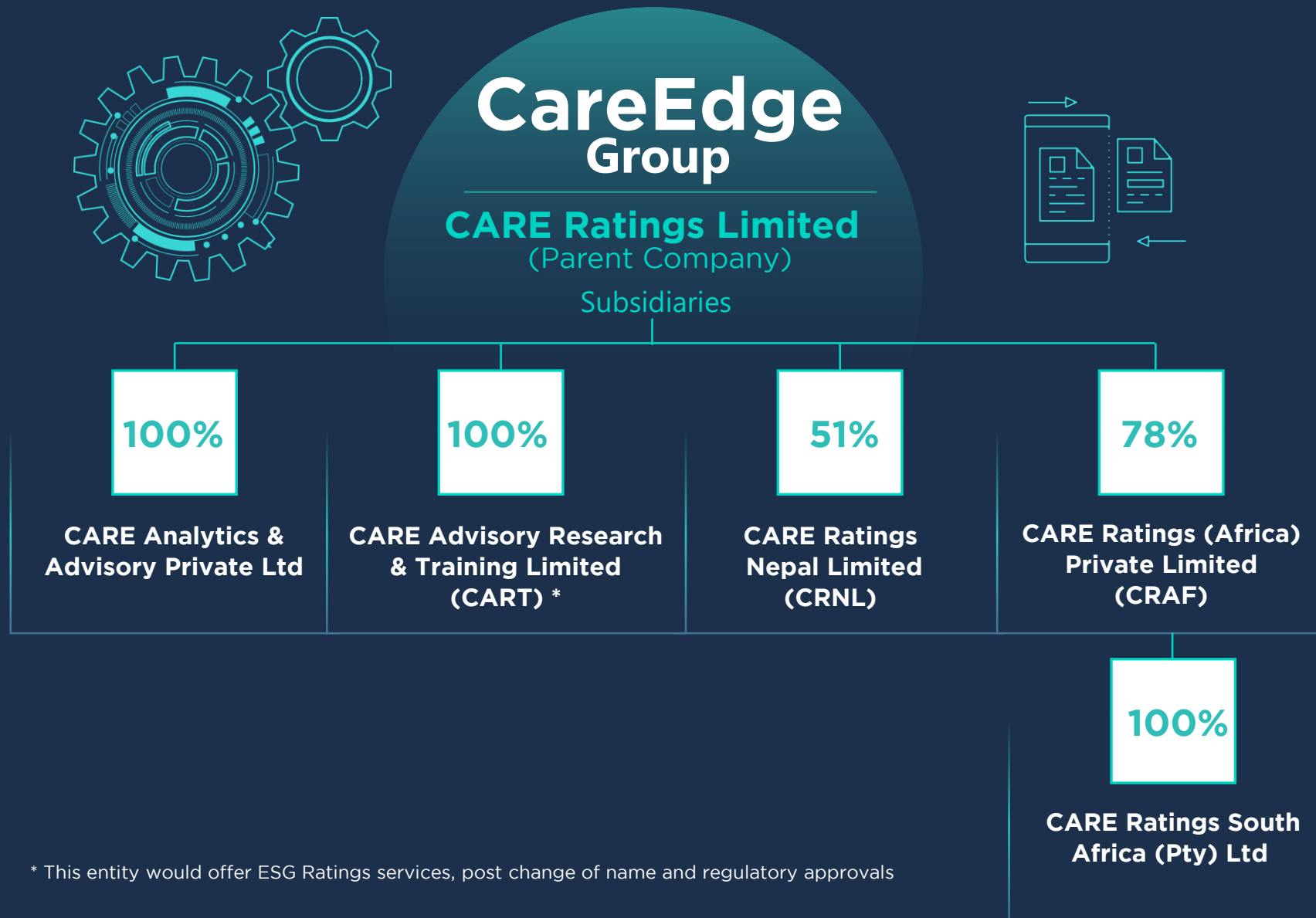
- Set up a research division catering to Industry Research, Customised Research and Industry Risk Metrics
- Launched IPO grading services
- Received mandate from Ministry of Urban Development for rating 13 ULBs under JNNURM

2013-2017

- Launched CARE Advisory Research and Training Ltd (CART), a wholly-owned subsidiary of CARE Ratings
- Established rating subsidiaries in Nepal & Africa
- Entered into a strategic business alliance with Japan Credit Rating Agency, Ltd. (JCR)
- Partnered with 4 domestic credit rating agencies in Brazil, Malaysia, Portugal and South Africa, to form an international credit rating agency called ARC Ratings
- Took 10% stake in Malaysian Rating Agency (MARC)

2018 Onwards

- CARE Group Rebranded as CareEdge Group
- CareEdge Ratings Africa received License for Ratings business from Capital Market Authority (CMA), Kenya in 2019
- Incorporated company in South Africa for undertaking CRA business post regulatory approvals
- Expansion of Advisory services into the ESG space through propriety tool Sirius
- Empaneled with AMFI for ESG assessments
- Integration of CART's business with CRSPL through a slump sale
- CareEdge becomes only rating agency in India to launch the Sovereign Risk Assessment Framework



* This entity would offer ESG Ratings services, post change of name and regulatory approvals

CareEdge Ratings - India

- India's second largest credit rating agency with a track record of rating companies belonging to diverse sectors
- CareEdge Ratings plays a pivotal role in developing the financial markets through its credit ratings



Corporate Sector



Financial Sector/BFSI



Structured Finance



Infrastructure sector



Rating of REITs/InvITs



Infra EL Ratings



Public Finance Rating



Resolution Plan



Recovery Rating

CareEdge Ratings is a leader in Financial and Infrastructure sector ratings

CareEdge Ratings - Africa

(Subsidiary of CARE Ratings Ltd. with 78% stake)

- Offers a range of high-quality analytical services to the stakeholders in Mauritian and African financial markets
- Provides ratings for various instruments such as Bonds, Debentures, Commercial Paper, Bank Deposits, Structured Finance, bank loans. Also issues rating for insurance companies, channel partner evaluation and SMEs

CareEdge Ratings - Nepal

(Subsidiary of CARE Ratings Ltd. with 51% stake)

- Offers a range of high-quality analytical services to the stakeholders in Nepal's financial markets
- Covers the rating of issuers including rating of debt instruments, IPO Grading, Fund Management Quality Ratings, Issuer Rating, Bank loans & facilities, Insurance Companies

ESG Offerings



ESG Benchmarking

Analysis and performance tracking for pre-determined KPIs along E, S & G parameters, along with a comparison against industry leaders and industry peers



ESG GAP Analysis

Identify gaps in compliance, policies, performance and disclosures to evaluate the maturity of sustainability performance.
Prioritise which areas to begin work on to roll out ESG strategy



Policy Advisory

Assist to **prepare policy documents** in line with the Company philosophy and ESG gaps identified



ESG Stewardship & Reporting

Frame ESG Strategy and Roadmap, with a clear vision and measurable metrics for performance over a 3-5 year time horizon, and assist in **sustainability reporting & BRSR**

Clientele

Funds, FIs and Corporates seeking ESG data

Corporates seeking to enhance their ESG performance

Corporates seeking to improve their ESG profile & strategy

Top 1000 listed entities for whom BRSR is mandatory



Our Progress

Developed **India's first tech-enabled platform, 'SIRIUS'** which is an on-demand, comprehensive data platform that brings together company, industry and **ESG insights**

Completed coverage of over **1,100 listed companies through SIRIUS platform** in India



CONSULTING

- Provides advisory services to Corporates, Financial Institutions, Banks and Institutional Investors
- Offering services in the field of infrastructure project evaluation and independent viability and feasibility studies, and corporate advisory for business plan preparation, financial improvement plan, financial appraisal & valuations, risk assessment advisory



RESEARCH

- Provides customised research services to Indian and Multinational corporates based on their specific needs
- Provided Industry Research Outlook and Industry Risk Scores of over 80 Sectors

Analytics Driven Risk Solutions



15+ years global experience in providing cutting edge Risk & Compliance solutions to Banks and Financial Institutions



Sustained presence in more than **10 countries**



80+ implementations across the globe



Experienced professionals with deep experience in risk analytics



Outreach Activities



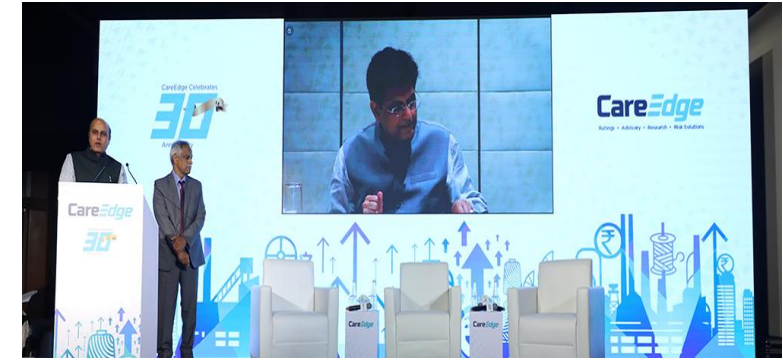
'CareEdge Conversations': High-octane Events in Q2FY24



Celebrating 30 Years:

Mumbai

Themed on '**Collaboration for Growth**', **HM Shri Piyush Goyal**, shared insights on India's global trade competitiveness, in discussion with CNBC TV18's Executive Editor, Latha Venkatesh.



Pune

Themed on '**India: Tapping into its Potential**', **HM Dr. Bhagwat Kishanrao Karad**, shared insights on India's Economic growth and potential. A panel discussion with eminent guests Ms. Nina Nagpal, MD, Citicorp Finance India Ltd, Mr. Ajit Kumar Rath CVO & MD, SBI enriched the conversations.



Kolkata

Themed on '**India: Reversing the Gaze**', **Member of PMEAC Shri Sanjeev Sanyal**, unveiled our groundbreaking initiative, the Sovereign Risk Assessment Framework. Discussion with Mr. Shashwat Goenka provided corporate perspective of India's policy changes.



OUTREACH ACTIVITIES: Q2FY24



Webinars:



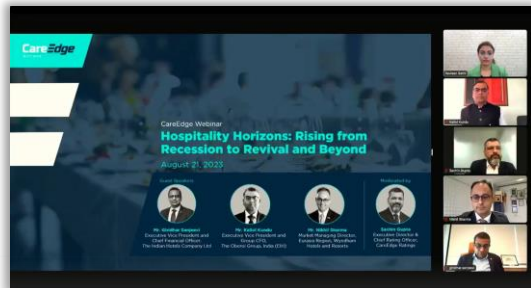
Sparkling Shift: Lab-Grown Diamonds Gain while Natural Diamonds Brace for Margin Dip



C&I Segment: The New Growth Engine for Renewable Energy Sector?



Unravelling the Microfinance Landscape: Trends, Challenges, and Potential



Hospitality Horizons: Rising from Recession to Revival and Beyond



Indian Road Sector - Steering through Obstacles



Inside India's Pharma Pulse



Knowledge Sharing Forums and Speaker Invitations:

- Jury Member at the 8th ET Edge Infra Focus Summit.
- Directors' Strategy Meet, organised by National Highways Infra Trust (NHIT), Udaipur
- Knowledge sessions at SBI, SBI Life Insurance on rating performance and economy and a workshop for LIC Senior officials on InvITs and REITs.
- CII Western Regional Council Meeting, New Delhi.
- Panel Discussion at Association of Credit Rating Agencies in Asia (ACRAA) conference on 'Addressing Evolving Systemic Risks:'
- Webinar on 'Bridging the Cybersecurity Skillset Gap - Complementarities of Talent and Technology' on September 29. This session was organised by Outlook Business
- Roundtable discussion on Corporate Social Responsibility organised by the CPSE
- CareEdge Ratings Africa at the Annual Corporate Governance Event organised by the Mauritius Institute of Directors (MIoD) where a memento was awarded to CRAF in recognition of the contribution of CareEdge Ratings Africa towards ESG. The event, also saw the presence of the Minister of Financial Services & Good Governance, British High Commissioner to Mauritius, Chairman of MIoD, CEO of MIoD and other contributors



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **CARE Ratings Ltd.** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

Company :



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Thank You!

About Us

CareEdge is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE Ratings Ltd, the parent company in the group, is one of the leading credit rating agencies in India. Established in 1993, it has a credible track record of rating companies across multiple sectors and has played a pivotal role in developing the corporate debt market in India. The wholly-owned subsidiaries of CARE Ratings are (I) CARE Advisory, Research & Training Ltd, which offers customised advisory services, credible business research and analytical services (II) CARE Risk Solutions Private Ltd, which provides risk management solutions.

CARE Ratings Limited

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Connect

