



ICRA

ICRA Limited

**October 25, 2024**

**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 Q2 & H1 FY2025**

Pursuant to the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("**Listing Regulations**"), please find enclosed Investor Presentation Q2 & H1 FY2025.

Kindly take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman)  
Company Secretary & Compliance Officer

Encl.: As above



# Investor Presentation

*Q2 & H1 FY2025*

October 2024



## AGENDA

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- **Financial Synopsis**
- **Macro-economic Outlook**
- **Business Segment Drivers & Outlook**
- **Media Outreach & Corporate Social Responsibility**

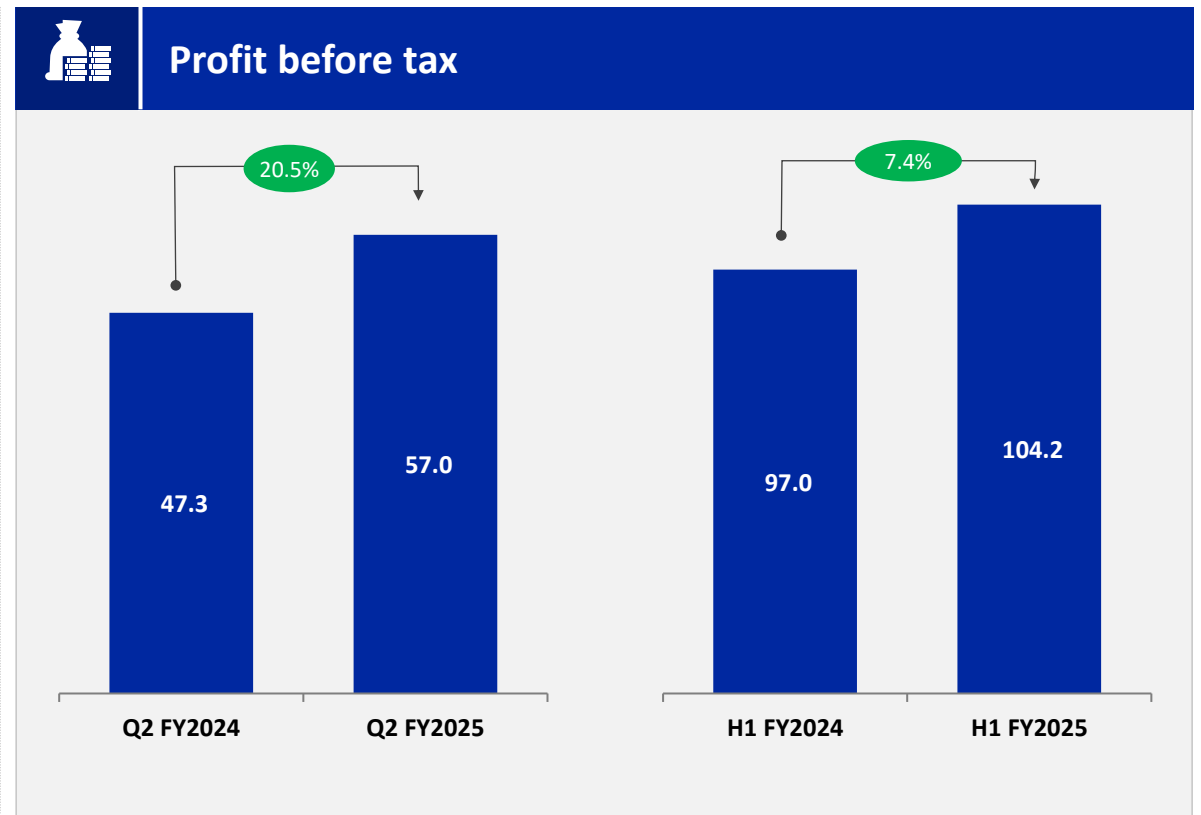
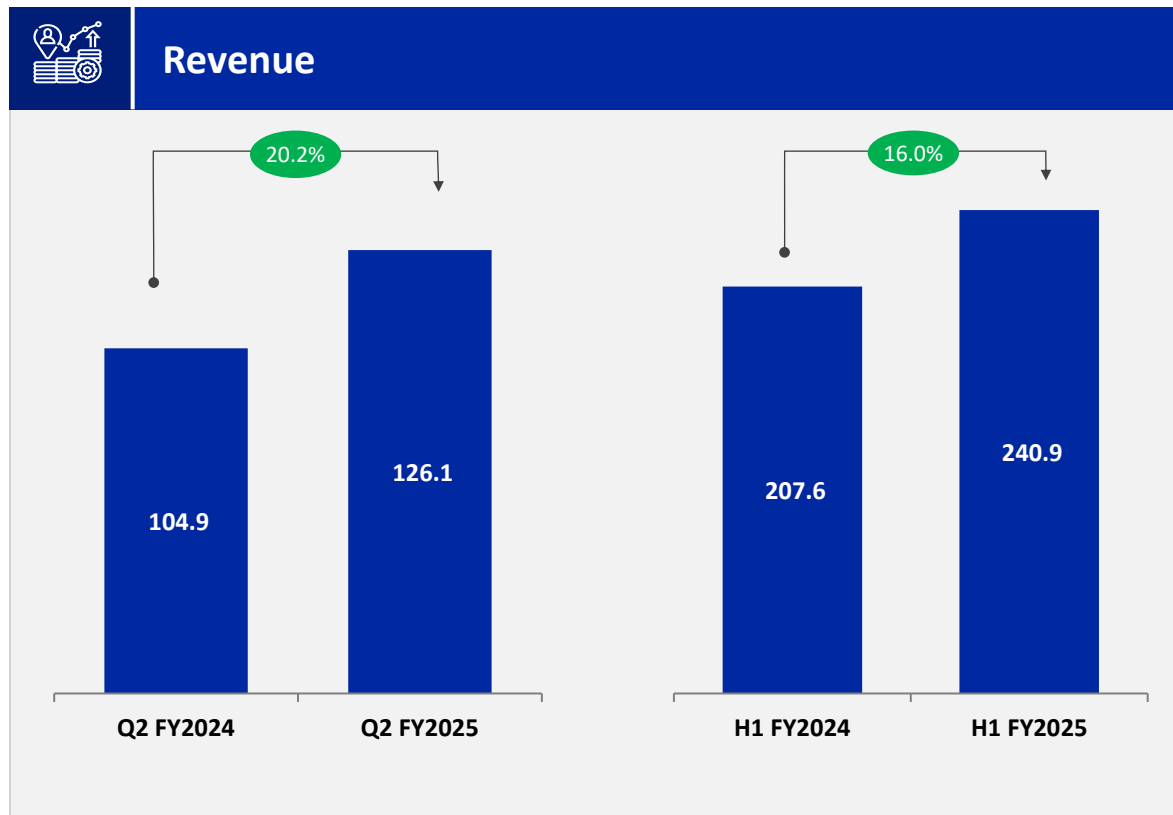


# Financial Synopsis

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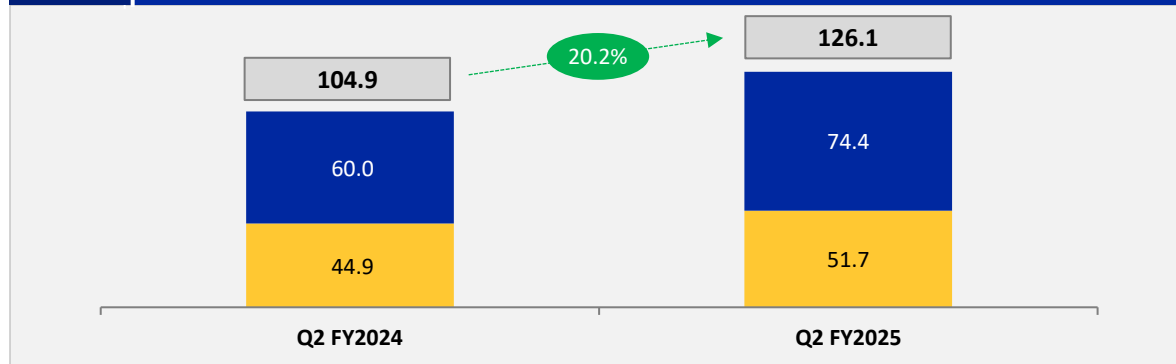
# Strong revenue growth across businesses: Q2 and H1 FY2025



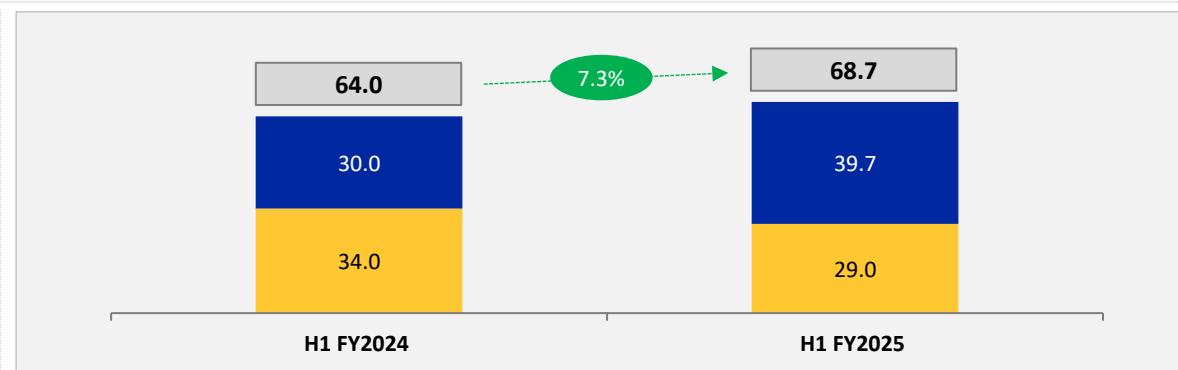
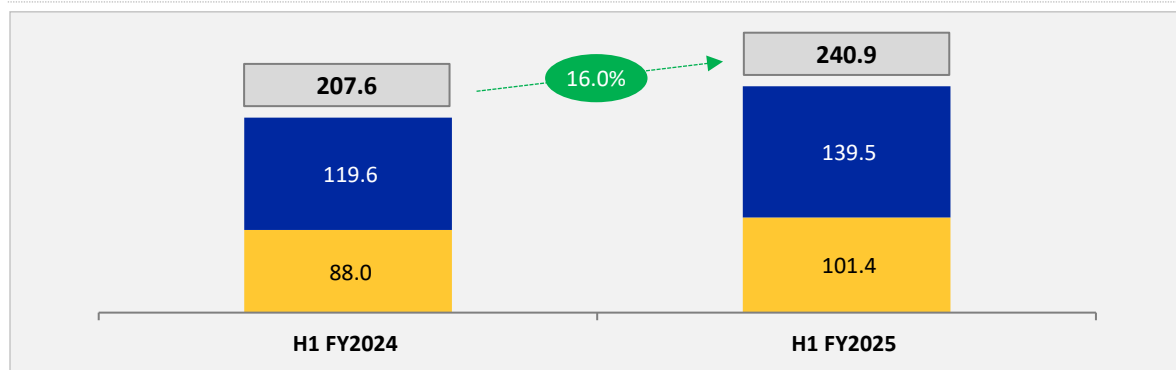
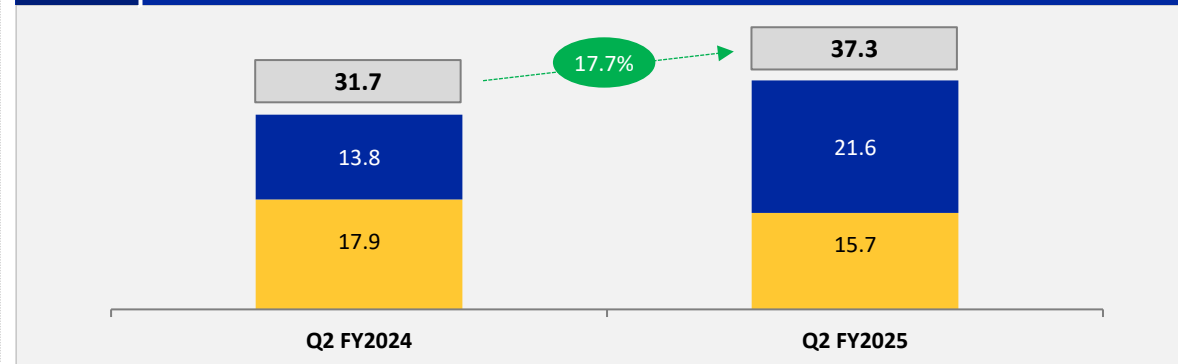
- ICRA's revenue growth in Q2 FY2025 was driven by strong performance in Ratings and Research & Analytics segment
- In Q2 FY2025, bond issuances surged ~65% year on year, driven by bank and NBFC issuances, bringing H1 FY2025 growth to a modest 5%
- Research & Analytics growth was driven by acquisition of D2K Technologies and increased market appetite for risk products, solutions and collaborations with global data providers

# Segmental performance: Q2 and H1 FY2025

## Segment Revenue



## Segment Results



- ICRA's rating businesses showed strong growth supported by a buoyant bond market in Q2 FY2025. ICRA announced its first ESG rating in the quarter. This space provides ICRA to work towards a sustainable future
- The Research & Analytics segment growth was robust, in line with our focus on growing the domestic business and acquisition of D2K Technologies. Global Business continues to show tepid growth as clients gear up for automation and efficiencies

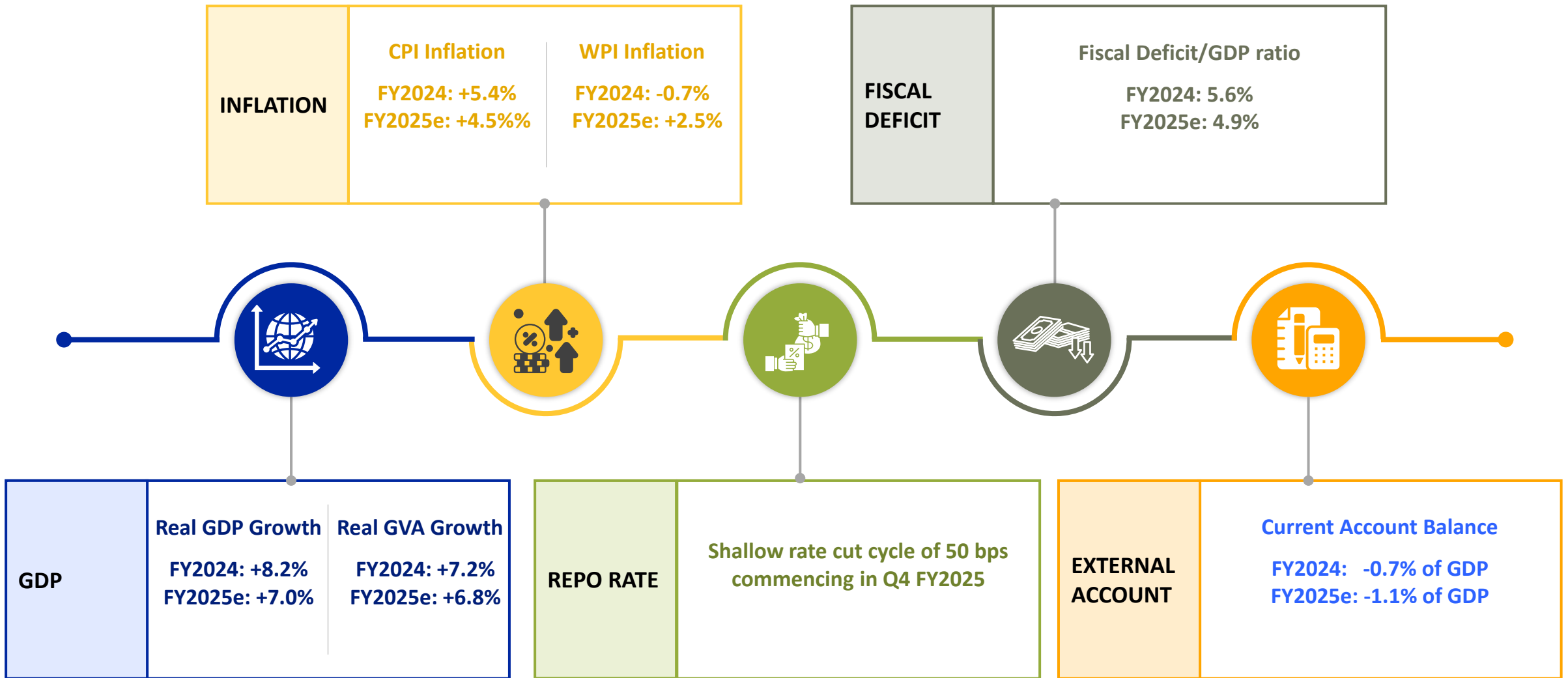
■ Ratings and ancillary services ■ Research & Analytics

# Macro-economic Outlook

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# Macro-economic outlook



Source: ICRA Research

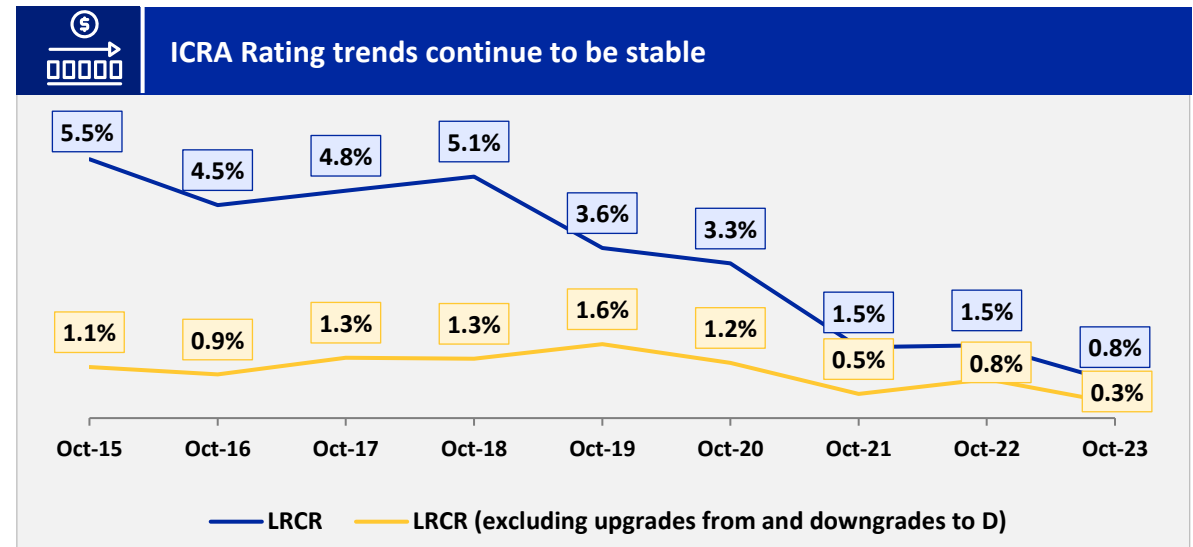
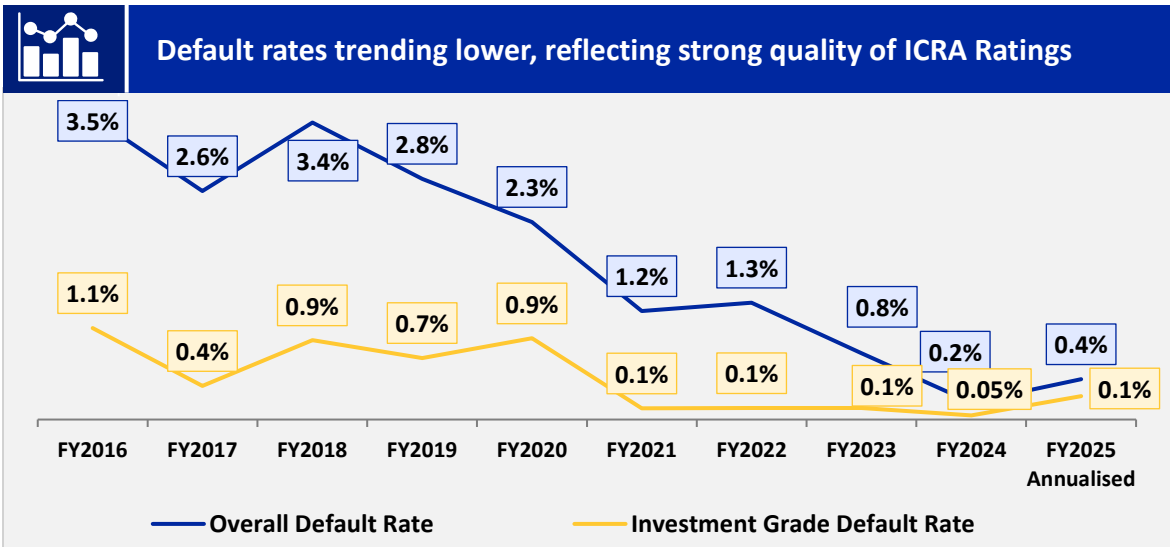
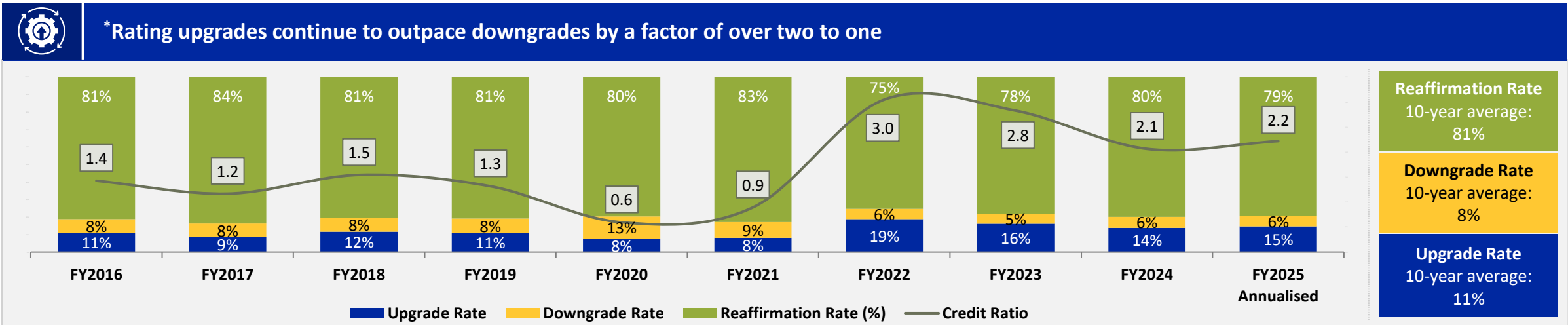


# Business Segment Drivers & Outlook

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# Rating performance metrics remain robust



Source: ICRA  
\*Percentages may not sum to 100% due to rounding.

Large Rating Change Rate (LRCR) is defined as the proportion of ratings that were downgraded or upgraded by a cumulative of three or more notches during the period of analysis

# Ratings & ancillary services: Business environment and outlook



## Environment

In H1 FY2025, the credit market had the overhang of the Lok Sabha elections, which deferred Govt expenditure towards Infrastructure projects in addition to the unprecedented heat wave in some parts of the country

## Outlook

Given the possibility of a shallow rate cut cycle, the credit market is expected to remain moderate. Benefits of a good monsoon would be visible in the second half through the channels of agriculture output, rural sentiment and demand.

### Bond

Q2 FY2025: ~65% &  
H1 FY2025: ~5% YoY growth

- Bond issuances had a strong uptick in Q2 FY2025 led by both the bank and NBFC Issuances. Banks issued bonds to bridge the gap in funding on account of restrained deposit mobilization. Bonds also found support with lower yields.
- Commercial paper (CP) outstanding grew 2.3% at the end Sept' 2024 over end-March 2024 as yields were lower in anticipation of a rate cut. The CPs, however, faced competition from Corporate Deposits (CDs) on a sequential basis.

- Bond issuances are expected to remain strong given the sharp decline in G-Sec yields and relatively lesser fall in corporate yields widening the spreads, thereby generating investor interest
- Issuers may, however, prefer CPs over Bonds temporarily given the expectation of a rate cut.

### Bank Credit Outstanding

As at Sep 2024:  
~14% [LY: 15%] YoY

- The overhang of high C-D ratio coupled with continued challenges in deposit mobilisation and the higher risk weights for the NBFC segment have moderated bank credit growth.
- Credit to industries has grown and growth in retail segments also remained strong. Within industries, medium and Micro & Small have grown at a faster clip than large.

- RBI caution on high C-D ratio and increase in risk weights for the NBFCs would continue to weigh down on bank credit growth
- With deposit mobilisation becoming a challenge, banks may find it difficult to compete with the bond market and even with the ECB market.

### Securitisation

Market volumes are estimated to have grown by ~11% in H1 FY2025 On-year

- Securitisation volumes continued growth driven by the need of NBFCs for diversified and cheaper funding. Banks with high C-D ratio also added to volume in Q2 FY2025.
- The dominant asset class continues to be vehicle loans like in FY2024.

- Need for diversified and/or cheaper funding for NBFCs. Banks too expected to drive up volumes to reduce their C-D ratio
- Securitisation volumes in FY2025 are estimated to be in the range of Rs. ~2.1 trillion



## Research & Analytics



### Environment

- Deep process expertise, combined with its extensive domain knowledge and proven track record, continue to drive growth. Future success will be increasingly shaped by strategic partnerships.
- The shift toward insourcing and the growing adoption of AI has moderated the rapid growth experienced in recent periods.

- Regulatory expansion into new areas opens up promising opportunities. The focus on stress testing, risk management, data transparency, and reporting remains a key priority for regulators.
- India's inclusion in Global Emerging Market Indices is driving increased interest and demand for data from global markets.

- Growing regulatory focus on:
  - Model Risk and Governance
  - EWS for NBFCs; ICAAP, Automation of credit lifecycle
  - Climate Risk & Fraud Risk
  - Oversight on Unsecured Lending Portfolio
- ECL norms for banks expected



### Outlook

- With a strong emphasis on digitisation and AI-driven automation, the focus continues to be on value-added initiatives in business transformation, data management, analytics, and research.

- Emerging areas such as REITs, INVITs, and PVA to unlock new opportunities.
- Partnerships with leading global data providers remain essential for boosting data monetization.
- Increasing needs for Customized Research from investors & BFSI/ corporates will continue to drive growth
- Cloud-based analytical tools and tailored research are poised to accelerate growth.

- Growing regulatory emphasis on automating the credit lifecycle, along with model governance and validation for banks and NBFCs, is creating expanded opportunities
- D2K's comprehensive product suite will further enhance the overall portfolio

# Media Outreach & Corporate Social Responsibility

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## 1 WEBINARS & EVENTS

ICRA invites you to a webinar on **Union Budget FY2025**

Key takeaways from the FY2025 Union Budget

**Wednesday, July 24, 2024** | **4:00 PM Onwards**

ICRA's presentation will be followed by Q&A session with the external speakers and webinar participants.

**Mr. R. Govindan**  
Executive Vice President, Corporate Finance & Chief Risk Officer, Larsen & Toubro Limited

**Mr. Ankit Jain**  
Partner, Ved Jain And Associates

ICRA invites you to a web event on **Residential Real Estate Sector**

Unlocking the Boom: Epic Sales and Low Leverage. Will the Dream Run Continue?

ICRA's presentation will be followed by a panel discussion with external speakers and Q&A with participants.

**Mr. Boman Rustom Irani**  
Chairman and Managing Director, Keystone Realtors Limited (Rustomjee Group)

**Mr. Gaurav Pandey**  
Managing Director and Chief Executive Officer, Godrej Properties Limited

ICRA Market Outreach on Sustainability | Delhi Chapter

MOODY'S

CHRISTIAN DE GIOVANNI, Senior Vice President, Sovereign Risk, Moody's Ratings

DR SAJJID Z. CHENNI, Chief India Economist, IIF Morgan

ANURAGH SAHAY, Managing Director, Head, South Asia, Sustainability, Moody's

ADITI NARAYAN, Global Executive, Head, Research & Outreach, ICRA Limited

## 2 RESEARCH PUBLISHED

ICRA

**CRITICAL MINERALS**  
All the Right Elements Behind The Star of Electrochemistry  
Part I: Mission Critical

India's efforts to step up domestic production of critical minerals remain crucial for its energy security

May 2024

ICRA

**ICRA's CLIMATE SERIES**  
Transition Risk

Technology transition in power and industry critical; policy intervention can support entities' voluntary climate efforts

MAY 2024

**CLIMATE CHANGE**  
The biggest crisis of our time

ICRA

**India-Bangladesh trade and financial flows**

Limited impact of Bangladesh crisis anticipated

AUGUST 2024

## 3 MEDIA COVERAGE

**Bank bond issuance likely to touch ₹1.2 trn in FY25: ICRA**

**Mineral cess could squeeze steel makers' margins by 2.5% : ICRA**

**Govt may scale down fiscal deficit target to 5% or less in budget: IcrA**

**Domestic cotton spinning to grow 6-8%, says ICRA**

ICRA estimates increase in agriculture GVA based on surplus monsoon, kharif sowing: Above-nor-

Gold loans to reach ₹15 lakh crore mark by March 2027: ICRA

**Capex for EV Components to Cross Rs. 25,000 Crore in Next 3-4 Years: ICRA**

**FY25 highway awards to stay at last year's level: IcrA**

ICRA expects Indian IT services industry to deliver muted 4-6% revenue growth in FY25

Domestic passenger traffic witnessed a growth of 2.3% in August: ICRA

**Siddharth Shah** (He/Him) • 2nd  
Senior Manager | Business Development | Sales & Marketing | Contract Logisti...  
2mo • 🗨️

📌 13-14% rise in **#warehousing** space in India's major cities in FY2025: Report

India's industrial and warehouse **#logistics** park (IWLP) sector is set for significant **#growth** in FY2025, with supply projected to increase by 13-14% **#YoY** across the eight primary markets, reaching approximately 42,40,00,000 square feet, according to estimates.

This surge is driven by robust consumption-led demand, boosting absorption rates to 4,70,00,000 square feet, up from 3,70,00,000 square feet in FY2024.

- ♦ Vacancy rates are stable at 10% and expected to remain so in the upcoming fiscal year.
- ♦ Government recognition of logistics and warehousing as critical infrastructure, rapid **#ecommerce** growth, and positioning **#India** as a global **#manufacturing** hub are key growth drivers.

**Yashvardhan Tomar** • 3rd+  
MBA SIIB Pune '26 | Member: Kshitij- Institute Social Responsibility Committee  
2w • 🗨️

Hybrid and EVs may each reach 8% market share by FY28

predicts fierce competition between strong hybrid cars and electric vehicles (EVs), with both potentially reaching an 8% market share in India's passenger vehicle market by 2027-28, up from two percent in 2023-24.

CNG vehicles are expected to increase from 14% to 18% during the same period. **Shamsher Dewan**, ICRA's senior vice president, noted that companies will face challenges in prioritizing investments across different powertrains.

Hybrids offer better mileage without range anxiety, primarily driven by Maruti and Toyota, while EVs are still evolving. A low-cost vehicle featuring a solid-state battery & having 600-700 km range, could significantly impact the market.

Ultimately, diverse powertrains will define the future of the Indian auto industry.

Source: **Business Standard, CMIE - Industry Outlook**  
**#AutomotiveIndustry #ElectricVehicles #HybridCars #CNGVehicles #MarketTrends**

**Rajiv Ghosh** • 1st  
Principal Analyst @ The Economic Times |  
2w • Edited • 🗨️

**#infrastructure #roads #highways #India**  
India's highway expansion hits a speed bump!  
Did you know that India's highway awards in terms of kilometers have slowed down significantly? The focus is now shifting towards upgrading and maintaining existing roads. What's more surprising is that FY25 road awards could be down by a whopping 50% from the FY18 peak!  
Data source: **ICRA**

**EXHIBIT 1: MONTH ANNUAL AWARDING**

Fiscal Year	NHAI Awards (km)	Non-NHAI Awards (km)	NHAI Awards %
FY2015	4005	3067	38%
FY2016	5754	4344	43%
FY2017	11611	4137	27%
FY2018	7397	3658	43%
FY2019	3271	2222	40%
FY2020	3211	5701	36%
FY2021	4819	6147	44%
FY2022	5960	6771	47%
FY2023	5003	6372	49%
FY2024E	4200	4500	47%
FY2025F	3000	4500	47%

**Sonal Bhutra** • 1st  
Asst Editor & Anchor, CNBCTV18 | Chartered Accountant, Stock Markets, Clim...  
5mo • 🗨️

**ICRA** says  
Construction activity will pick up post Q2FY25  
Expect 5-8% growth in construction activity and order activity in FY25  
Execution will get hampered in Q2 due to monsoons but not ordering  
Orders will be subdued in Q1 due to elections  
Expecting ramp up in toll projects as well in FY25  
Higher competition is impacting returns in the sector

**#construction #activity #outlook**

**Expect 5-8% Growth In Road Construction & Order Activity In FY25: ICRA | CNBC TV18**  
youtube.com

👍 24      1 comment

**Prasad Karpe** • 2nd  
Jt. General Manager (Airport Systems)  
4mo • 🗨️

**Sukalp Sharma** (Indian Express)

India's air passenger traffic is expected to grow 8-11 per cent year-on-year and hit a record high of 40.7-41.8 crore passengers in the current financial year (FY25), which is likely to push up revenues of Indian airports, ratings agency **ICRA** said Thursday. The agency estimates that the revenues of airports in its sample set, which comprises airports operated by the **Airports Authority of India** (AAI) and the airports at Delhi, Hyderabad, and Kochi, are likely to grow by around 15-17 per cent year-on-year in the ongoing fiscal.

**India's air passenger traffic set to hit fresh high in FY25, airports beat global recovery rate: Ica**  
indianexpress.com

👍 17      3 comments

**Samir Dattopadhye** ✓  
@samirsinh189

India saved \$7.9 bn in **#OilImports** in the financial year 2023-24 by purchasing higher volumes of **#RussianCrude** at deep discounts. In the last FY of 2022-23, India saved \$5.1 bn, reports **@ICRALimited**.

Consequently, the value of India's imports of crude and petroleum products decreased by 15.2% despite a rise in import volumes leading to a fall in **#inflation** & current account deficit and savings of **#ForexReserves**.

India's firm and **#IndependentForeignPolicy**, driven by national interests and not pressured by foreign interference, unlike earlier, is bringing economic advantages for the nation as a whole and also for the **#CommonMan**.  
**#AatmanirbharBharat #IndiaRussia**

# CSR Initiatives - Change begins here!

500

Empowering Women



2956

Educating Students



450

Supporting Youth



242

Employee Volunteering (hours spent)



106

New Joiners Trained on Environmental Sustainability and Health & Safety



335

Sponsoring Children with Intellectual Disabilities





# CSR Champs - Employee engagement

ICRA  
53,182 followers  
3d

Celebrating the spirit of entrepreneurship!

The beneficiaries of ICRA's CSR in collaboration with FWFB recently organized a Navratri exhibition at our Mumbai office, showcasing a stunning range of handmade products under Women Entrepreneurship Programme.

Our employees had the opportunity to explore and purchase these unique creations, reflecting the incredible skill and creativity of the women. To honor their dedication, our Managing Director & Group CEO, Mr. Ramnath Krishnan, met with the beneficiaries to congratulate and encourage them on their entrepreneurial journey.

ICRA remains committed to uplifting and empowering women in business.

#ICRACares #WomenInBusiness #CSR #Navratri #Entrepreneurship

## CELEBRATING CREATIVITY

SUPPORTING SUCCESS!

**Empowering Women Entrepreneurs through Navratri Exhibition**

68 - 3 Comments

ICRA  
53,183 followers  
3mo - Edited

ICRA and ICRA ESG Ratings CSR Champs led a plantation drive at Deepalaya School, Nuh, planting Ashoka saplings to foster environmental sustainability. This reflects our commitment to ESG goals and community support.

#ICRA #Sustainability #ESG #CSR #GreenFuture #plantation #enviorment

## ICRA'S PLANTATION DRIVE AT DEEPALEYA SCHOOL

ICRA's CSR Champs and ESG Ratings entity led a plantation drive at Deepalaya School, Nuh, planting Ashoka saplings to promote environmental sustainability and student responsibility.

55 - 2 Comments

ICRA  
53,183 followers  
5mo

The Legal & Compliance team at ICRA participated in a plantation drive at VIDYA School in Gurugram, engaging with students and promoting educational opportunities. This partnership extends beyond academics, shaping future leaders and contributors of the society.

#ICRA #PlantationDrive #EducationalOpportunities #CSR

## ICRA's CSR drive for sustainable education and leadership at Vidya School, Gurugram

19

ICRA  
53,190 followers  
2mo - Edited

ICRA Champs held a creative journaling workshop at VIDYA India Center of Excellence, Bengaluru. Through this workshop children got guidance on emotional well-being and expressing themselves in a safe space.

#ICRA #CSR #ChildEmpowerment

## ICRA CHAMPS' JOURNALING WORKSHOP AT VIDYA CENTER

25

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**Thank You!**