



ICRA

ICRA Limited

May 24, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001, India
Scrip Code: 532835

National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051, India
Symbol: ICRA

Dear Sir/Madam,

Sub: - Investor Presentation FY2023

Pursuant to the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Investor Presentation FY2023.

Kindly take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As Above



UNLOCKING POTENTIAL

Investor Presentation FY2023

May 2023





AGENDA

- **ICRA AT A GLANCE**
- **GROWTH IMPERATIVES**
- **INSIGHTS**
- **CONSOLIDATED FINANCIAL PERFORMANCE**
- **BUSINESS DRIVERS & OUTLOOK**
- **RESEARCH & OUTREACH**
- **CORPORATE SOCIAL RESPONSIBILITY**



ICRA



ICRA AT A GLANCE

ICRA Ltd, was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment information and credit rating agency, now a subsidiary of Moody's Investors.

RATING

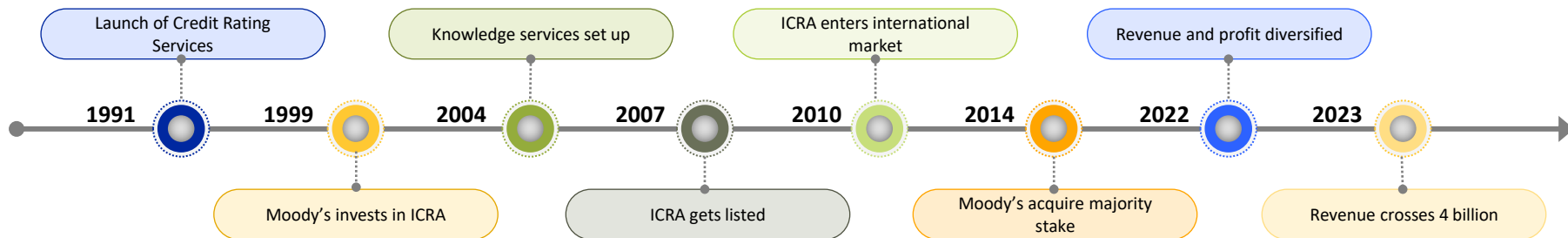
- Corporate Debt Ratings
- Financial Sector Ratings
- Structured Finance Ratings
- Infrastructure Sector Ratings
- Mutual Fund Scheme Ratings
- Public Finance Ratings
- Expected Loss Ratings
- InvITs

RESEARCH

- Industry Research
- Economy Research
- Credit Perspectives

ANALYTICS

- Knowledge Service
- Market Data
- Software
- Grading
- Risk Analysis



Key Call Outs

Financial FY'2023

Revenue*

↑ 18%



Rs. 403.2

Crore

PBT

↑ 19%



Rs. 181.2

Crore

Profit after Tax (PAT)

↑ 20%



↑ Rs. 136.7

Crore

EPS

↑ 20%



Rs. 141

Rs. Per Equity Share

Dividend

1300%



Rs. 125.5

Crore

NON-FINANCIAL



Track record of **30+** years with **17,000** (cumulative) rated entities, with rated debt of Rs. **78.03** Trillion



Analyses

20,000+ corporates, Financial Institutions Group and public finance entities worldwide



Monitors more than **168,000** structured finance cases



Monitors **10,000** + global entities for ESG parameters

*Revenue from operations



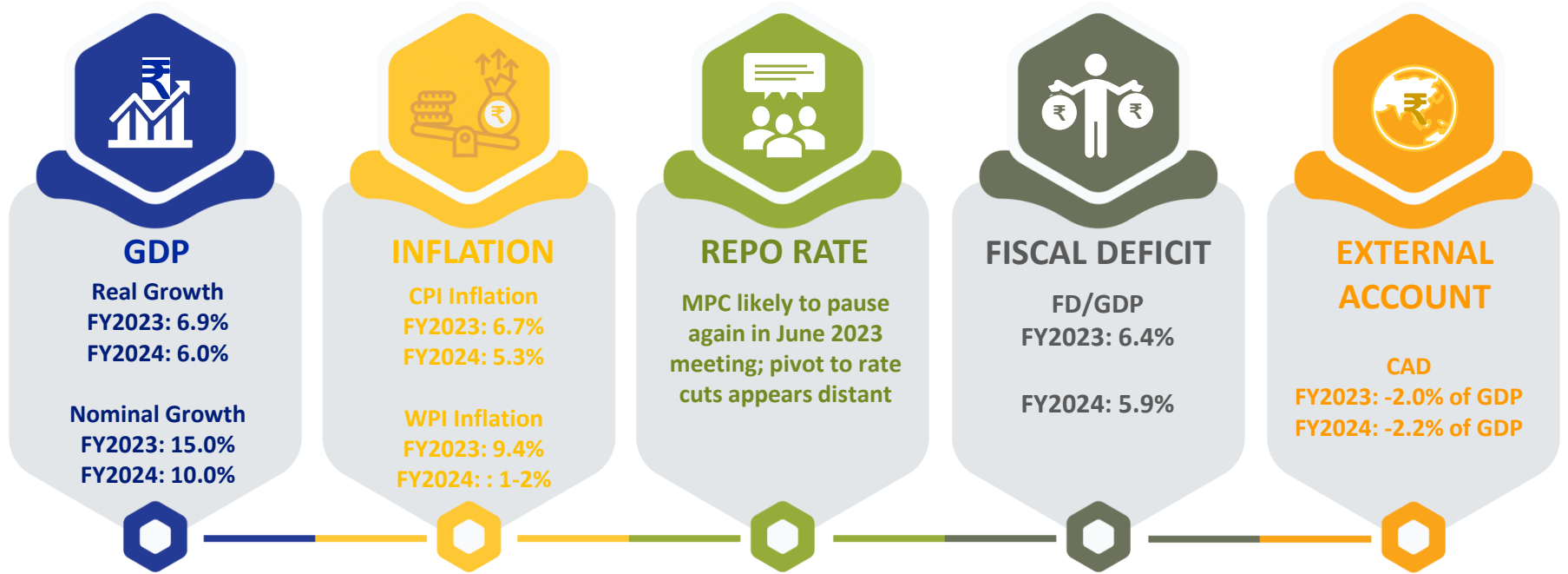
GROWTH IMPERATIVES

Aiming For Balanced and Sustainable Growth





INSIGHTS



Near-term outlook for economic activity remains uneven



External demand is expected to be cautious following the ongoing geopolitical tensions, continuing Monetary Policy tightening by some major advanced economy Central banks and banking sector concerns, which could weigh on India's merchandise and services exports in FY2024.

The GOI has enhanced high-multiplier capital spending in the Union Budget for FY2024. Given the large pipeline of infra projects scheduled to be completed in FY2024, this will aid in pushing project commissioning and thereby support investment demand. Timely execution remains key.



Private sector capex is likely to pick up in FY2024, amidst the rise in value of new project announcements, improving capacity utilisation levels, PLI schemes and GoI initiatives pertaining to clean energy. Besides, the GoI's capex push has the potential to 'crowd-in' private capex.

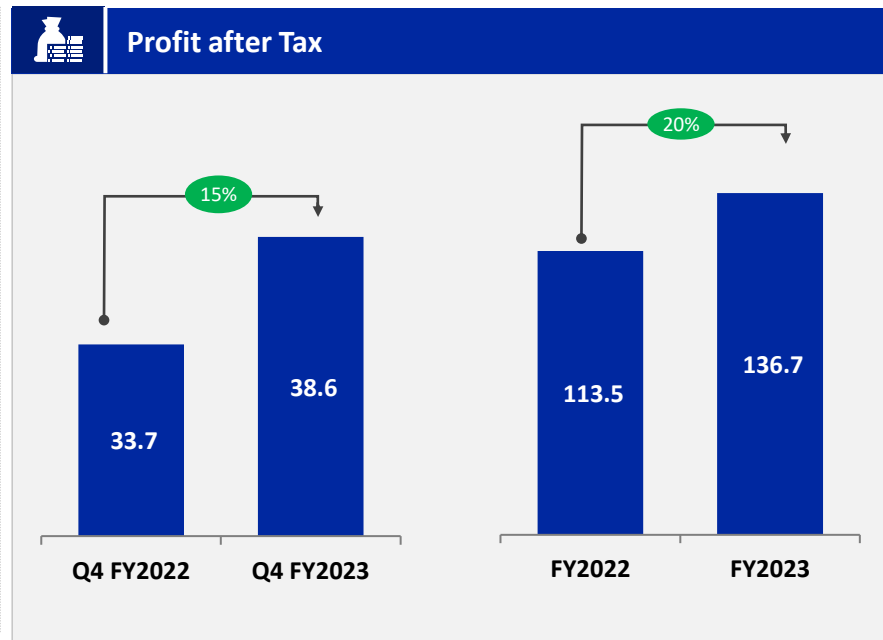
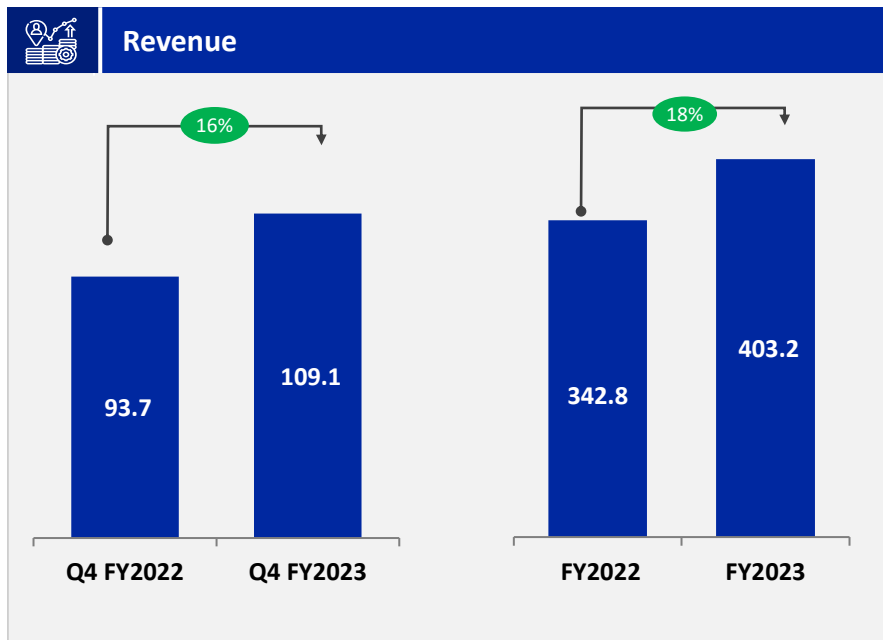
Consumption of services remains robust while demand for goods is somewhat uneven. While inflation is expected to moderate in FY2024 relative to FY2023, the impact of a potential El Nino on crops, food prices and farm incomes remains to be seen.





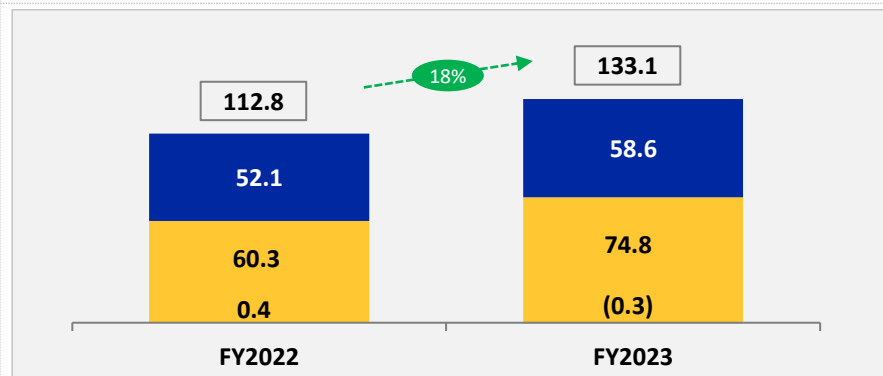
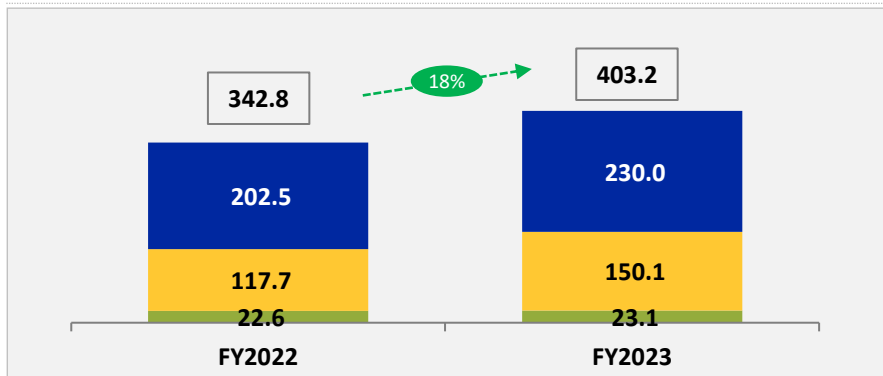
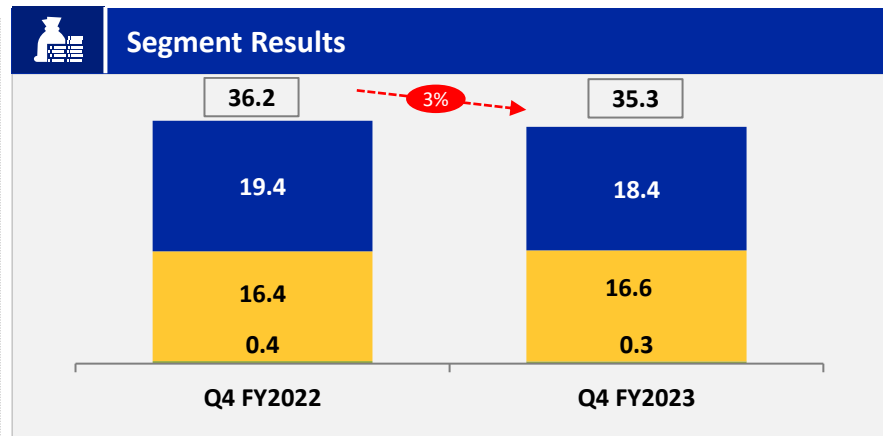
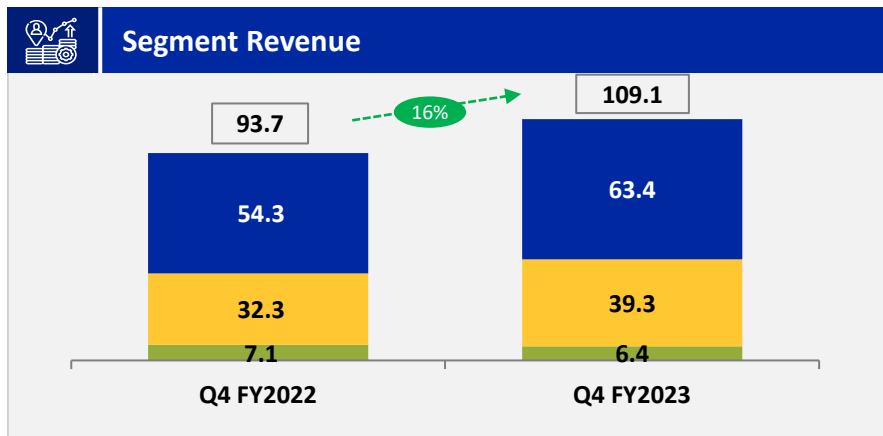
CONSOLIDATED FINANCIAL PERFORMANCE

Strong growth across Businesses: Q4 & FY2023



- Q4 FY2023 performance reflects the resurgence of economic confidence, coupled with the fruition of multiple strategic initiatives in the past few quarters
- ICRA's Rating revenue growth continues to benefit from its strong franchise in growth segments led by bonds, bank credit and structured finance
- ICRA Analytics continued its growth journey driven by strong demand for research and analytics. Market data and banking also contributed to the growth through client and product additions.

Segmental Performance: Q4 & FY2023



■ Rating, research and other services ■ Knowledge services ■ Others

Others includes Market services, Consulting services segments and intercompany adjustments



BUSINESS DRIVERS & OUTLOOK

Market Issuances

Bonds

Q4 FY23: 54.8% *growth on-year*

FY 23: 28.5% *growth on-year*

- Led by Bank and NBFC issuances
- Strong surge in the second half after a sluggish first half as bank rates rose to converge with the higher bond yields

CPs

- Flat [0.4% on-year]
- Reduced in Q3 and Q4 as investors preferred Bank CDs over CPs

Bank Credit

Non-Food Bank Credit o/s

Q4 FY23: 3.2% [2.1% PY] *growth on-quarter*

FY 23: 15.5% *growth on-year*

- Decadal high even though the incremental growth moderated in Q4 compared with Q3
- Higher global rates and quicker rate transmission in bond yields in H1 supported the bank credit growth
- Large corporates showed good incremental growth

Securitisation

Q4 FY23: 20% *growth on-year*

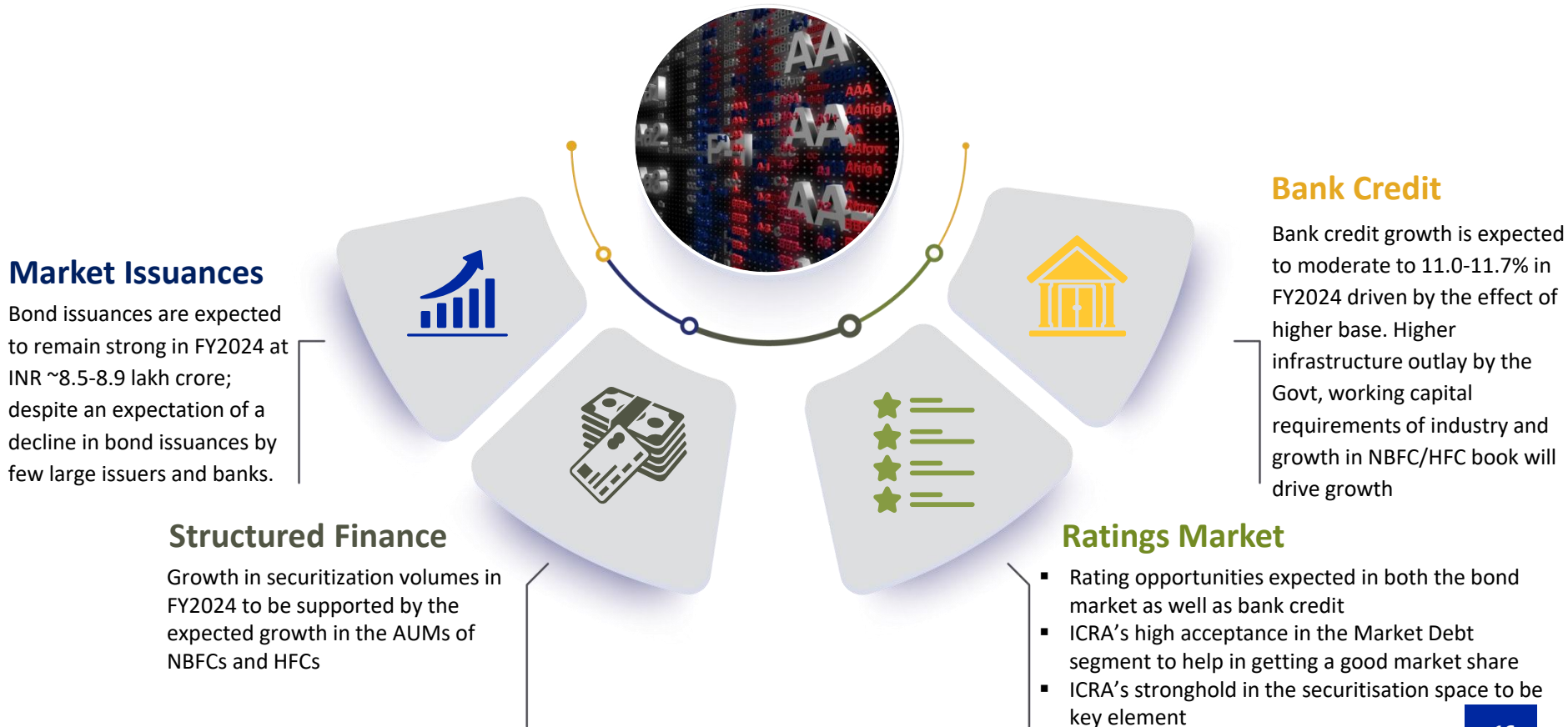
FY 23: 42% *growth on-year*

- Growth in NBFC /HFC AUMs post the pandemic
- Improved investor risk appetite as collection efficiencies stabilized to pre-pandemic levels

Rated Volumes

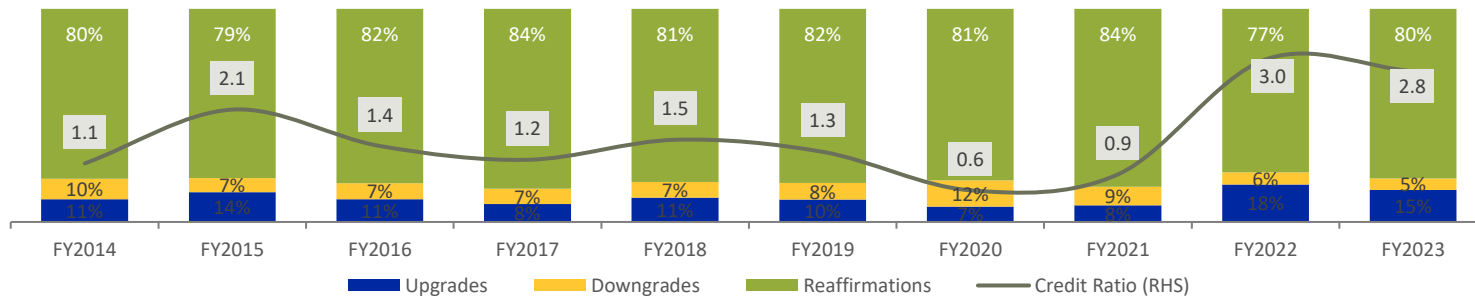
Bank credit + Market Issuances

- Strong growth in rated volumes in bank credit and market issuances
- Private sector segment borrowed to fund higher working capital requirement, capex and post pandemic growth



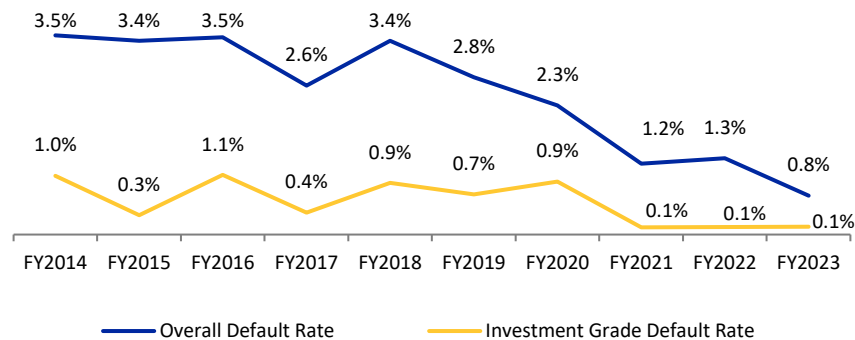
Sharp Improvement in Rating Accuracy Metrics

Trend in Rating Reaffirmations and Rating Changes

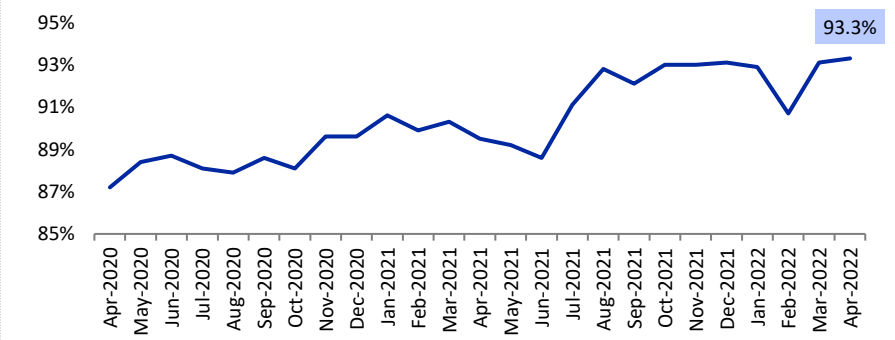


Reaffirmations 10-year average: 80%
Downgrades 10-year average: 8%
Upgrades 10-year average: 11%

Defaults have been on a leash over the past three years



Average Default Position





Knowledge Services

- Analytics for financial reports, ESG
- Structured finance modelling and data management



Market data

- Preferred vendor for Mutual Fund data for over 20 years
- Fixed income valuation products and services
- Multi-asset workflow and analytical solutions



Risk Management

- Internal rating models for banks and NBFCs
- ECL solutions
- Industry risk scores
- Counter-party risk assessment

- Domain expertise, technology-driven, service quality
- Long-standing strong relationship with the clients
- Strong presence in the BFSI segment



- Great Place to Work certified (4th year running);
- ISO 9001:2015 and ISO 27001:2013 certified (more than 10 years);
- Multi-year cohort winner of STPI export awards in West Bengal for business growth and gender ratio.



RESEARCH & OUTREACH

1 WEBINARS & EVENTS

2 RESEARCH PUBLISHED

3 MEDIA COVERAGE




Agenda

14:00 IST | *Opening Remarks by*
Vikas Haldar, Associate Managing Director, Corporate Finance Group,
Moody's Investors Service

Invite you to a webinar on
**India's Steel Sector:
Is the Cycle Turning for Steelmakers?**

India's steel sector is at an inflection point, given the current hawkish monetary policy and slowing economic growth

Join Moody's and ICRA analysts as they discuss key credit trends in the global steel sector and their impact on India, the world's second-largest steel market.



14:05 IST | *Moody's Sector Outlook by*
Rakesh Chhabal, Senior Vice President, Corporate Finance Group,
Moody's Investors Service





Join our webinar on
Auto Component Industry

Wednesday, February 22, 2023 at 04:00 PM (IST) Register Now

SPEAKERS:



Sunjay Kapur
Chairman, Sona Comstar, President,
Automotive Component Manufacturers
Association of India.



Shradha Suri Marwah
Chairperson & MD, Sabros Limited,
Vice President, Automotive Component
Manufacturers Association of India.








INDIAN AUTO COMPONENT INDUSTRY

Airbag market expected to grow to ~2.5-3x of current levels to Rs. 6,000-7,000 crore by FY2027

DECEMBER 2022




Cross-sectoral trends and outlook

Conducive business environment and incentivising Government policies may help India gain in China + 1 strategy over its peers


December 2022




INDIAN CORPORATE SECTOR: Q3 FY2023 PERFORMANCE REVIEW AND OUTLOOK

India Inc. witnessed sequential expansion in margins despite subdued revenue growth

FEBRUARY 2023



Economic Times
@EconomicTimes

In April, 2022 ICRA said, "In some of the industries showing healthy capex, include energy, digitalisation, core industries, automotive, pharma -- all of them are seeing healthy capex": FM Nirmala Sitharaman in Raja Sabha

MACRO

India's GDP growth to decelerate to 6% in FY24 amid external slowdown: ICRA

In its latest economic outlook report, the ratings agency says the weak monsoon poses downside risk of up to 50 basis points (50 bps).

By [FORTUNEINDIA.COM](#), Mar 24, 2023 | 3 min read

Domestic steel demand to grow at 7-8% in FY24: ICRA

4 min read • [Livemint](#)

Infra finance NBFCs to grow 10-12% in FY24, ICRA revises outlook to positive

India Inc's profit margin narrows in Dec quarter on high inflation: Icr

When viewed sequentially, the operating profit margin for the December quarter expanded by 1.80 per cent over the preceding September quarter, Icr Ratings said



In April, 2022 ICRA said, "In some of the industries showing healthy capex, include energy, digitalisation, core industries, automotive, pharma -- all of them are seeing healthy capex": FM Nirmala Sitharaman in Rajya Sabha

Live Updates | bit.ly/3WwUJMQ



Tajinder Pal Singh Bagga
@TajinderBagga

Indian economy likely to grow 12-13% in Q1: ICRA
economictimes.indiatimes.com/news/economy/i...

via NaMo App

Indian economy likely to grow
12-13% in Q1: ICRA

THE ECONOMIC TIMES MAY 18, 2022



Subir Hazra • 2nd
Chief Commercial and Strategy Officer at GMR Services, GM...

+ Follow

The domestic aviation industry is expected to report a net loss of Rs 25,000-26,000 crore this fiscal with elevated jet fuel prices and fare caps continuing to pose a major challenge for the airlines' profitability, domestic rating agency ICRA Ltd said on Thursday. The domestic airlines, however, are likely to post a reduced net loss of Rs 14,000-16,000 crore in the next financial year on the back of a "notable recovery" in air passenger traffic and lower level of debt. ICRA said.



Siddharth Kochhar • 2nd
Manager - Development Eurasia at Wyndham Hotels & Res...

+ Follow

ICRA expects hotel industry revenues, margins to return to pre-#COVID levels.
#hospitality #hotels #travel #incredibleindia



ICRA expects hotel industry revenues, margins to return to pre-COVID levels in FY23

economictimes.indiatimes.com • 2 min read



Navneet Mendiratta - Editor ETTravelWorld • 2nd

ETTravelWorld.com is your one-stop shop for all B2B news related to the trav...
21h •

An ICRA report reveals that Aviation industry earnings in FY 2023 will face major roadblocks due to a surge in ATF prices by 89.7%. Elevated crude oil prices have come forth as a result of the Russian invasion of Ukraine.

Suprio Banerjee #ukrainerussiaconflict #aviationindustry #oilprices



Purnesh Modi
@purneshmodi

Domestic air passenger traffic up 19% in February: Ica
livemint.com/news/india/dom...

via NaMo App

Domestic air passenger traffic up
19% in February: Ica

Live Mint March 09, 2022



CORPORATE SOCIAL RESPONSIBILITY

550

WOMEN SUPPORTED & EMPOWERED



371

STUDENTS EDUCATED



800

INDIVIDUALS SUPPORTED IN LEARNING SKILLS



33

HOURS VOLUNTEERED BY EMPLOYEES



241

STUDENT'S EDUCATION SPONSORED



500

MARGINALISED YOUTH TRAINED





ICRA CSR Champs celebrated India's 74th Republic Day with students from Vidya School.



CSR Employee Volunteering Programme at VIDYA School Gurugram, Haryana



- ▶ 41 student beneficiaries
- ▶ ICRA is supporting the education of 41 students of Grade VII since they were in Grade III
- ▶ VIDYA is an NGO-run school which provides village children with quality education along with the best infrastructure and facilities.



ICRA's Sustainability initiative is connecting with the urban communities by raising awareness on climate change and building green spaces in barren areas.



ICRA champs helping out community women and youth from our NGO Partner FWWB at the plantation drive.



Digital Inclusion for Young Aspirants (DIYA), ICRA's CSR programme to create a digital-age career opportunities for the youth.



Session on Financial Literacy & Communication Skills, conducted under the ICRA CSR Volunteering Programme.

This Investor Presentation contains certain forward-looking statements (including expectations and plans) that may be identified by words, phrases, or expressions such as “expected”, “likely”, “will”, “would”, “continue”, “intend to”, “in future”, “opportunities” or their variations. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under the sections titled “Business Outlook” and/or “Challenges/Risk Factors”, which are a part of this review presentation. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis only as of the date hereof. The Company assumes no obligation to publicly update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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Thank You!