



ICRA

ICRA Limited

January 23, 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.:- Press release on the unaudited financial results

Pursuant to the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), please find enclosed a press release on the unaudited financial results (standalone and consolidated) of ICRA Limited for the third quarter and nine months ended December 31, 2023.

Kindly take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As Above

Q3 FY2024 RESULTS PRESS RELEASE

January 23, 2024

Q3 FY2024 Revenue from operations up by 11.3% to Rs. 114.6 Cr

Kolkata: ICRA Limited announced its results for the third quarter and nine months period ended December 31, 2023, on January 23, 2024.

Consolidated revenue from operations increased by 11.3% to Rs. 114.6 crore for the third quarter ended December 2023, compared to Rs. 103.0 crore in the corresponding quarter of the previous year. The Profit before tax (PBT) is Rs. 40.7 crore compared to Rs. 47.9 crore in the corresponding quarter of the previous year.

Consolidated revenue from operations increased by 9.5% to Rs. 322.2 crore for the nine months period ended December 2023, compared to Rs. 294.2 crore in the corresponding period of the previous year. The PBT for the nine months period ended December 2023 increased by 5.7% to Rs. 137.7 crore from Rs. 130.3 crore in the corresponding period of the previous year.

The current quarter and nine months financial include impact of amount provided towards a legal matter and transaction costs related to acquisition of D2K Technologies India Private Limited (D2K).

Indian economic activity displayed a healthy expansion of 7.7% in H1 FY2024. During Q3 FY2024, urban consumption appeared strong amid healthy sentiment, even as rural demand remained subdued, following the uneven monsoon. Softer commodity prices are also expected to aid in supporting margins for the corporate sector. With interest rates likely to be at a peak and visibility of rate cuts in the next year, private capex is poised to broaden. However, the Government of India's (GoI) capex contracted in October-November 2023, and we are apprehensive that the budgeted target for FY2024 could be missed. Overall, while the pace of growth is expected to moderate in H2 FY2024, ICRA has revised upwards its projection for the FY2024 GDP growth to 6.5%.

Commenting on the results, **Mr Ramnath Krishnan, MD and Group CEO, ICRA Limited**, said: "ICRA's ratings revenue continued its growth momentum backed by the sequential rise in bond issuances and bank credit, although the securitisation market recorded a contraction due to tightened regulatory norms on unsecured loans by the NBFCs and expectations of a fall in interest rates, which had led to postponement of issuances. We expect issuances to pick up in the ongoing quarter with more clarity on the regulatory impact and following the entry of new players in the market."

"We are delighted that ICRA Analytics has acquired D2K, an established provider of software solutions to banks and other financial institutions. The D2K acquisition will strengthen our offerings in the risk and analytics vertical as we seek to expand and diversify our revenue streams," **Mr Krishnan** added.

On the ratings front, ICRA rated a few innovative structures backed by lease rentals and trade receivables, and debt facility for the fixed income fund floated by an AIF that would invest in asset-backed securities. On the outreach front, in Q3FY2024, ICRA remained proactive by issuing significant thematic reports on key sectors and hosting impactful webinars featuring high-profile industry panellists. These webinars, notably on medium & small scale NBFCs, Indian state governments and credit quality trends, attracted a diverse audience, including industry delegates, policy influencers, thought leaders, financial institution representatives, and media professionals. ICRA's sectoral research and viewpoints earned commendation across the industry. Notably, ICRA sector experts were sought after as keynote speakers and panellists, participating in 11 prominent market and media conferences during the quarter, showcasing their valued insights.

On the CSR front, ICRA collaborated with NGO partners to run education, women's empowerment, and skill development programmes. In the current quarter, ICRA's CSR commitment aimed at holistic education for children with Intellectual Disabilities. ICRA's inclusive and purpose-driven philanthropy, continuing to inspire positive change in diverse communities.

Ratings revenue growth for the quarter up by 10.7%; Nine months by 11.4%

In Q3 FY2024, both bank credit and bond issuances grew well sequentially, however, in year-on-year terms, though bank credit grew with strong demand coming from the industry as well as the retail segments, the bond issuances fell on a higher base of the previous year. Securitisation volumes moderated in Q3 FY2024 as higher risk weights to NBFCs, specifically on unsecured loans led to investors (particularly banks) reassessing their exposure. Going ahead, revised upward estimates of GDP growth augur well for the credit market in terms of demand.


Analytics revenue growth for the quarter up by 11.4%; Nine months up by 6.8%

ICRA Analytics revenue growth in Q3 FY2024 was driven by its Knowledge Service business and consolidation of D2K from the current quarter. In the Market Data vertical, key partnership arrangements were tied up with leading global data service providers for providing valuation services. The D2K acquisition was completed in the quarter and is expected to bring in synergies and drive growth in risk and analytics business.

In the current year, ICRA Limited and ICRA Analytics Limited entered into an agreement for share of common expenses. Consequently, ICRA Ratings nine months period segmental margins include 1.9% positive impact of such recharge, whereas ICRA Analytics segmental margins had an adverse impact of 2.6%.

About ICRA Limited:

ICRA Limited 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. Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The International Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.


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