



ICRA

ICRA Limited

August 28, 2020

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, Q1 FY21

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, Q1 FY21.

Kindly take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As above



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Group ICRA Investor Presentation Q1 FY21

August 28, 2020

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Group ICRA Overview

ICRA Nepal-ICRA Lanka

(subsidiaries of ICRA Limited)



ICRA Nepal



First credit rating agency in Nepal



Provides independent credit rating opinions and grading services

ICRA Lanka



Provides independent credit rating opinions and research

ICRA Limited

(parent entity – standalone)



ICRA
A MOODY'S INVESTORS
SERVICE COMPANY



Provides independent credit ratings opinions and research



29+ years of experience and 400+ workforce



10 offices across India

ICRA Analytics

(subsidiary of ICRA Limited)



ICRA
ANALYTICS
A Group ICRA Company



Provides solutions, analytics and digital platforms for risk management, market data, consulting and knowledge services



20+ years of experience and 600+ workforce



Serving clients across the globe



Certified as a “Great Place to Work”

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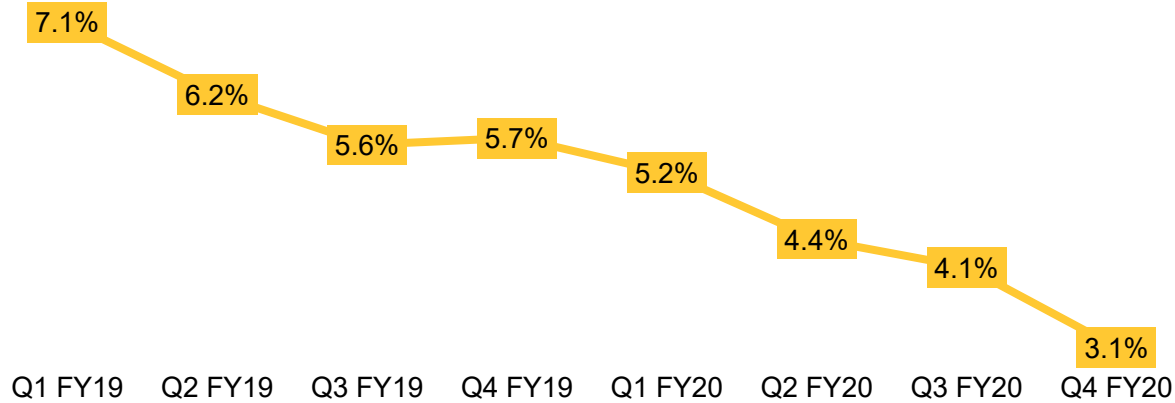
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- Research
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Deteriorating Economic Environment

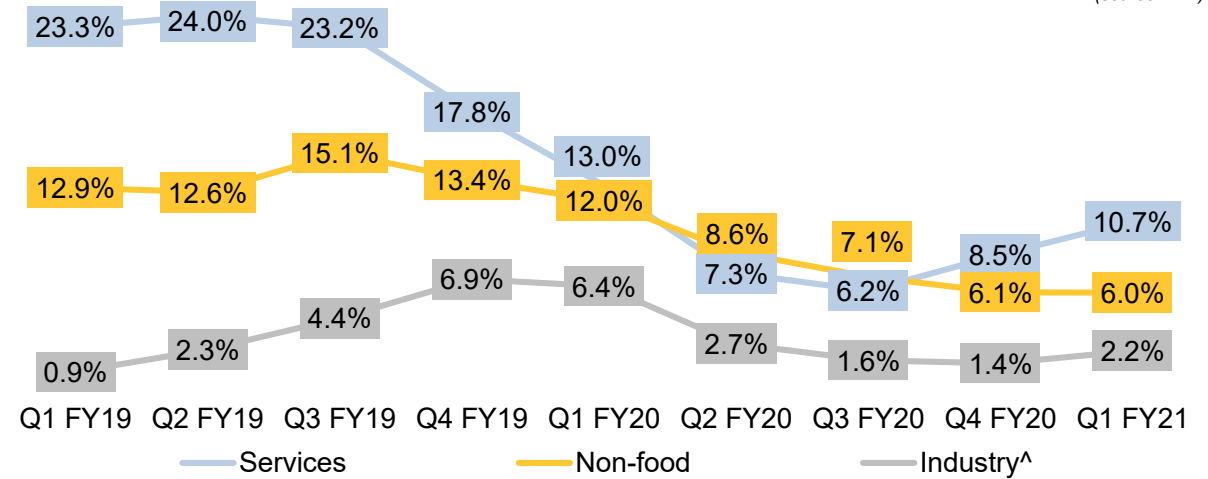
GDP Growth

(source: CSO)



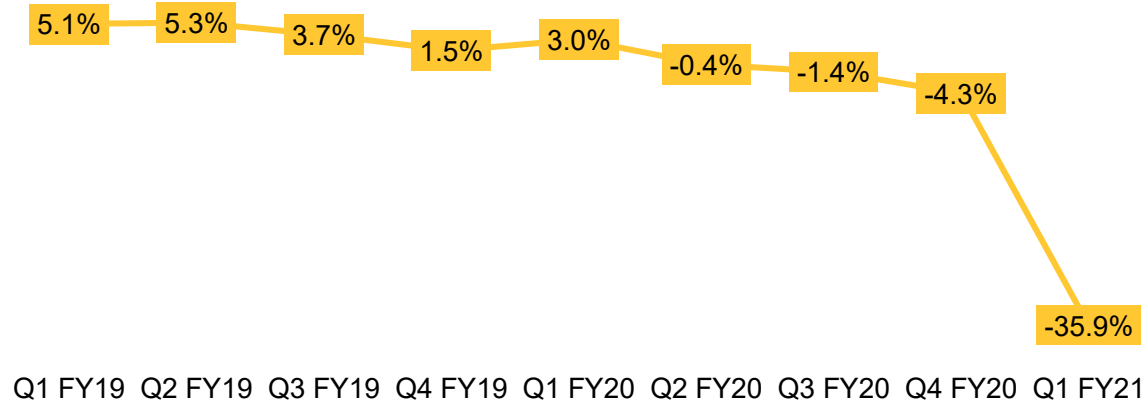
Bank Credit – YoY Growth*

(source: RBI)



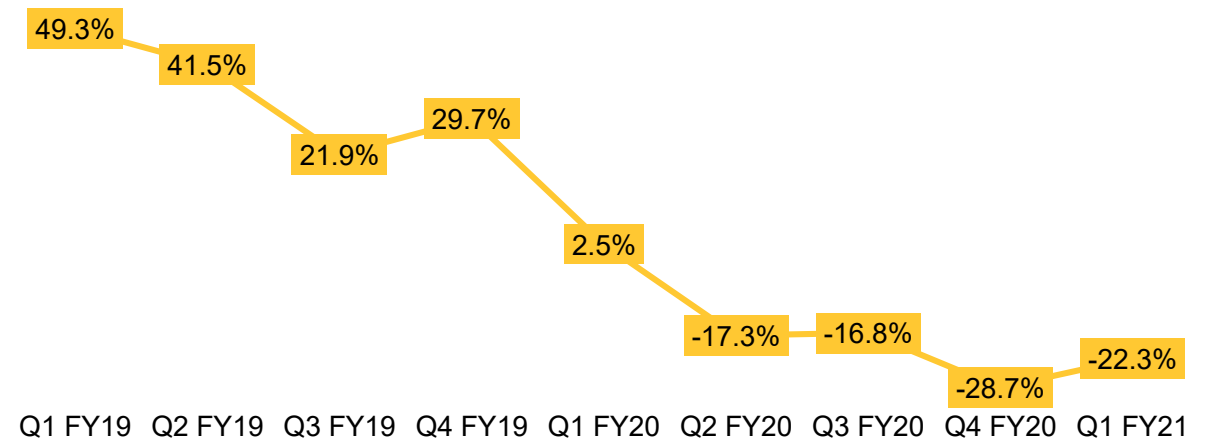
Index of Industrial Production Growth

(source: MOSIP)



Outstanding CPs – YoY Growth*

(source: RBI)



* YoY rise in total outstanding at the end of each quarter

^ Includes all types of enterprises, i.e. micro, small, medium and large

Challenges and Risk Factors

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Economic and social challenges due to covid-19 pandemic

02

Despite several policy measures, investment activity yet to show a meaningful revival

03

Reputation-related risks

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Competition from other rating agencies

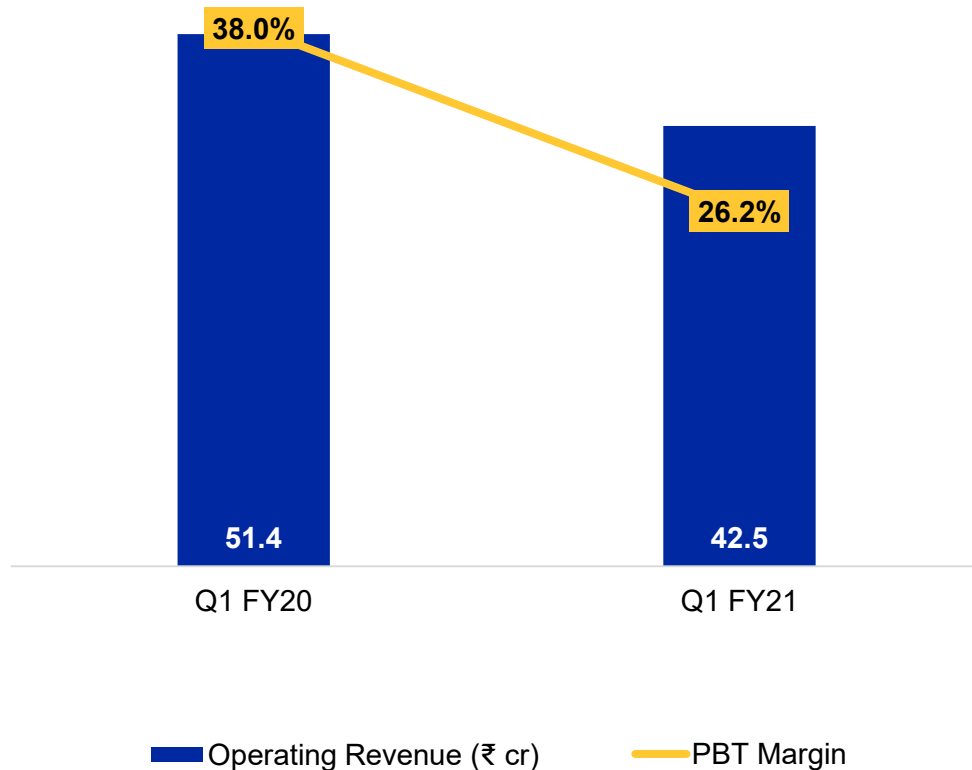
05

Ability to retain / attract quality manpower, rising compensation and related costs

06

Funding substitutes including overseas borrowing or adverse domestic interest rate movements

ICRA Standalone – Financial Performance



For the quarter ended June 30, 2020, the company's operating income was ₹42.5 cr, against ₹51.4 cr in the corresponding quarter of the previous year, a decline of 17.3%.

The bank loan segment got adversely impacted due the steep fall in economic activities and risk aversion following the nationwide lockdown after Covid-19 outbreak. Although the debt market segment benefitted from an increase in bond issuances as part of the TLTRO program, this was restricted to a few select entities only. Further, the securitisation volumes contracted rather sharply due to the moratorium extended to borrowers.

Other income in the quarter declined by 5.2% on y-o-y basis due to declining interest rates.

Employee benefit expenses declined in the quarter on y-o-y basis by 3.5%, while other expenses were higher by 12.3% on y-o-y basis. The increase in other expenses is primarily on account of legal cost incurred in relation to certain regulatory and other matters.

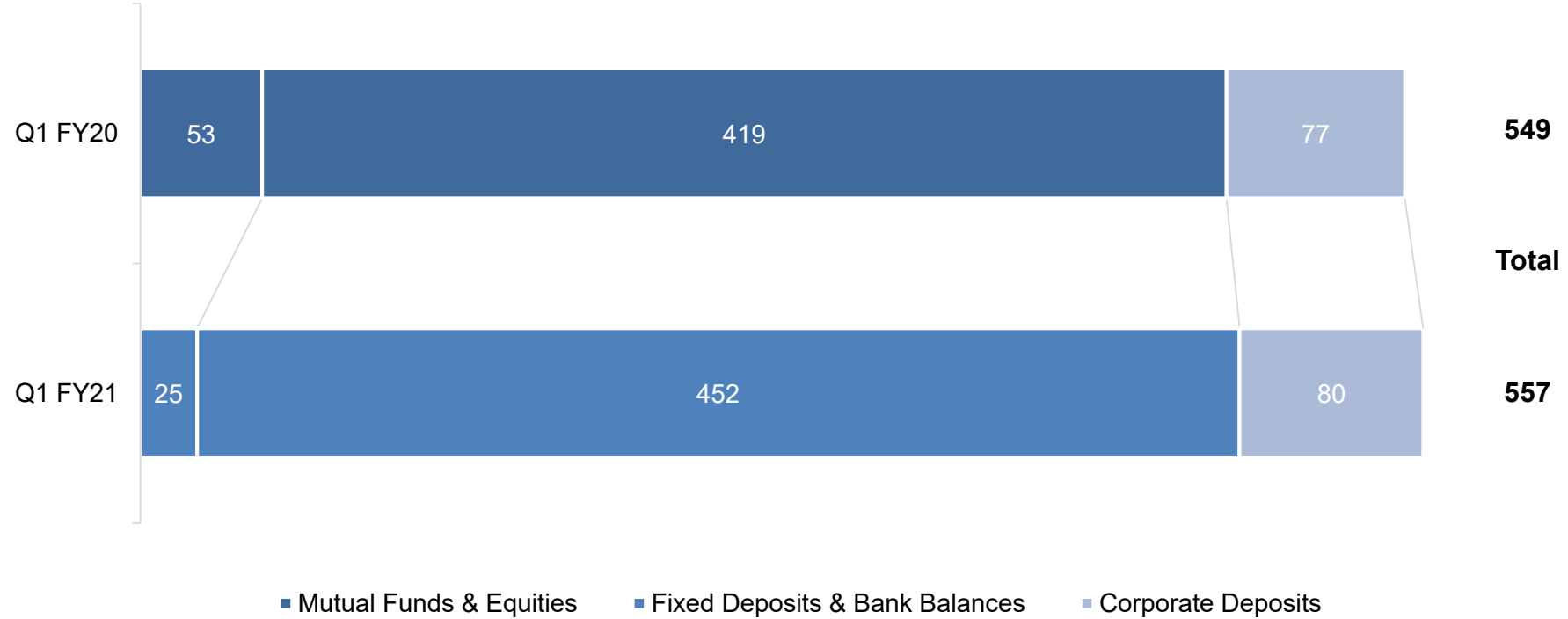
The PBT for the quarter was ₹13.6 cr, lower by 41.6% as against ₹23.4 cr y-o-y basis and PAT was ₹10.0 crore, lower by 33.1%.

ICRA Standalone – P&L (₹ cr)

P&L		Q1 FY20	Q1 FY21	Q1 FY21 vs Q1 FY20
Operating Revenue	a	51.4	42.5	-17.3%
Compensation Expenses	b1	27.8	26.8	-3.5%
Other Expenses	b2	8.9	10.0	12.3%
Depreciation		1.2	1.2	3.7%
Finance Costs		0.3	0.4	
Total Expenses	b	38.2	38.5	0.8%
Operating Profit	c=a-b	13.2	4.0	-69.5%
Other Income	d	10.1	9.6	-5.2%
Profit Before Tax	e=c+d	23.4	13.6	-41.6%
Tax	f	8.4	3.7	-56.7%
PAT	g=e-f	14.9	10.0	-33.1%
Other Comprehensive Income (Net of Tax)	h	(0.1)	0.4	
Total Comprehensive Income (Net of Tax)	i=g+h	14.8	10.4	-29.7%

Other Metrics		Q1 FY20	Q1 FY21
Comp Expense %	b1 / a	54.1%	63.2%
Other Expense %	b2 / a	17.3%	23.5%
Operating Margin %	c / a	25.7%	9.5%
Profit Before Tax Margin %	e / (a+d)	38.0%	26.2%
PAT Margin %	g / (a+d)	24.2%	19.2%

ICRA Standalone – Investments (₹ cr)



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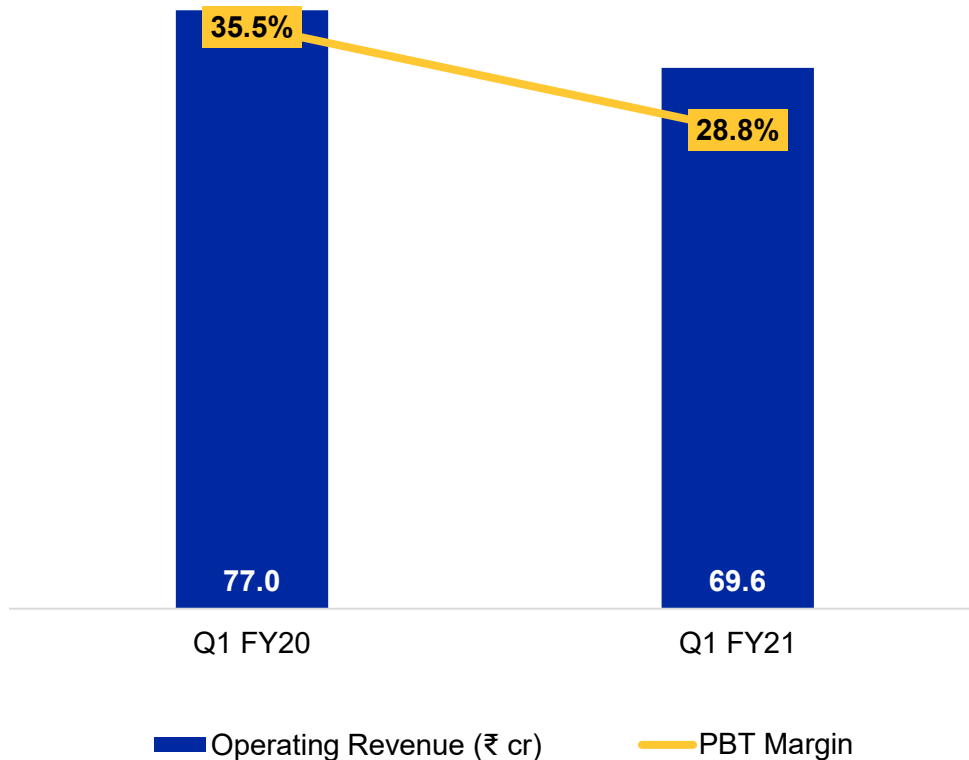
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**Financial
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ICRA Standalone – Consolidated Performance



For the quarter ended June 30, 2020, the consolidated operating income was ₹69.6 cr, against ₹77.0 cr on y-o-y basis, reflecting a de-growth of 9.6%.

The PBT for the quarter was ₹23.3 crore, lower by 25.9%, and PAT was ₹17.0 cr, lower by 17.0% on y-o-y basis.

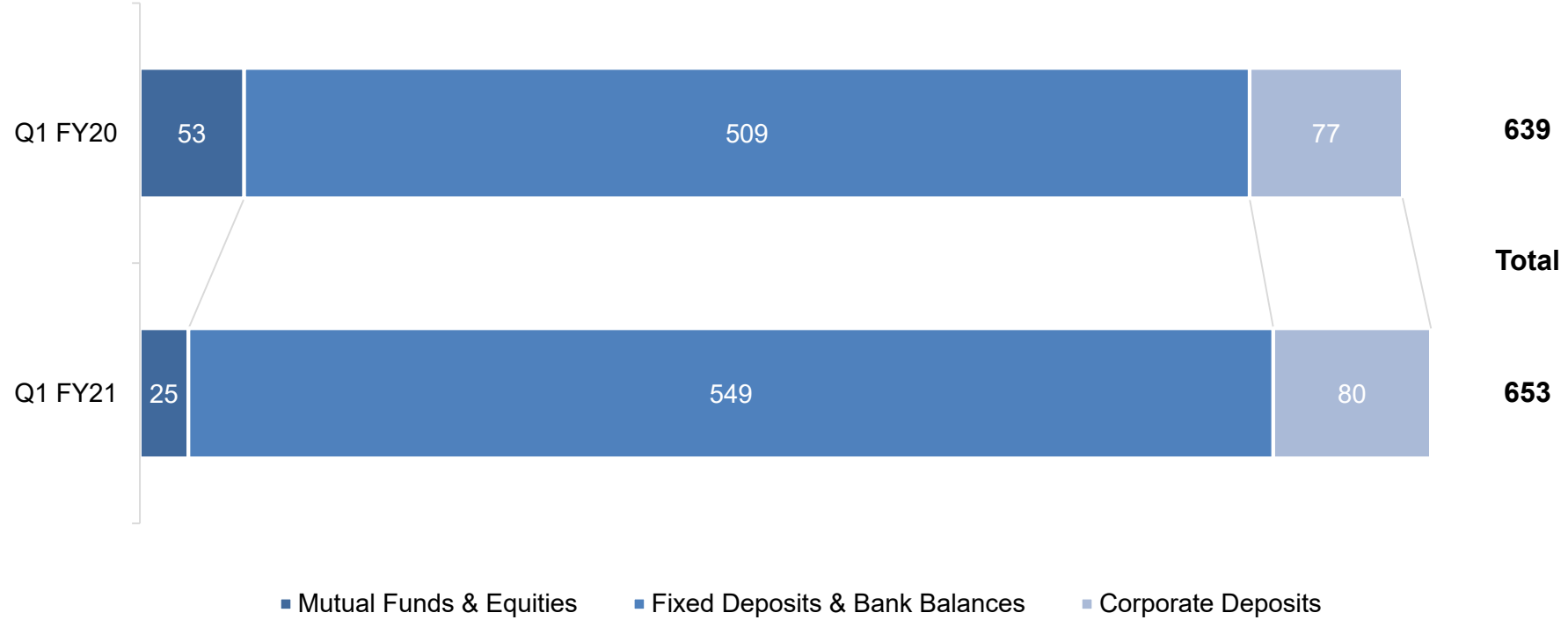
The de-growth in consolidated revenue for the quarter ended June 30, 2020 was mainly due to decline in revenue from rating business. This was offset by growth in our global outsourcing & information services business.

ICRA Consolidated – P&L (₹ cr)

P&L		Q1 FY20	Q1 FY21	Q1 FY21 vs Q1 FY20
Operating Revenue	a	77.0	69.6	-9.6%
Compensation Expenses	b1	41.8	41.3	-1.1%
Other Expenses	b2	12.8	13.4	4.6%
Depreciation		2.3	2.3	0.1%
Finance Costs		0.4	0.5	
Total Expenses	b	57.2	57.5	0.5%
Operating Profit	c=a-b	19.8	12.1	-38.8%
Other Income	d	11.7	11.2	-4.1%
Profit Before Tax	e=c+d	31.4	23.3	-25.9%
Tax	f	10.9	6.2	-42.8%
PAT	g=e-f	20.5	17.0	-17.0%
Other Comprehensive Income (Net of Tax)	h	(0.1)	0.3	
Total Comprehensive Income (Net of Tax)	i=g+h	20.4	17.4	-14.9%

Other Metrics		Q1 FY20	Q1 FY21
Comp Expense %	b1 / a	54.2%	59.3%
Other Expense %	b2 / a	16.6%	19.2%
Operating Margin %	c / a	25.7%	17.4%
Profit Before Tax Margin %	e / (a+d)	35.5%	28.8%
PAT Margin %	g / (a+d)	23.2%	21.1%

ICRA Consolidated – Investments (₹ cr)



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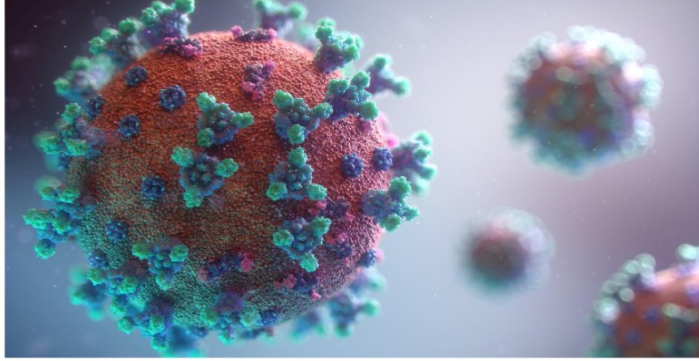
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High Impact Research



INDIAN CORPORATE SECTOR RATINGS

Coronavirus-related disruptions to weigh on the credit quality of India Inc.

MONTHLY UPDATE ON INDIA'S APPAREL EXPORTS

JUNE 2020



ICRA
ICRA RESEARCH SERVICES

CORPORATE RATINGS

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Indian Gold Jewellery Retail Industry
Trends and outlook

June 2020

**Indian Hotel Industry:
Long road to recovery**



June 2020




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**Indian Corporate (non-Financial)
Sector: Q4 FY2020 Performance
Review and Outlook**

June 2020



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Indian Banking Sector
June 2020

Capital requirements for banks set to rise
amid increasing asset quality pressures

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Thematic Discussions for Industry Participants ICRA

Covid-19 related rise in spending amidst lower revenue receipts to enlarge gross SDL issuance to Rs. 7.6-7.8 trillion in FY2021

Impact of Covid-19 and Challenges Ahead for the Indian Real Estate Sector

COVID-19 Impact on the Indian Oil & Gas Sector

Access to funding remain key as NBFCs prepare to battle asset quality pains

Covid Impact: An update on Construction and Transportation Infrastructure sectors - Roads, Airports and Metros

The Indian Passenger Vehicle Industry: Impact analysis of Covid-19

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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