

Date: January 28, 2022  
SE/2021-22/69

To,

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

**SUB: PRESS RELEASE AND INVESTOR PRESENTATION FOR QUARTER AND NINE MONTHS ENDED  
DECEMBER 31, 2021**

Please find enclosed herewith the Press Release and Investor Presentation of CARE Ratings Limited for the quarter ended December 31, 2021 as per the requirement of Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.

Kindly take the above on record.

Thanking you,

Yours faithfully,  
For CARE Ratings Limited

*Nehal Shah*

**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

# Press Release

## Financial Results for Q3 FY22

January 28, 2022



The Board of Directors of CARE Ratings Ltd. approved the financial results for Q3 FY22 in the Board meeting held on January 28, 2022.

### **Consolidated results**

CARE Ratings Ltd. consolidated total income decreased by 1.2% from Rs.63.72 crore in Q3 FY21 to Rs.62.96 crore in Q3 FY22. Total expenses increased by 9.2% during this period. Operating profit decreased by 18% from Rs.18.26 crore to Rs.14.97 crore and net profit after tax from Rs.18.94 crore to Rs.14.90 crore, a decrease of 21.3%.

The consolidated financials include those of CARE Ratings Ltd. and its four subsidiaries. For 9M FY22 total income increased by 3.7% and net profit after tax decreased 17%.

### **Standalone results**

CARE Ratings Ltd standalone total income increased by 1.1% from Rs.54.83 crore in Q3 FY21 to Rs.55.45 crore in Q3 FY22. Total expenses have increased by 5.4% during this period. Operating profit increased by 1.9% from Rs.14.65 crore to Rs.14.93 crore while net profit after tax decreased from Rs.15.81 crore to Rs.14.90 crore.

Operating profit margin and net profit margin were 30.7% and 26.9% respectively in Q3 FY22.

For 9M FY22 total income increased by 3.73 crore and net profit after tax decreased by 8.18 crore respectively. Operating profit margin and net profit margin were at 35.8% and 30.7% respectively.

We believe the domestic economic activity has been gaining ground, progressively strengthening from the sharp decline in FY21. The lower severity of the Covid-19 latest infections coupled with higher rate of vaccination has aided overall activity and mobility, carrying forward the improvements seen in the second quarter to the third quarter. The reading of the various high frequency economic indicators attests to the improvements during the period. GST collections, e-way bills, toll collections, PMI manufacturing and services, petroleum consumption among others have recorded further improvements in the third quarter over the second quarter of the current financial year. Consumption demand during the quarter too received the festive period boost.

Despite the advancements, output of various segments remained below pre-pandemic levels during the third quarter of FY22. Also, the pace of improvement has been uneven across segments with some seeing robust growth while some have shown modest advances. To add to that the emergence of the new variant of the Covid-19 virus towards the end of the third quarter and the resultant intermittent restrictions has been a drag on activity, underscoring the fragile nature of recovery and the persistent economic and business uncertainty.

Fund raising by businesses, which has a direct bearing on our business, in the quarter gone by presented a mixed picture. While fund raising from the corporate bond markets was subdued, it was strong for commercial paper. Bank credit demand by corporates, although restrained, picked up pace.

Corporate bond issuances during the quarter totalled Rs. 1.45 lakh crore which was 19% less than the issuances in the preceding quarter and 15% lower than a year ago (Q3 FY21). Issuances in the first nine months of FY22 at Rs. 4.14 lakh crore has been 26% lower than last year (9M FY21)

Commercial paper issuances in the third quarter at Rs. 6.48 lakh crore was 4% higher than the second quarter (Rs.6.22 lakh crore) and 49% more than a year ago. The issuances of these short-term securities during the first 9 months of FY22 has seen a 36% increase from the corresponding period of FY21.

Bank credit offtake has seen a notable improvement in recent months. The incremental bank credit growth as of end – December'21 was 6.7% as against the 3.2% growth in the corresponding period of last year. This improvement in credit demand is however driven by the retail segment. At the same time, even as 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-Nov'21 was (-) 0.5% as against the degrowth of 1.4% in the same period of last year.

There has been stability in the overall environment in the credit and debt markets during Q3 with the higher levels of economic activity and mobility.

The company has persevered with its outreach efforts during this period. This was in terms of holding knowledge sessions and 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.

"The strengthening of the economy bodes wells for a revival in the investment cycle in the coming future. Moreover, with the government expected to maintain emphasis on public investment led economic growth in the upcoming budget, private investment could eventually crowd in. This in turn holds encouraging potential for the debt and credit markets. That said, we are cautious in our optimistic outlook as we need to be watchful how the pandemic triggered episodic disruptions play out on the recovery" said **Ajay Mahajan, MD & CEO of CARE Ratings Ltd.** He further added "Even as we bring in new business, we continue to pay due attention to our surveillance assignments. Also, with our subsidiaries business gaining reassuring traction, our resolve and focus on diversification and developing new viable businesses opportunities for the CareEdge Group has strengthened".

For CARE Ratings Limited,

  
Ajay Mahajan  
MD & CEO

### For further information Contact

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

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### CARE Ratings Limited

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





Ratings • Advisory • Research • Risk Solutions

# Investor Presentation Q3-FY22

January 28, 2022

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**CARE Ratings Ltd.**



CARE Risk Solutions Private Limited  
(100%)

CARE Advisory & Research  
(100%)

CARE Ratings (Africa) Private Limited  
(78%)

CARE Ratings Nepal  
(51%)

## A new and energized brand – ‘Foresight Backed by Expert Insights’

- Engaged a professional global agency to reinvent the brand and its architecture from first principles.
- Dynamic with strong values and vision to become a financial powerhouse.
- A team led by industry experts and thought leaders to establish CareEdge as a trusted “Knowledge Purveyor”
- New amplifiers of our journey of transformation - Group approach, High-Quality Human Talent, Knowledge & Technology.

“

Your brand is the single most important investment you can make in your business.  
- Steve Forbes

”



Ratings • Advisory • Research • Risk Solutions

<https://www.youtube.com/watch?v=NITUDvQUPBY>

## CareEdge Group Vision & Strategy



### Vision

A global research & analytics company that enables risk mitigation and superior decision making



### Mission

To provide best-in-class tools, analysis and insights, enabling customers to make informed decisions.



### Values

Integrity, Pursuit of Excellence, Commitments, Fairness

## STRATEGY

### Group Approach:

To synergize multiple offerings with a singular thrust

### Technology:

Drive digital transformation in ratings business and enhance product quality

### Talent:

Employee and culture centric initiatives to drive growth and cultural transformation

### Re-branding:

To Create a distinguished brand worthy of a financial powerhouse



Financial Performance – Q3 FY22



Rs. in Crore

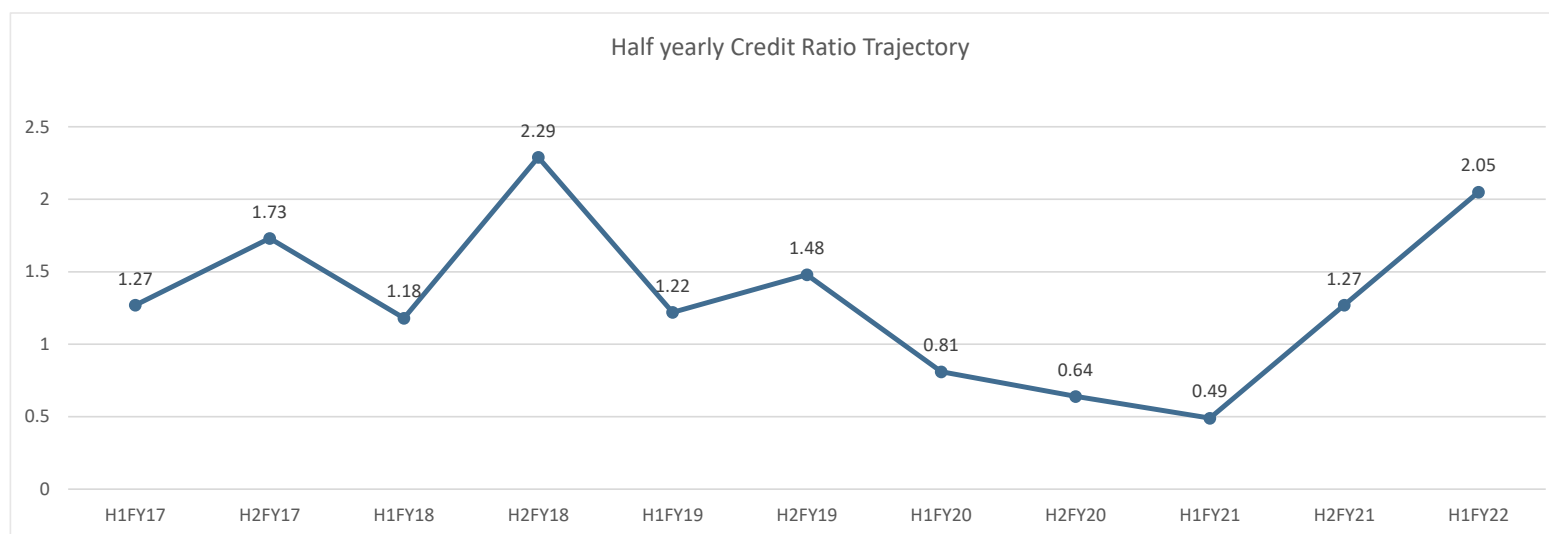
Particulars	Standalone		% Change	Consolidated		% Change
	Q3 FY21	Q3 FY22		Q3 FY21	Q3 FY22	
Total Revenue	54.83	55.45	1%	63.72	62.96	(1%)
Total Expenses	33.78	35.60	5%	39.55	43.19	9%
<b>Profit Before Tax (PBT)</b>	<b>21.05</b>	<b>19.85</b>	<b>(6%)</b>	<b>24.17</b>	<b>19.77</b>	<b>(18%)</b>
Provision for Tax	5.24	4.95	(6%)	5.23	4.87	(7%)
<b>Profit After Tax (PAT)</b>	<b>15.81</b>	<b>14.90</b>	<b>(6%)</b>	<b>18.94</b>	<b>14.90</b>	<b>(21%)</b>
<b>Profitability</b>						
<b>PBT (%)</b>	<b>38%</b>	<b>36%</b>		<b>38%</b>	<b>31%</b>	
<b>PAT (%)</b>	<b>29%</b>	<b>27%</b>		<b>30%</b>	<b>24%</b>	
<b>Basic EPS (Rs. Per share)</b>	<b>5.37</b>	<b>5.05</b>		<b>6.32</b>	<b>4.93</b>	



Rs. in Crore

Particulars	Standalone		% Change	Consolidated		% Change
	9M FY21	9M FY22		9M FY21	9M FY22	
Total Revenue	176.96	180.70	2%	194.49	201.77	4%
Total Expenses	93.79	107.90	15%	110.28	130.53	18%
<b>Profit Before Tax (PBT)</b>	<b>83.17</b>	<b>72.80</b>	<b>(12%)</b>	<b>84.21</b>	<b>71.24</b>	<b>(15%)</b>
Provision for Tax	19.43	17.25	(11%)	19.73	17.72	(10%)
<b>Profit After Tax (PAT)</b>	<b>63.74</b>	<b>55.55</b>	<b>(13%)</b>	<b>64.48</b>	<b>53.52</b>	<b>(17%)</b>
<b>Profitability</b>						
<b>PBT (%)</b>	<b>47%</b>	<b>40%</b>		<b>43%</b>	<b>35%</b>	
<b>PAT (%)</b>	<b>36%</b>	<b>31%</b>		<b>33%</b>	<b>27%</b>	
<b>Basic EPS (Rs. Per share)</b>	<b>21.63</b>	<b>18.85</b>		<b>21.53</b>	<b>17.72</b>	

## Sustained Recovery in Credit Ratio since second half of FY21



- The **Credit Ratio (CR)** is defined as the ratio of upgrades to downgrades ( $CR = \text{Upgrades} / \text{Downgrades}$ )
- CR greater than unity denotes higher upgrades than downgrades and an increase from an earlier period denotes higher proportion of upgrades than downgrades. Decline in the same signals a deterioration in credit quality of the rated entities.
- Higher CR in H1FY22 is mainly due to upgrades in Roads, Construction, Power generation, Chemicals, Steel and Pharmaceutical sectors, whereas NBFCs, Hospitality and Retail sectors witnessed downgrades

# Out-Reach Activities

### RBI Issues Revised PCA Framework

November 6, 2022

**Overview:** On November 02, 2022, RBI issued a revised Prudential Corrective Action (PCA) Framework for Scheduled Commercial Banks (SCBs) including all Public Sector Banks, Private Banks, and Regional Rural Banks to ensure transparency and appropriate risk weight on the PCA metrics and consistent remedial measures in a timely manner. The introduction of the revised PCA Framework will be effective from October 1, 2022.

**The revised framework includes the following changes:**

Key/Reporting areas	Old Framework	New Framework
Capital adequacy and provisioning	Capital adequacy and provisioning will continue to be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.
Insulation to be tested	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.
Profitability	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.
Capital Risk Thresholds	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.
Liquidity	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.
Expense monitoring	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.
Contingency Planning	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.
Other PCA	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.	Capital adequacy will be monitored. Capital adequacy will be monitored. Capital adequacy will be monitored.

### Bank Credit Deployment Update: Retail Rises ahead

November 6, 2022 | #PACurrent

**NOTE:** Credit growth and non-food credit have been on a steady rise since September 2022, which covers all scheduled commercial banks (SCBs), while interest on food credit has been on a steady rise since September 2022, which covers all scheduled commercial banks (SCBs).

**Figure 1: Monthly Trend of Credit Growth**

Month	Credit Growth (%)
Sep-21	5.7%
Oct-21	6.0%
Nov-21	5.8%
Dec-21	6.1%
Jan-22	6.2%
Feb-22	6.7%
Mar-22	6.7%
Apr-22	6.7%
May-22	6.7%
Jun-22	6.7%
Jul-22	6.7%
Aug-22	6.7%
Sep-22	6.7%

**Figure 2: Sectoral Distribution of Credit (September 2022)**

Sector	Share (%)
Government	15.2%
Private	14.8%
Public	14.5%
Other	14.2%
Non-Food	13.9%
Food	13.6%
MSME	13.3%
Other	13.0%
Other	12.7%
Other	12.4%
Other	12.1%
Other	11.8%
Other	11.5%
Other	11.2%
Other	10.9%
Other	10.6%
Other	10.3%
Other	10.0%

### Daily DEBT Market Update

November 6, 2022 | Economics

**Key Highlights:**

- US and European stocks** were volatile as a result of inflationary pressure and hawkish Fed policy. The US market was supported by strong earnings, while European markets were supported by the ECB's dovish stance.
- Oil prices** were volatile, with a slight increase in prices due to concerns over supply.
- Gold prices** were volatile, with a slight increase in prices due to concerns over inflation.
- Commodity prices** were volatile, with a slight increase in prices due to concerns over supply.

**Table 1: Daily Market Performance**

Index	Value	Change (%)
S&P 500	4,500	+0.5%
Nifty 50	18,000	+0.2%
Oil	80	+1.0%
Gold	1,800	+0.5%
Commodities	100	+0.3%

**Table 2: Bond Market Performance**

Instrument	Value	Change (%)
10Y Treasury	100	+0.1%
5Y Treasury	100	+0.1%
3M Treasury	100	+0.1%
10Y Euro	100	+0.1%
5Y Euro	100	+0.1%
3M Euro	100	+0.1%

# Reports & Publications

The Economics, Ratings & Industry Research teams published their views on various developments blended with the expertise of our rating and research specialists.

### Analysis of RBI's Financial Stability Report and NPA

December 30, 2021 | Economics

**Key Highlights:**

- The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.
- In terms of sector wise NPA, there has been an improvement in most of the segments where the numbers were high.
- Construction down from 21.5% in September 2020 to 21.1% in September 2021.
- Goods and Services from 26.1% to 20.0%.
- Exporters from 19.4% to 18%.
- Food processing moved up from 17% to 14.2%.
- Mining from 13.8% to 11.1%.
- Infrastructure from 11.9% to 12%.
- Textiles unchanged at 11.7%.

**Table 1: Gross NPA Ratio (%)**

Category	September 2019	September 2020	September 2021
Aggregate	15.1	9.8	10.7
Industry	17.1	11.1	12.5
Banking	6.3	5.9	6.7
Other	1.0	1.1	1.5

**Table 2: Net NPA Ratio (%)**

Category	September 2019	September 2020	September 2021
Aggregate	10.1	6.8	7.5
Industry	11.1	7.5	8.5
Banking	5.3	4.9	5.7
Other	0.9	1.0	1.3

### The Daily BFSI

November 6, 2022 | Economics

**Key Highlights:**

- Market News:** The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.
- Banking Sector:** The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.
- Insurance Sector:** The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.
- Other BFSI:** The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.

### India: The economic pathway

November 2021

**Key Highlights:**

- Market News:** The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.
- Economic Outlook:** The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.
- Policy Recommendations:** The RBI's FSIR released yesterday presents a rather optimistic picture of the Indian banking system. Probably the most important indicator that is used to track on the health of the banking system is the NPA ratio, which is the ratio between non-performing assets and total assets.

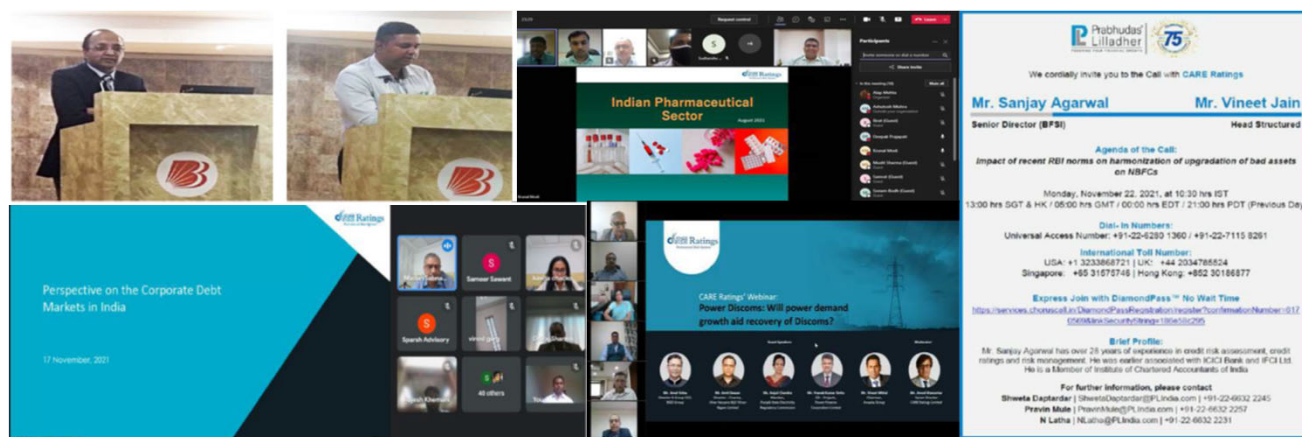
Published in Q3 FY22	
Daily	64
Weekly	27
Fortnightly	6
Monthly	37
Special reports	49

## Out-Reach Activities

### Knowledge Sharing Forum (KSFs):

CareEdge Senior Management, Economics, Sector Specialists, Industry Research teams along with Business Development participated in multiple knowledge-sharing forums

22 Knowledge sharing forums were conducted in Q3



### Speaker Opportunities

Sudip Sural, CEO, CareEdge Advisory and Research was invited as a Guest Speaker at the Annual Banking Conference #FIBAC 2021, jointly organised by FICCI and IBA.

Mehul Pandya, Executive Director, CareEdge Ratings was invited as a Commentator at the ACRAA CROs Roundtable Part-II held on November 26, 2021.

Sachin Gupta, Chief Rating Officer conducted a session on Renewable Energy at Indian Federation of Green Energy (IFGE)'s 3rd edition of 'Indian Green Energy Awards, 2020' held in New Delhi on 20th October 2021 at Sh. Nitin Gadkari's Resident. CARE Ratings Ltd was the knowledge partner for the event.

P. Sandeep, Director, CareEdge Ratings was invited as a panelist by FICCI for a session on Debt and structured funding opportunities for the Chemical industry. The event was held in Chennai on 26<sup>th</sup> November 2021.

# Webinars

In continuation of our Knowledge Dissemination series, CareEdge Ratings conducted 8 webinars in Q3. Representations were made by Industry Experts invited as Guest Speakers along with CareEdge Senior Management and Sector Specialists.

Year	Production (MT)	Domestic Demand (MT)	Exporting %	Requirement of Ethanol for blending (Total Ethanol Demand)
2022-23	10	10	0	10
2023-24	10	10	0	10
2024-25	10	10	0	10
2025-26	10	10	0	10
2026-27	10	10	0	10
2027-28	10	10	0	10
2028-29	10	10	0	10
2029-30	10	10	0	10
2030-31	10	10	0	10
2031-32	10	10	0	10
2032-33	10	10	0	10
2033-34	10	10	0	10
2034-35	10	10	0	10
2035-36	10	10	0	10
2036-37	10	10	0	10
2037-38	10	10	0	10
2038-39	10	10	0	10
2039-40	10	10	0	10

\*1,000 crore litr of ethanol is required from industries & grains to achieve 20% blending. Saving of ₹6,13,000 crore (2024-25 to 2039-40)

- Go brought in grain based distilleries so that the production of ethanol itself is distributed across the country.
- Benefit the farmers of rice and maize across the country.
- The country is producing sufficient food grains and sugar to meet the requirement for ethanol.

**CARE Ratings' Webinar: Indian real estate sector - A paradigm shift amidst the pandemic**

Guest Speakers:

- Mr. Anand Kumar, Managing Director, Real Estate Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Real Estate Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Real Estate Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Real Estate Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Real Estate Sector, CARE Ratings

**CARE Ratings' Webinar: Health insurance: Bright spot amidst the pandemic blues**

Thursday, December 16, 2021 | 4:00 PM to 5:00 PM IST

[Please click to register](#)

The Covid-19 pandemic has brought to the fore the importance of health insurance, and the sector witnessed significant growth in its premiums. Health insurance premiums grew by around 20% for the financial year up to October 2021, compared with around 14% witnessed for the same period last year. This presents a significant opportunity for the companies to take advantage of improving awareness of health insurance and improve its penetration going forward. However, companies have also faced challenges of elevated claims in the recent quarters.

For a perspective on the current state and the way forward for health insurance, please join CareEdge webinar where we will present our views followed by a discussion with the industry experts.

Issues which will be covered include:

- State of the industry
- Rising importance within overall non-life insurance business
- Impact of Covid-19, including impact on claims and profitability
- Outlook for the industry

**CARE Ratings' Webinar: Power Discoms: Will power demand growth aid recovery of Discoms?**

Guest Speakers:

- Mr. Anand Kumar, Managing Director, Power Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Power Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Power Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Power Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Power Sector, CARE Ratings

**Health Insurance: Bright spot amidst the Pandemic Blues**

Guest Speakers:

- Mr. Anand Kumar, Managing Director, Health Insurance Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Health Insurance Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Health Insurance Sector, CARE Ratings

**CARE Ratings' Webinar: Cement Sector: Demand takes centre stage**

Tuesday, November 30, 2021 | 4:00 PM to 5:00 PM IST

[Please click to register](#)

The macro of the cement industry remains positive driven by strong revival in demand from housing, infrastructure projects as well as generous rural demand. The positive outlook is expected to drive industry volumes while new capacities have already been announced by major industry players, and utilization levels have started inching up across regions in the with demand recovery. Though there are considerable issues, which the sector is currently battling with, there will be limited margin contraction expected in FY22 as the back of strong pricing momentum and will remain in demand.

Issues that need deliberation are: to what extent the current upcycle in the sector will sustain, whether the planned capacity augmentation leads to pressure on utilization levels and realizations, and will the profitability of the players sustain to justify the upcoming capex in the sector?

As the demand momentum is continuing and the sector has entered the seasonally stronger half, please join CARE Ratings' webinar to understand our perspective on the industry followed by a panel discussion with industry experts on the sector outlook going forward.

Guest Speakers:

- Mr. Maheshwar Singh, Managing Director & Chief Executive Officer, Lafarge Cement (India) Ltd
- Mr. Anand Pathak, Managing Director, Birla Cement Ltd
- Mr. Anand Pathak, Managing Director, Birla Cement Ltd
- Mr. Anand Pathak, Managing Director, Birla Cement Ltd
- Mr. Anand Pathak, Managing Director, Birla Cement Ltd

Moderator:

- Mr. Anand Kumar, Chief Operating Officer, CARE Ratings Limited

**CARE Ratings' Webinar: Indian Construction Sector: Building blocks for economic revival**

Guest Speakers:

- Mr. Anand Kumar, Managing Director, Construction Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Construction Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Construction Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, Construction Sector, CARE Ratings

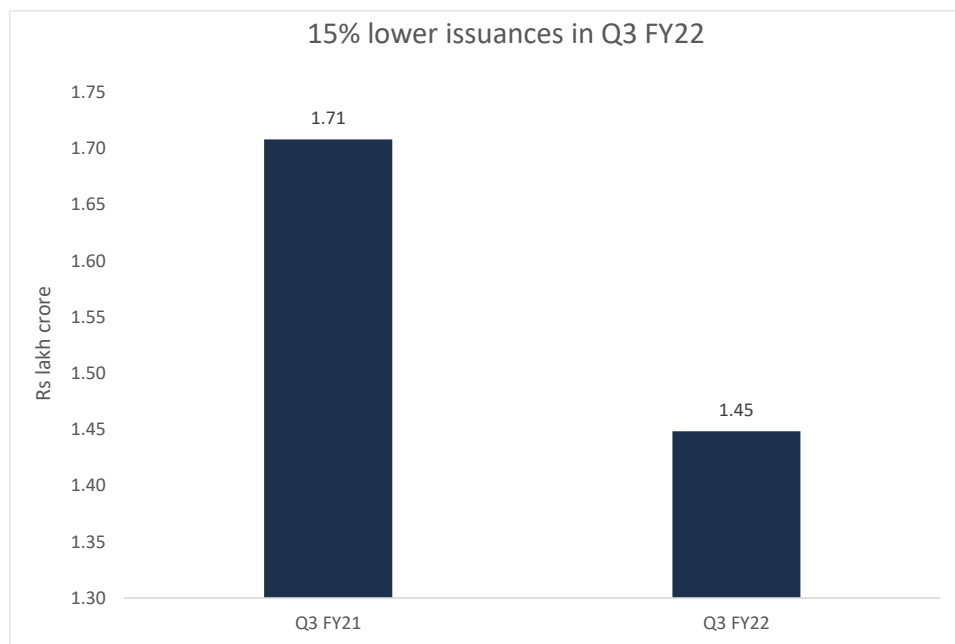
**INDIA INC'S TRYST WITH ESG**

October 21, 2021

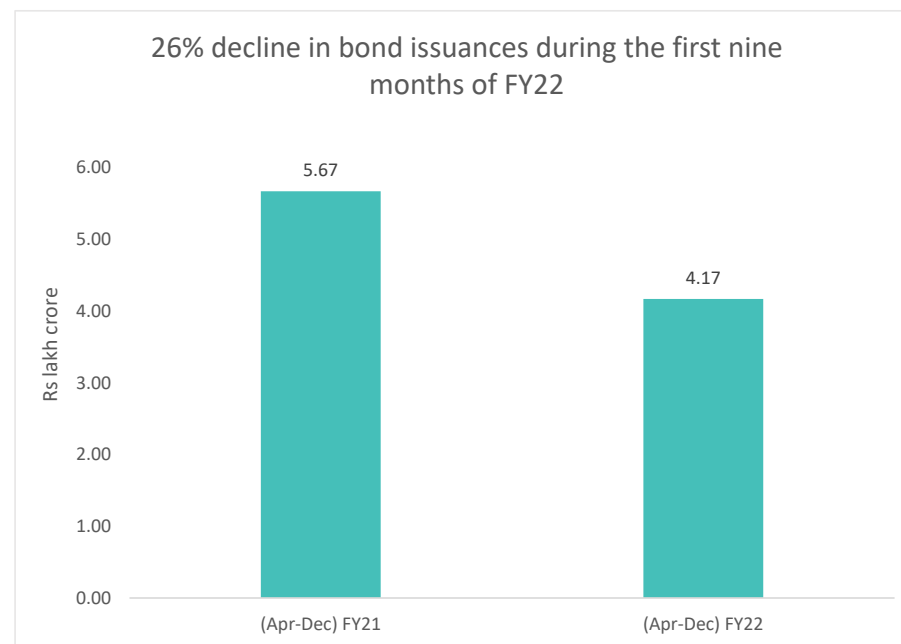
Guest Speakers:

- Mr. Anand Kumar, Managing Director, ESG Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, ESG Sector, CARE Ratings
- Mr. Anand Kumar, Managing Director, ESG Sector, CARE Ratings

## Subdued corporate bond issuances in Q3 FY22



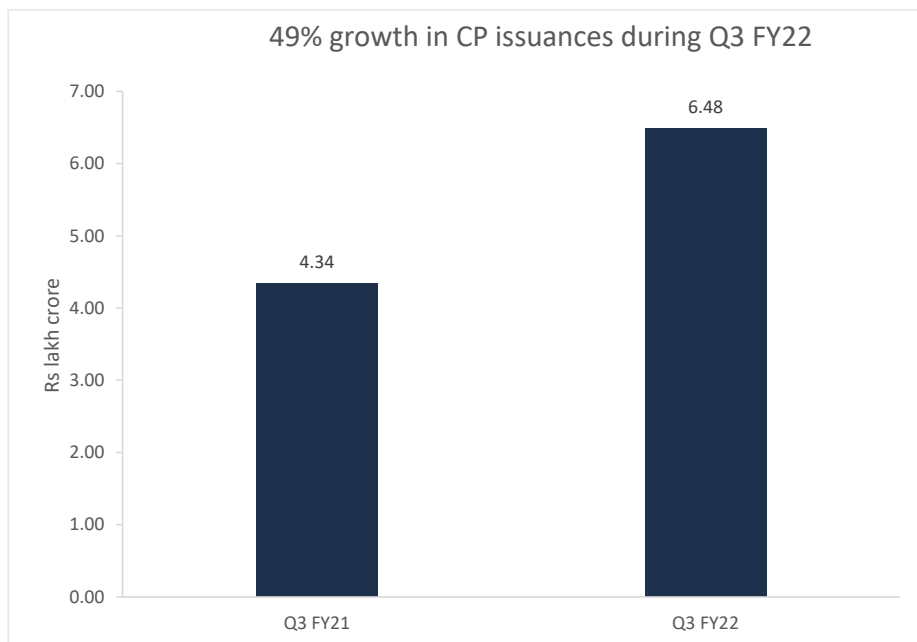
Source: Prime database



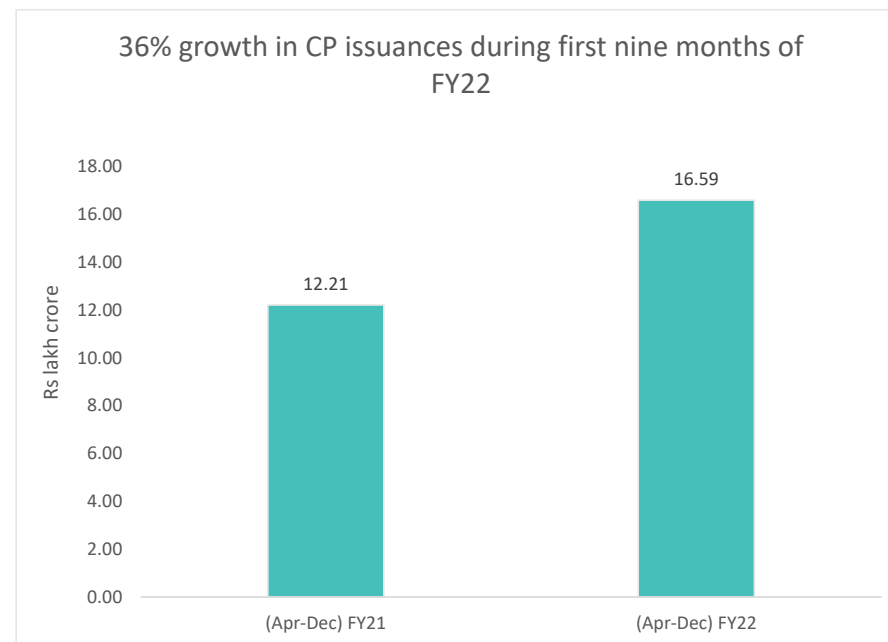
Source: Prime database

- The finance sector accounted for around 75% of the issuances during the first nine months of FY22

## Healthy growth in commercial Paper (CP) issuances in FY22



Source: RBI

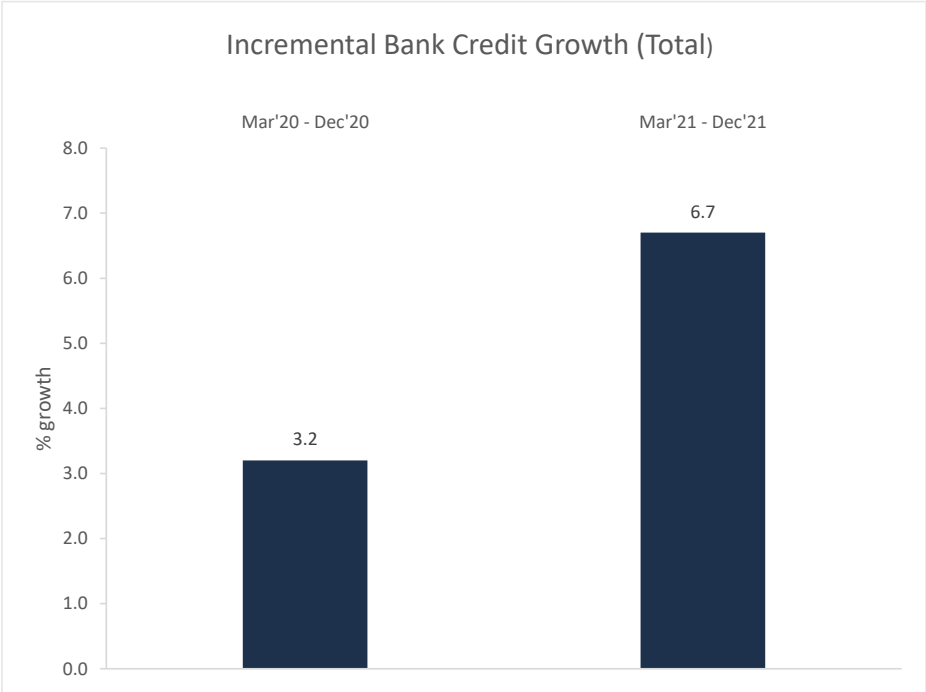


Source: RBI

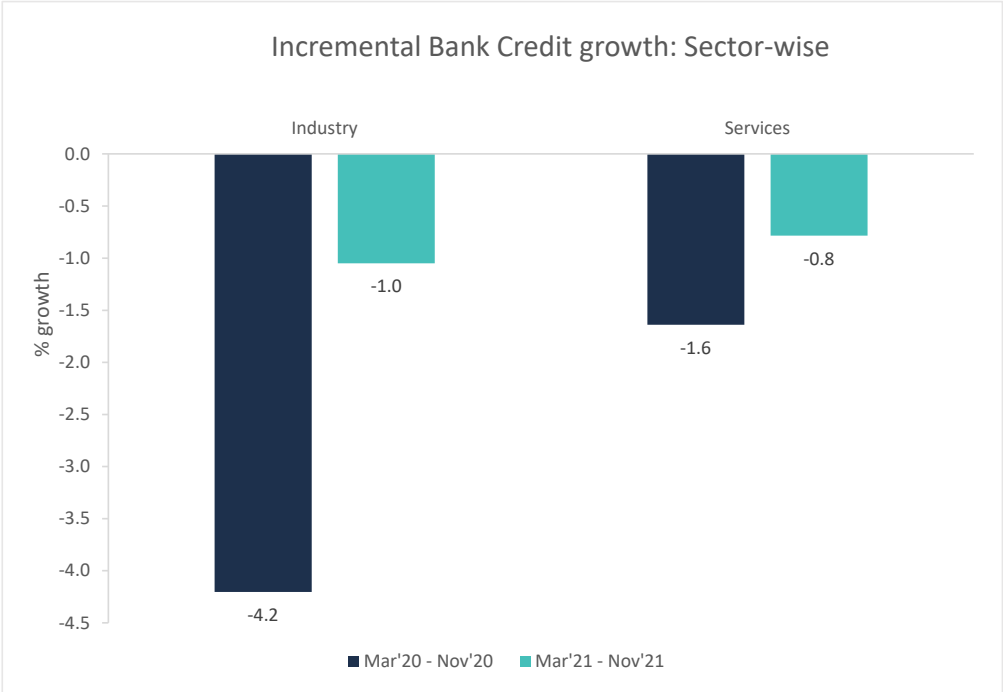
- The finance sector that includes financial services, banking, and housing finance had the highest share (nearly 60%) of commercial paper issuances during April-December'21



# Bank credit offtake quickens in FY22 driven by retail and agriculture sector



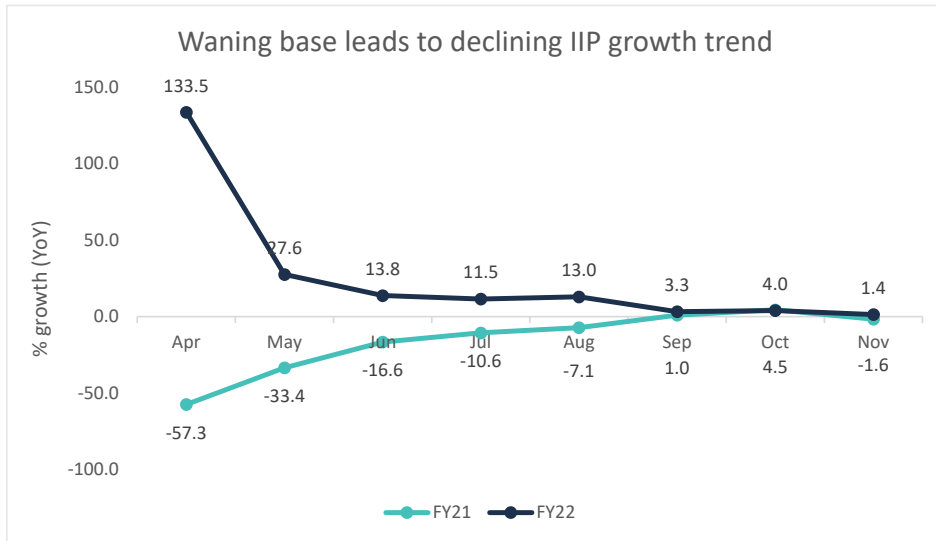
Source: RBI



Source: RBI

- 73% of the incremental credit offtake has been by the retail segment
- Industrial and service sector continue in contractionary territory reflective of deleveraging by borrowers as well as their low appetite for fresh investments

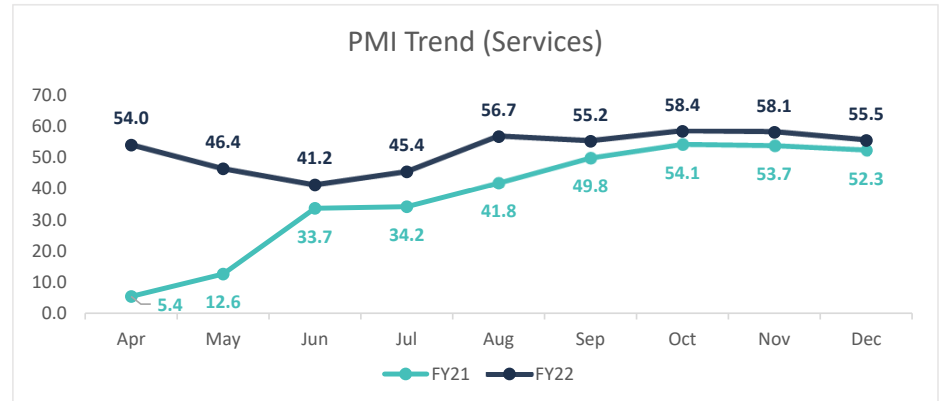
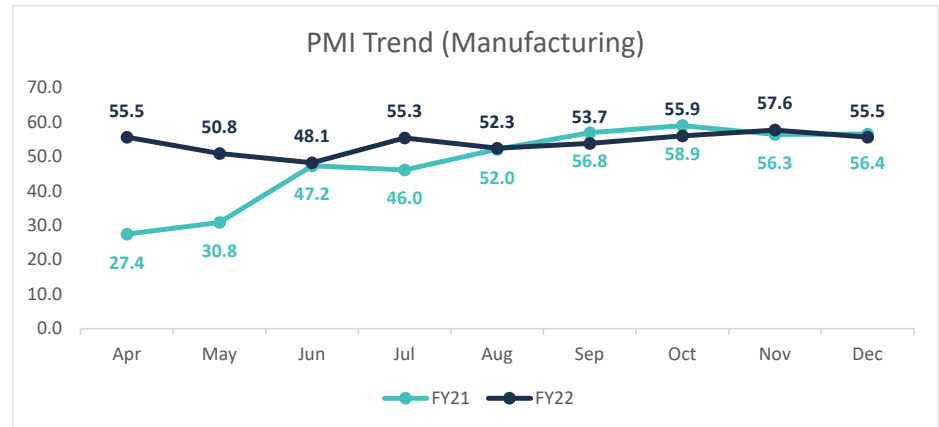
## High-frequency indicators show stability despite omicron worries



Source: Office of Economic Advisor

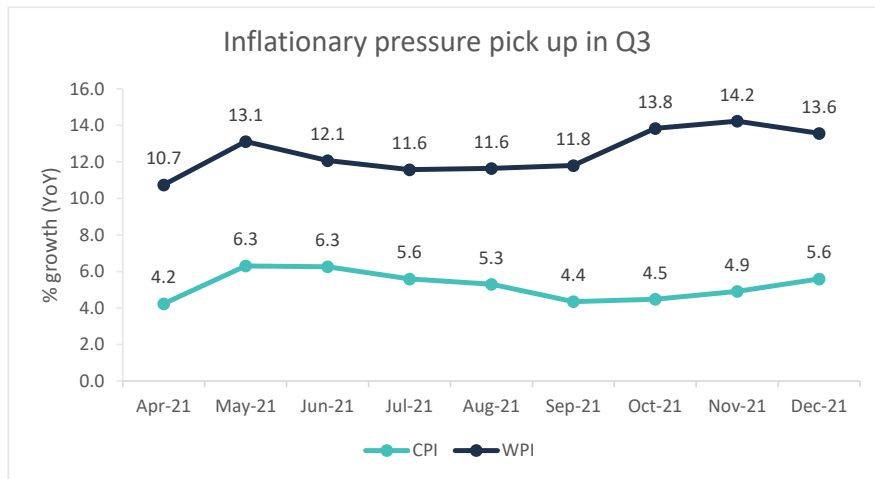
- Industrial production has grown 17.4% YoY during the first eight months of FY22, broadly on account of lower base last year

## Fairly stable PMI trends across manufacturing and services in Q3 FY22



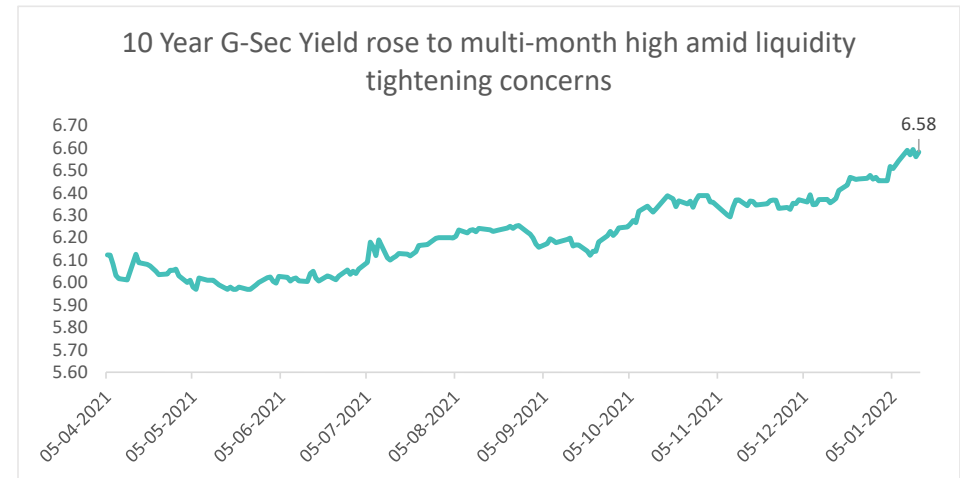
Source: IHS Markit

# Soaring inflation and G-Sec yields along with volatile domestic currency pose major threats to the growth momentum

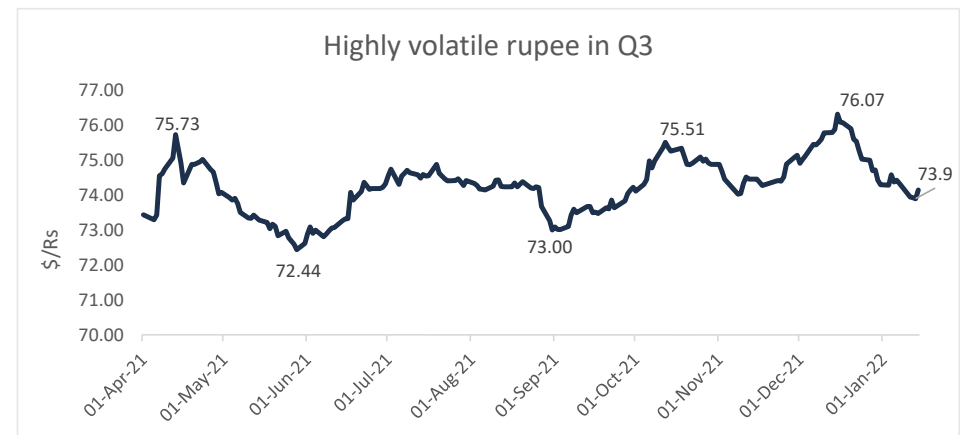


Source: MOSPI

- Retail inflation marching upwards since Oct'21 to hit a 5-month high in Dec'21
- Wholesale prices continue to be elevated clocking double-digit growth



Source: FBIL; \*data till January 14, 2022



Source: CMIE

## Outlook

1

GDP forecast for FY22 retained at 9.1% with a downward bias of 10 bps

2

After muted fiscal, improved investment outlook for FY23

- New investment announcements lacklustre in H2 FY22 amid new virus concerns
- Government is expected to focus on CAPEX in FY23. This would stimulate private investment and thereby fund raising from the debt and credit markets

3

Bond yields to remain elevated in the band of 6.60-6.80% for the next 3 months

- Statue quo on policy repo rate and reverse repo rate in the RBI's February MPC meet

4

Inflation to remain close to the upper band of RBI's target in the last quarter of FY22



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Thank You