

Date: February 08, 2021
SE/2020-21/86

To,

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

Sub: Investor Presentation for Q3 FY21 and 9M-FY21.

Please find enclosed herewith the Investor Presentation of CARE Ratings Limited for Quarter and nine months ended December 31, 2020 for the Financial Year 2020-21 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.

Please take note of the above.

Thanking you,

Yours faithfully,
For CARE Ratings Limited

Navin Jain



Navin Kumar Jain
Company Secretary & Compliance Officer

Encl : As above

CARE Ratings Ltd.

Investor Presentation:
**Q3 FY21 and
9M-FY21**

February 6, 2021



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Financial Performance – Q3 FY21

Rs. Crore

Particulars	Standalone		% Change	Consolidated		% Change
	Q3 FY20	Q3 FY21		Q3 FY20	Q3 FY21	
Total Income	57.23	54.83	-4%	63.25	63.72	1%
Total Expenses	36.00	33.78	-6%	40.79	39.55	-3%
Profit Before Tax (PBT)	21.23	21.05	-1%	22.46	24.17	8%
Provision for Tax	4.75	5.24	10%	4.88	5.23	7%
Profit After Tax (PAT)	16.48	15.81	-4%	17.58	18.94	8%
Profitability						
PBT (%)	37%	38%		36%	38%	
PAT (%)	29%	29%		28%	30%	
Basic EPS (Rs. per share)	5.59	5.37		5.91	6.32	

Financial Performance – 9M FY21

Rs. Crore

Particulars	Standalone		% Change	Consolidated		% Change
	9M FY20	9M FY21		9M FY20	9M FY21	
Total Income	185.55	176.96	-5%	201.70	194.49	-4%
Total Expenses	103.49	93.79	-9%	117.97	110.28	-7%
Profit Before Tax (PBT)	82.07	83.17	1%	83.73	84.21	1%
Provision for Tax	15.51	19.43	25%	15.93	19.73	24%
Profit After Tax (PAT)	66.55	63.74	-4%	67.80	64.48	-5%
Profitability						
PBT (%)	44%	47%		42%	43%	
PAT (%)	36%	36%		34%	33%	
Basic EPS (Rs. per share)	22.59	21.63		22.77	21.53	

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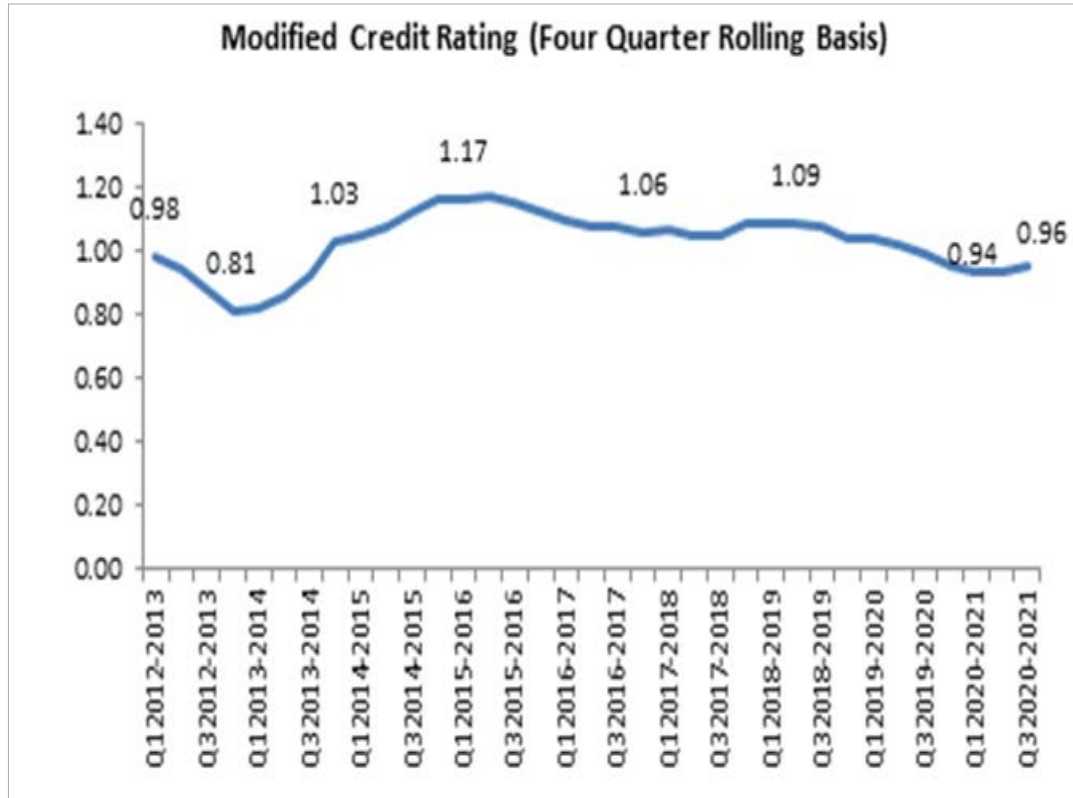


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Modified Credit Ratio



What is MCR?

The MCR is defined as the ratio of (upgrades and reaffirmations) to (downgrades and reaffirmations)

The credit quality of the rated entities as measured by CARE Rating's 'modified credit ratio' (MCR) at 0.96 for Q3-FY21 was an improvement, albeit marginally from the preceding two quarters (0.94). While the majority (75%) of the entities saw their credit ratings being reaffirmed during the period, there has also been an increase in the proportion of entities that have witnessed a rating upgrade.

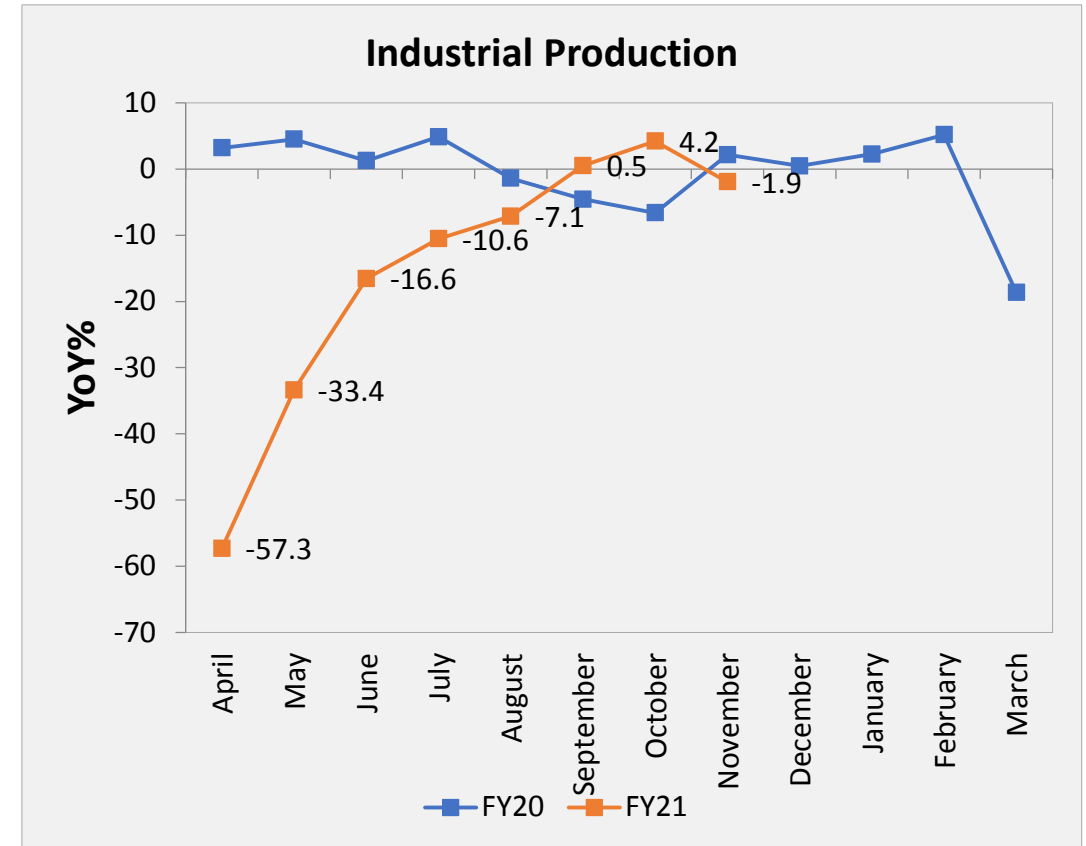
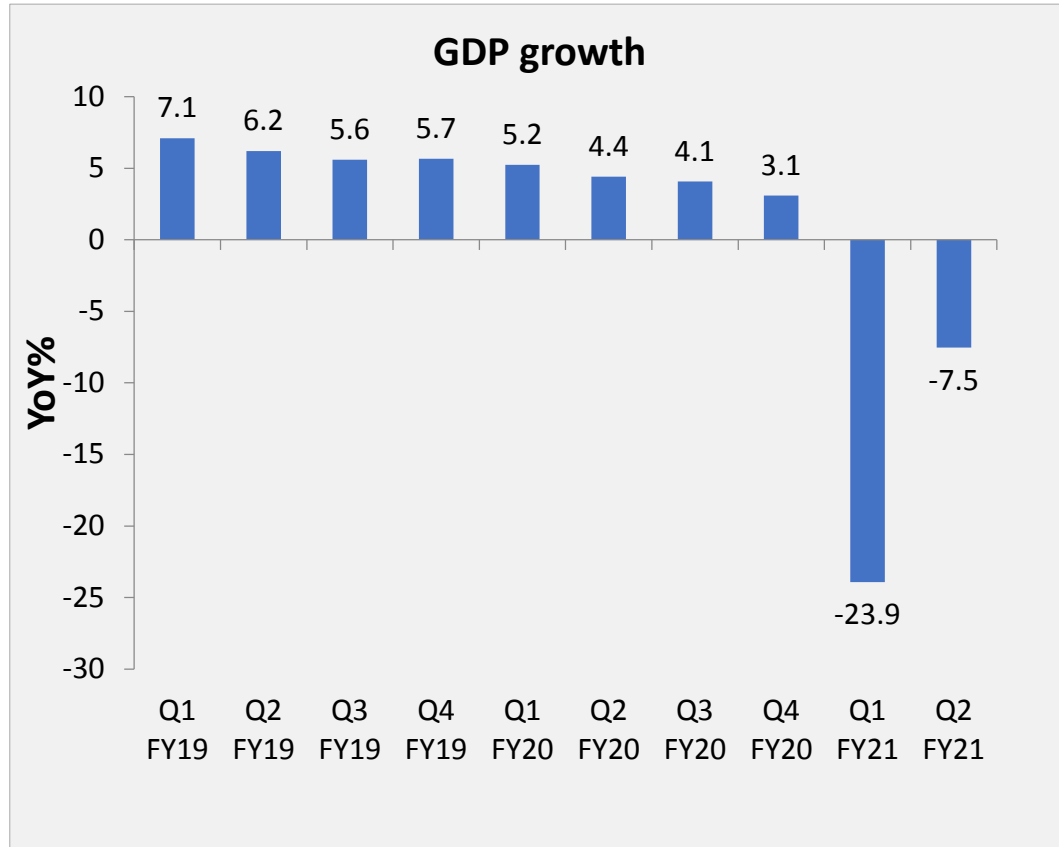
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GDP growth and Industrial Production



Source: MOSPI

NSSO's estimate of GDP for FY21 : (-)7.7%

CARE Ratings' estimate for FY21: (-) 7.7 – 7.9%

Economic Survey estimate for FY22 : 11% (Real), 15.4% (Nominal)

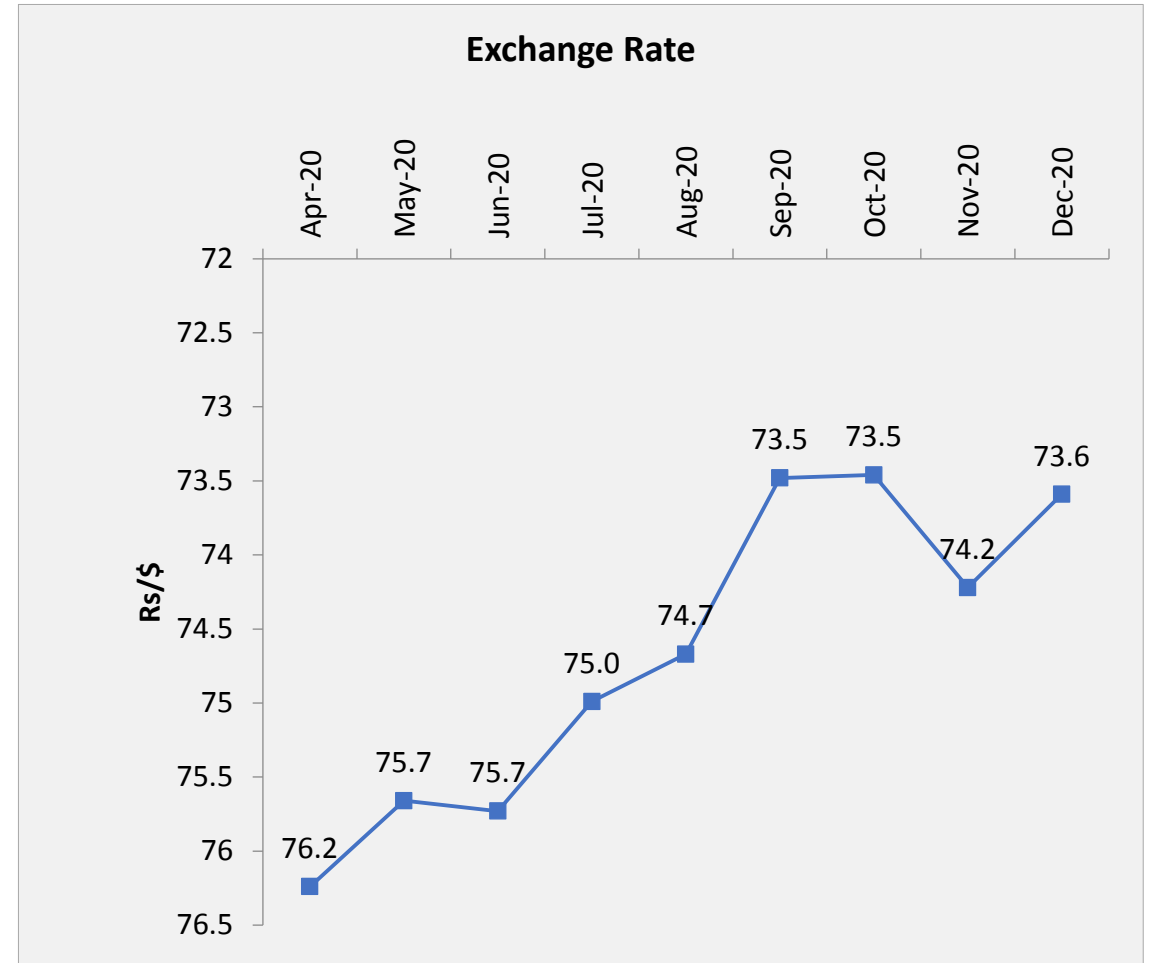
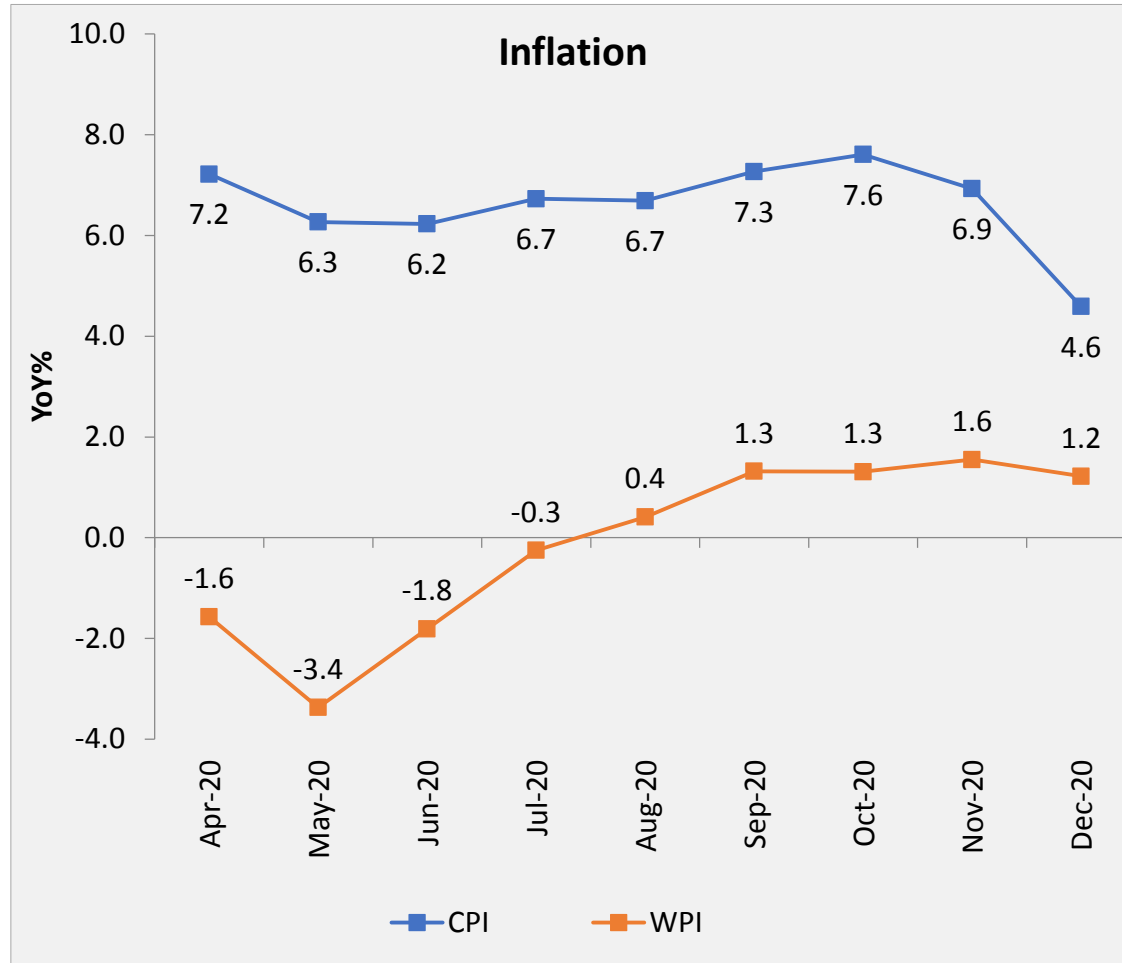
Budget 2021-22 projection for FY22 : 14.4% (Nominal)

Source: Office of Economic Advisor

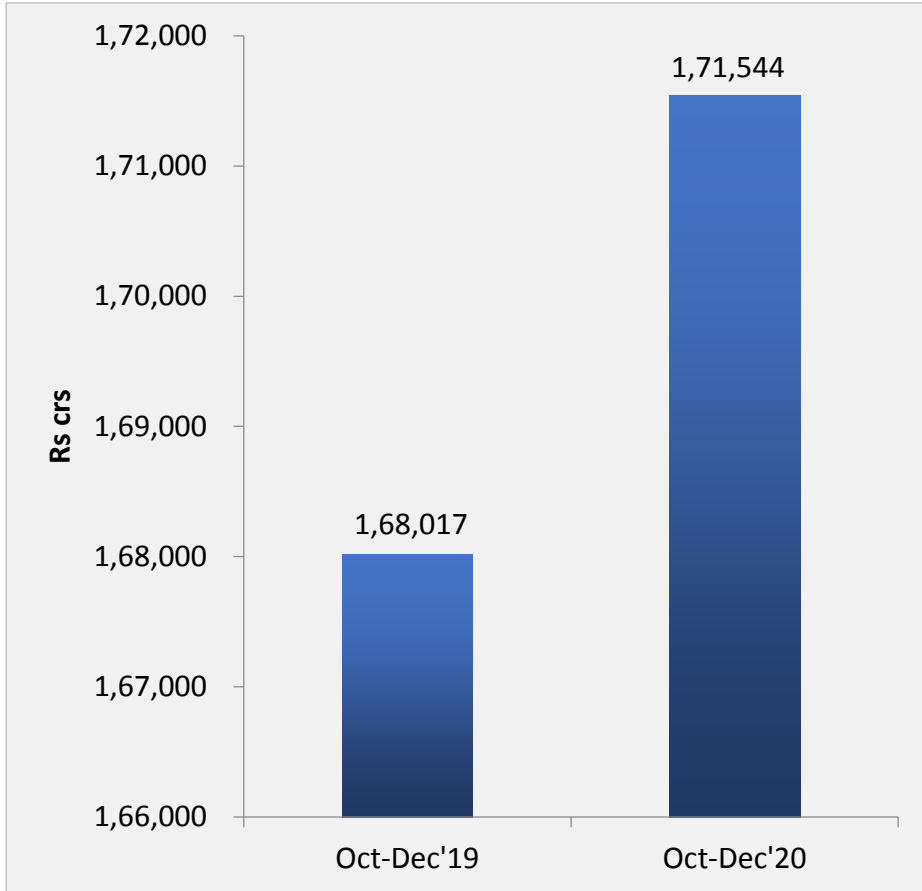
April-November'19 : 0.4%

April-November'20: (-) 15.3%

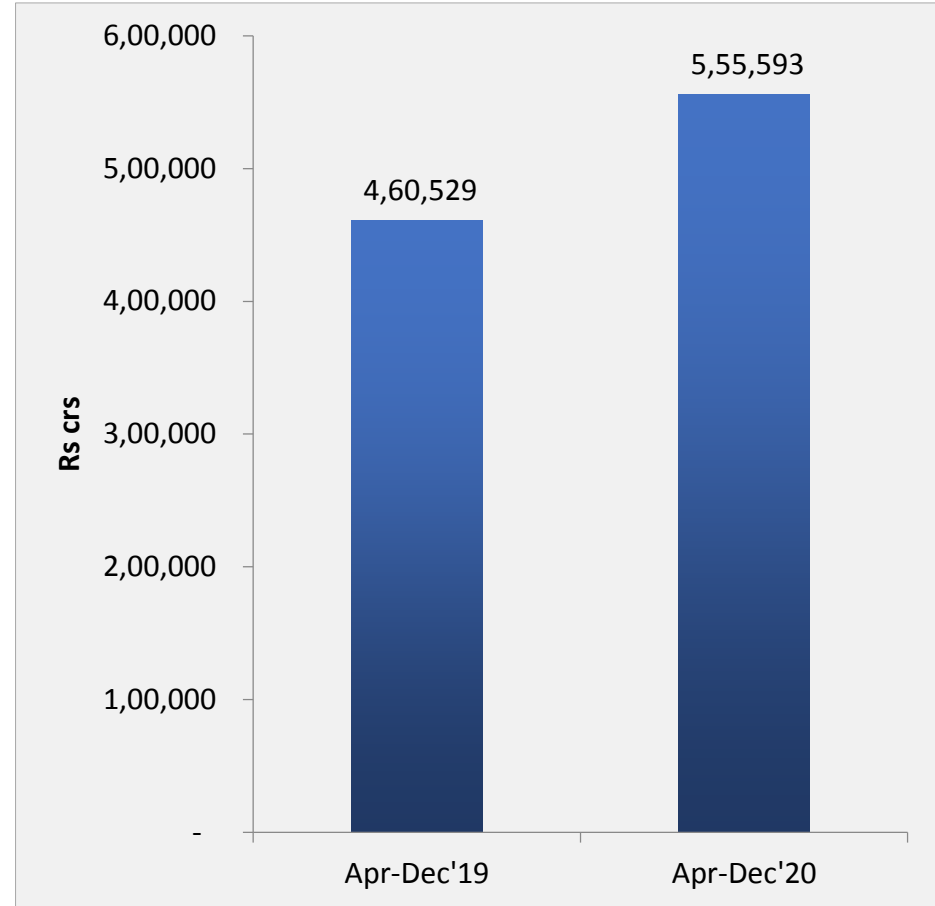
Inflation and Exchange rate



Debt issuances



Source Prime Database (including public issuances)

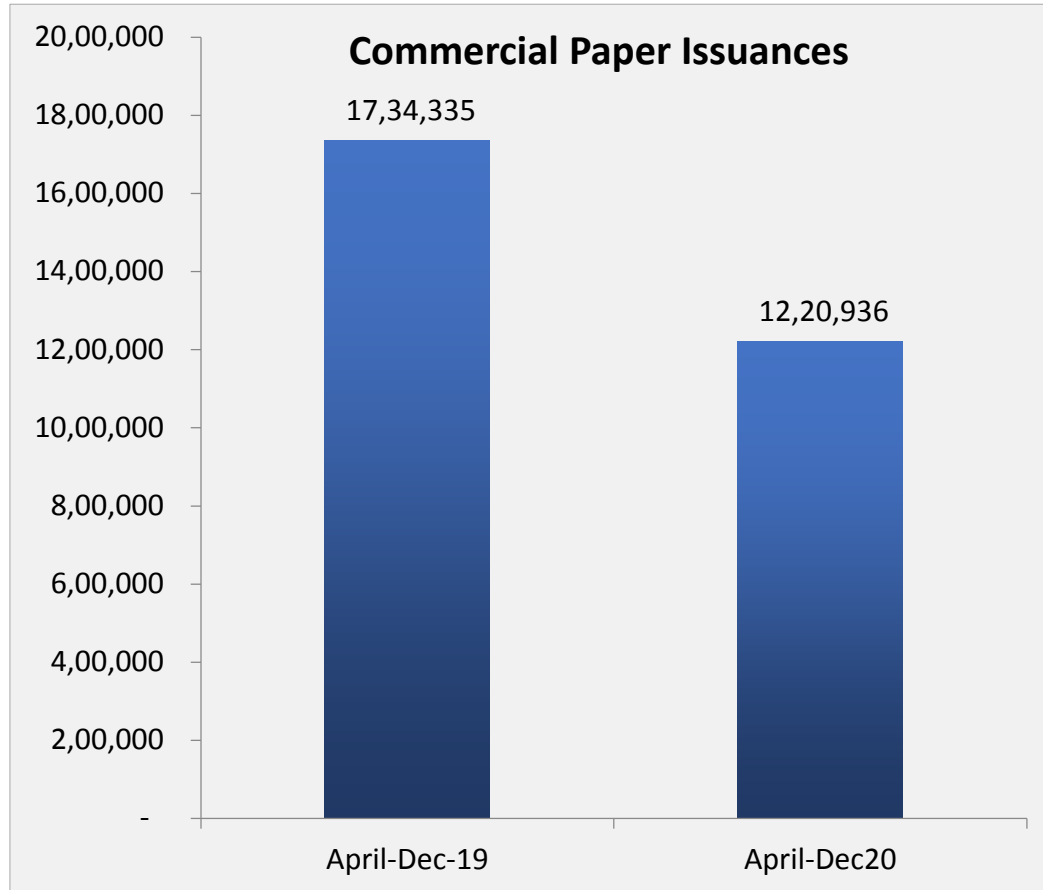


Corporate Bond Market

- Almost 64% of the total issuances during the current fiscal has been from banking/financial services and housing finance
- Corporate bond yields in the primary market have eased from 7.19% in April 2020 to 6.95% in September 2020 and further to 6.55% in December 2020.

Industry	% share (April-Dec'20)
Banking/Term Lending	32.5
Financial Services/Investments	17.6
Housing Finance	13.3
Roads & Highways	6.3
Power Generation & Supply	5.0
Oil Exploration/Drilling/Refining	3.4
Housing/Civil Construction/Real Estate	3.2
Telecommunications	2.8
Others	15.8

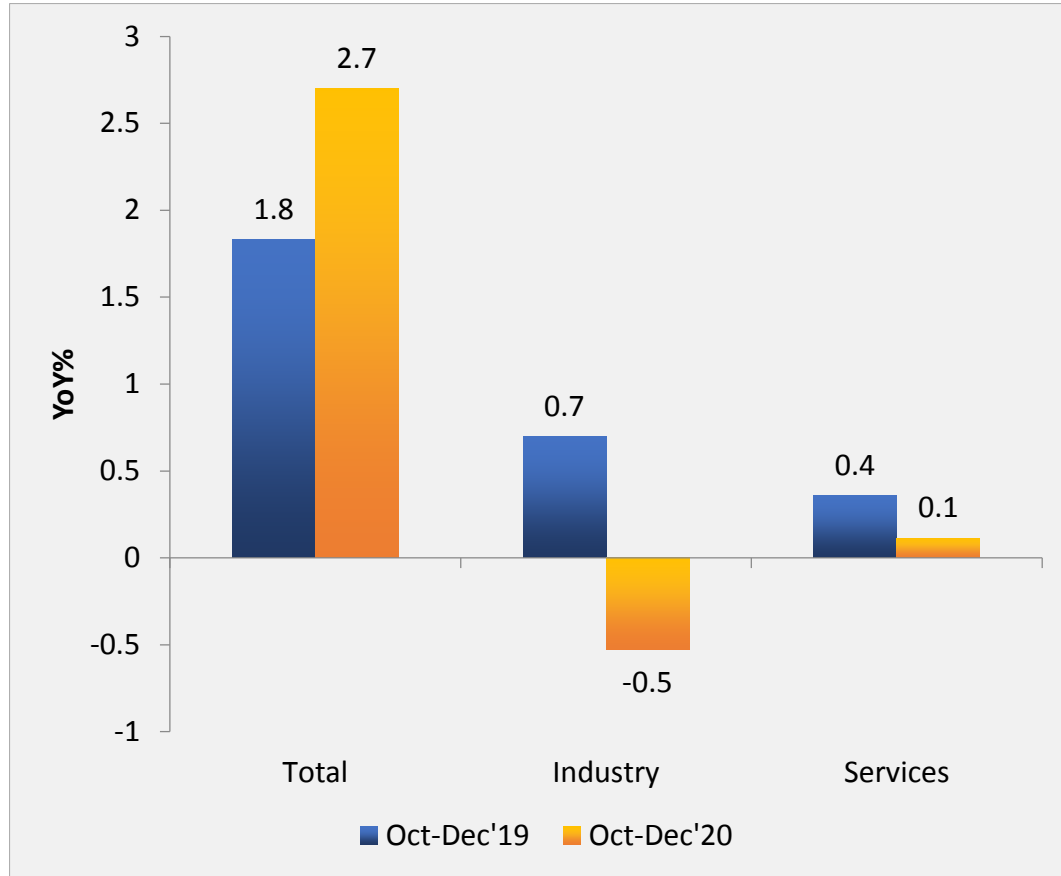
Commercial Paper



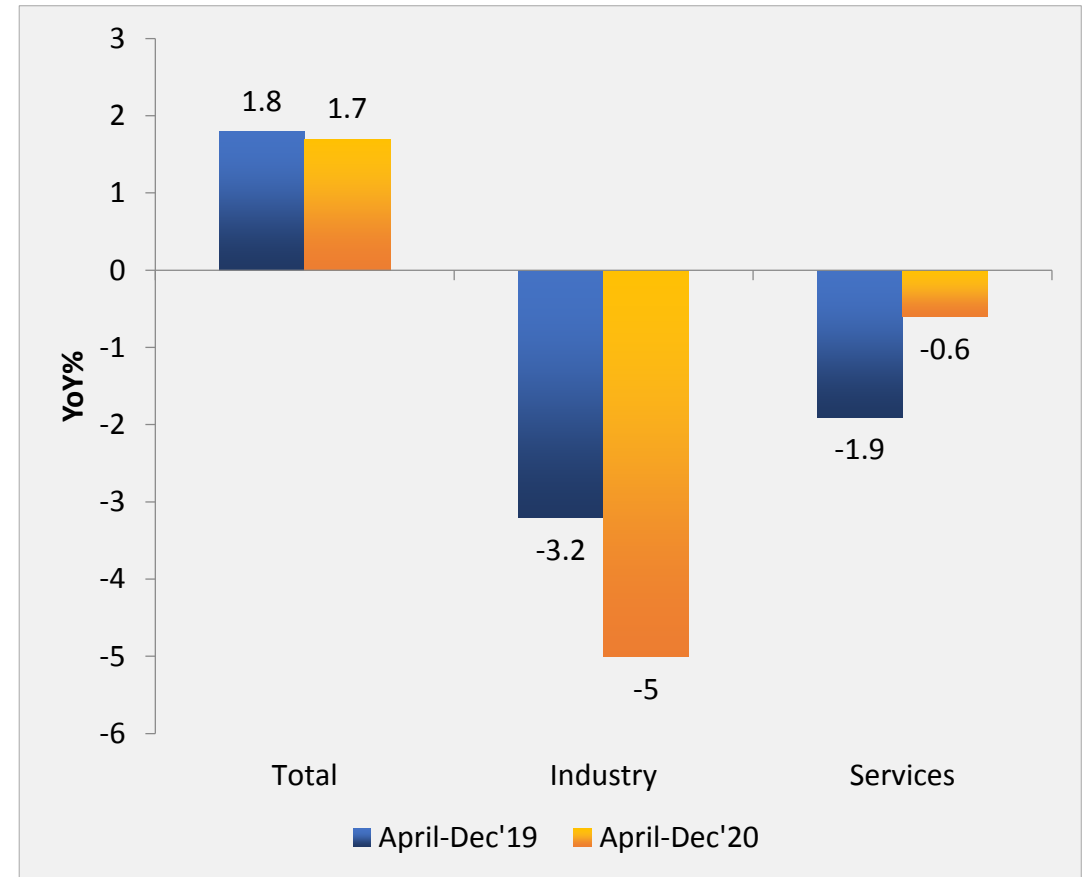
Source: RBI

- Sectors which have raised the highest funds during April-December 2020 via the CP market include: financial services/investment (25%), oil exploration (18%), banking/term lending (9%) and power generation (8%)
- CP issuances during Q3-FY21 stood at Rs 4.34 lakh crs compared with Rs 4.1 lakh crs during the corresponding quarter last year
- CP yields have moderated from 5.53% in April 2020 to 4.27% in September 2020 and further lower to 3.35% in December 2020

Bank Credit – Change (%)

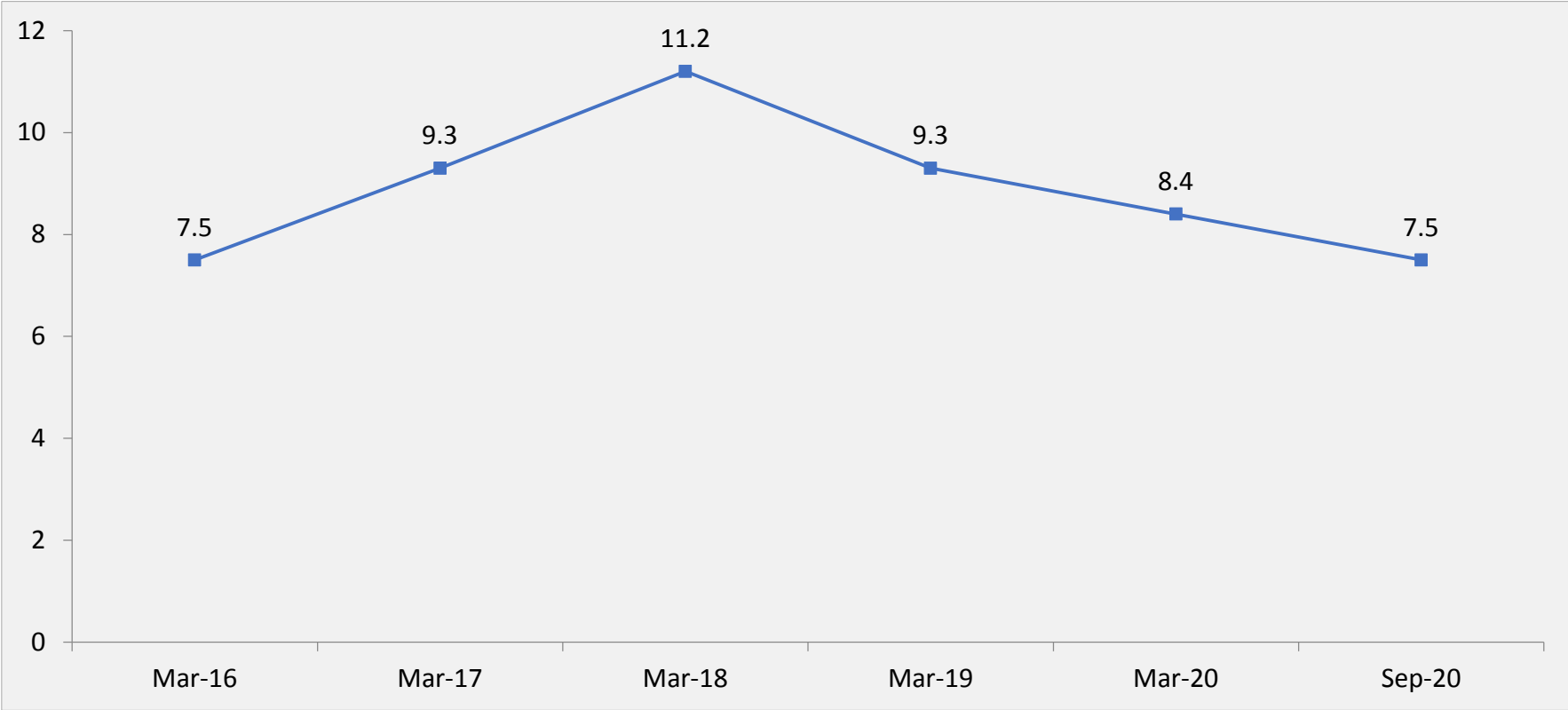


Source: RBI



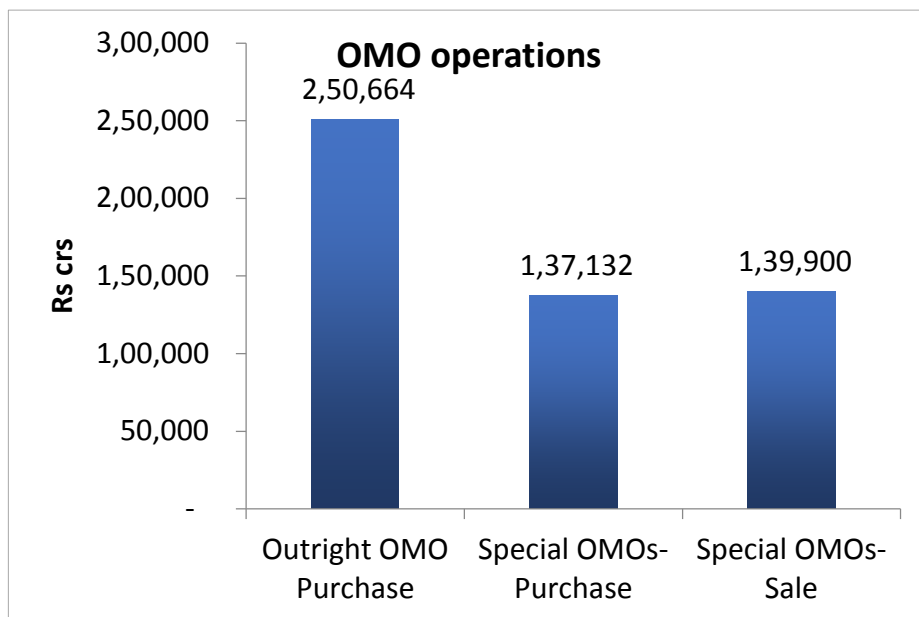
Source: RBI
Source: RBI

Non-performing assets (NPAs)



Source: RBI

Liquidity Infusion Measures by the RBI



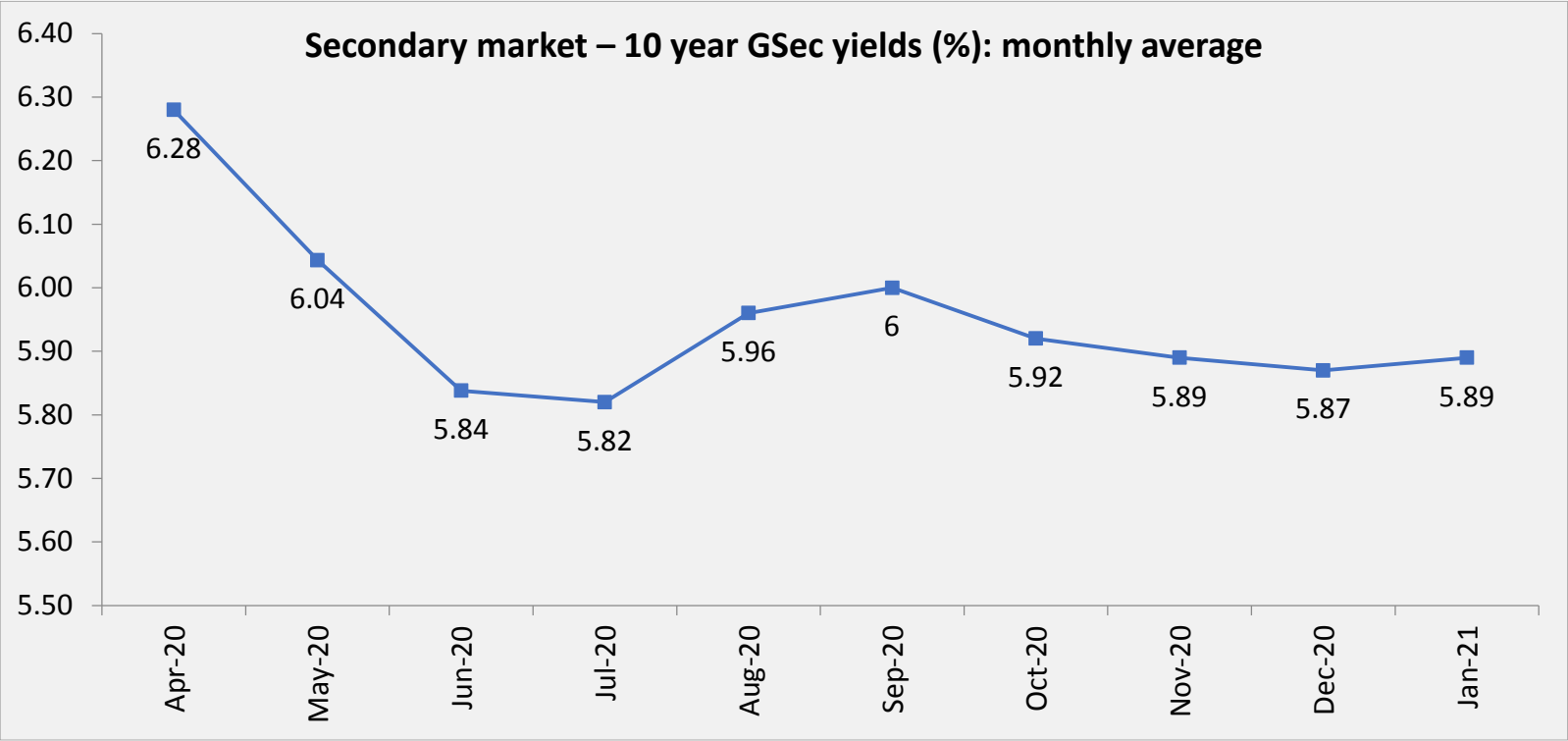
Source: RBI, till January 24, 2021

	Amount Auctioned	Amount Aailed	Reversals	Outstanding
LTRO	1,25,000	1,25,117	-1,23,572	1,545
TLRO 1.0	1,00,000	1,00,050	-32,448	67,602
TLTRO 2.0	25,000	12,850	-4,900	7,950
On-Tap TLTRO	1,00,000	NA	NA	NA

Source: RBI, Outstanding as of February 2, 2021

- RBI has reduced repo rate by 40 bps in May 2020 while it has reduced reverse repo rate by 65 bps during April – May 2020

GSec yields – 10 year



Source: FBIL



Thank You