

CareEdge rates \$3bn global debt, domestic ratings up 66% in Q1

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Mumbai: CareEdge Ratings is positioning itself as a global player in sovereign and cross-border corporate ratings through its Gift City-based subsidiary, CareEdge Global IFSC, and is engaging with global debt issuers and institutional investors like sovereign wealth funds.

“We are already among the top 10 global rating agencies when it comes to sovereign ratings by number of countries rated,” said MD & CEO Mehul Pandya. The agency has rated 39 sovereigns and about \$3 billion of debt, largely for Indian companies raising money overseas.

“A country poised to become the world’s third-largest economy should have its own global audit and rating firms,” Pandya added. Domestically, the surge in bond issuance following the cut in interest rates has improved prospects for the agency.

“The bond market in Q1 has grown significantly.

“We had a 66% jump from Q1 last year to Q1 this year in terms of the value of debt raised in the bond market,” said Revati Kasture, executive director CareEdge and CEO CareEdge Global.

According to Kasture, IFSC, the international arm is already the fifth largest by coverage and aims to challenge conventional methodo-

logies. “When we studied the methodologies of global rating agencies, we found areas that could be improved.

“These older frameworks sometimes fail to capture today’s geopolitical realities,” she said. “For example, our model was able to flag Greece’s vulnerabilities three years before its default.”

Of the 39 sovereign ratings, 50% differ from large global agencies, and in 12 cases others have moved closer to CareEdge’s view. “France was one such case. We rated it AA- with a negative outlook, and all three agencies have since moved down to that level,” Kasture said.

The firm also provides technical assistance.