



ICRA

ICRA Limited

May 24, 2024

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001, India  
**Scrp 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 Q4 & FY2024**

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 Q4 & FY2024.

Kindly take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman)  
Company Secretary & Compliance Officer

Encl.: As Above



# Leveraging Opportunities, Propelling Growth

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Investor Presentation Q4 & FY2024

MAY 2024



# AGENDA

- ICRA AT A GLANCE
- FINANCIAL SYNOPSIS
- MACRO-ECONOMIC OUTLOOK
- BUSINESS DRIVERS & OUTLOOK
- RESEARCH & OUTREACH
- CORPORATE SOCIAL RESPONSIBILITY





# ICRA AT A GLANCE



# ICRA's journey



Launch of  
Credit Rating  
Services

1991

Moody's  
acquire  
stake in  
ICRA

1999

Knowledge  
services  
set up

2004

ICRA  
gets listed

2007

ICRA enters  
international  
market

2010

Moody's  
acquire majority  
stake

2014

Consolidation of  
Non-Rating  
businesses under  
ICRA Analytics

2019

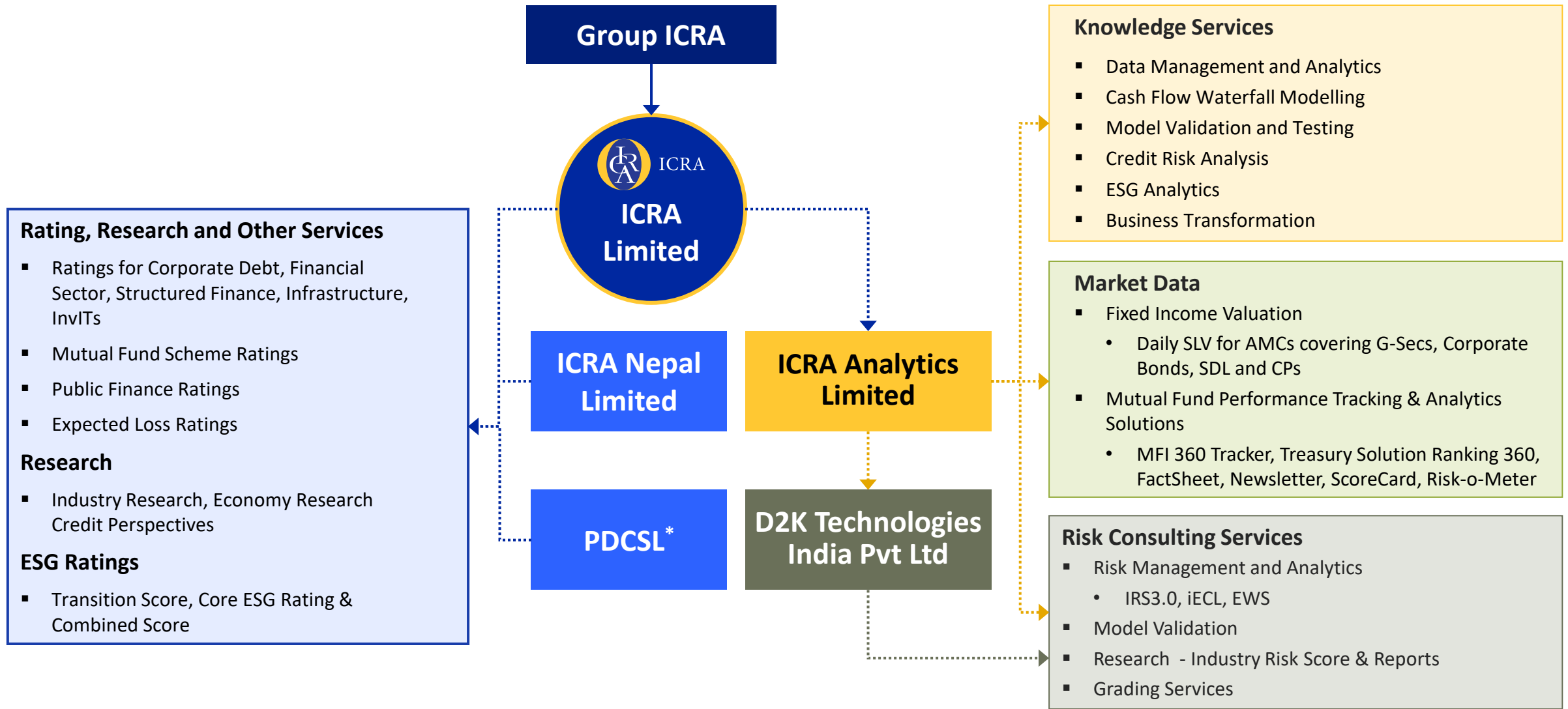
Revenue crosses  
4 billion

2023

ICRA Included in  
MSCI India  
Domestic  
SmallCap Index;  
Acquisition of D2K

2024

# ICRA business segment and legal entity structure



*\*Pragati Development Consulting Services Limited  
ICRA Lanka is currently under liquidation process and hence not considered above*

# Key call outs FY 2024

## Financial



**Revenue\*** ↑11%

*Crore*

**Rs. 446.1**



**PBT** ↑10%

*Crore*

**Rs. 199.9**



**PAT** ↑11%

*Crore*

**Rs. 152.2**



**Basic EPS** ↑12%

*Rs. Per Equity Share*

**Rs. 157.1**



**Dividend** **Rs. 100/share**

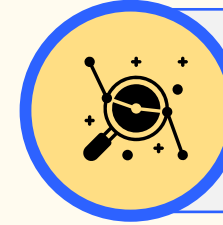
*Crore*

**Rs. 96.5**

## Non-Financial



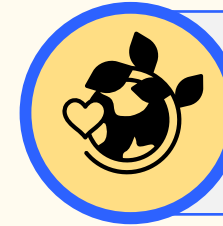
Track record of **30+** years, with rated debt of Rs. **85.25 trillion**



**Analyses 20,000+** entities, **50,000+** financial statements annually; **25+** languages supported



Monitors more than **165,000** Structured finance cases annually



**10,000+** Global entities monitored for ESG parameters

\*Revenue from operations



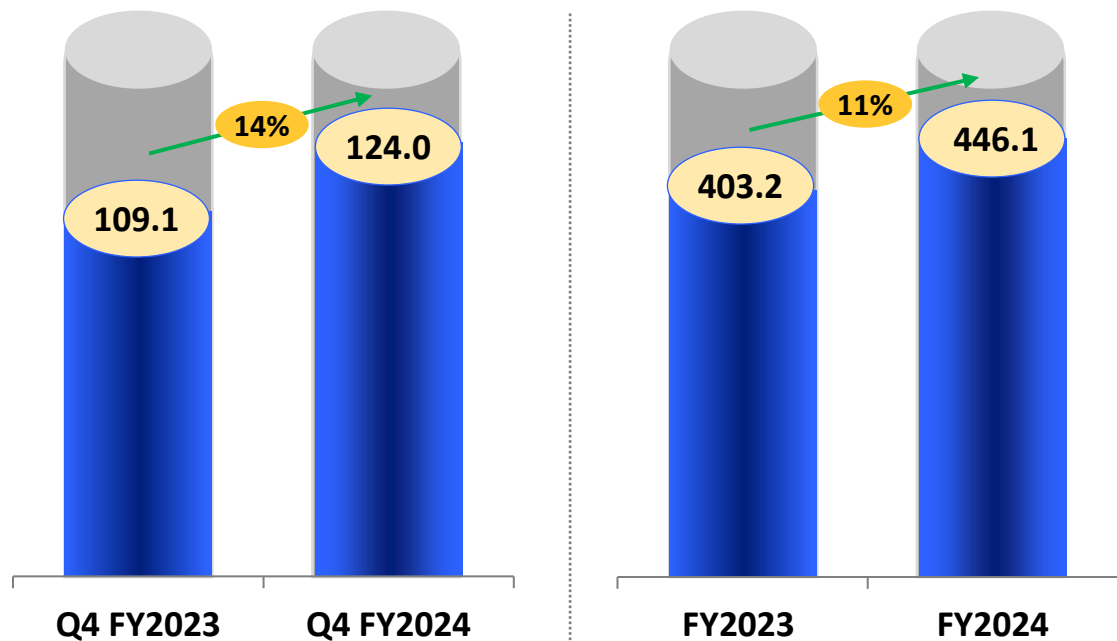
# FINANCIAL SYNOPSIS



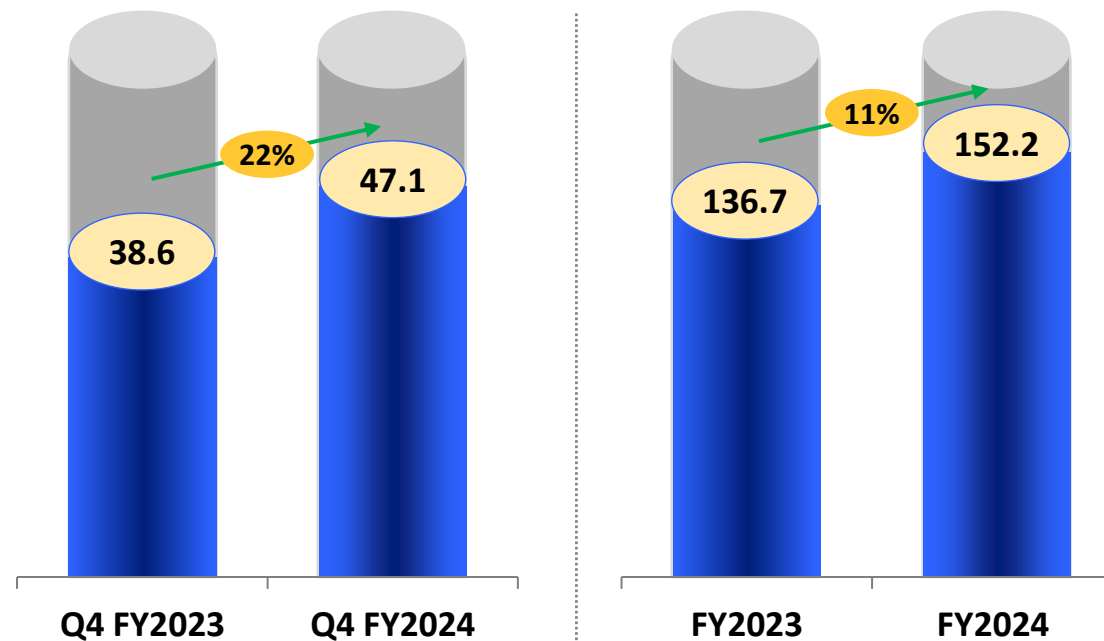


# Strong growth across businesses: Q4 & FY2024

## Revenue



## Profit after Tax



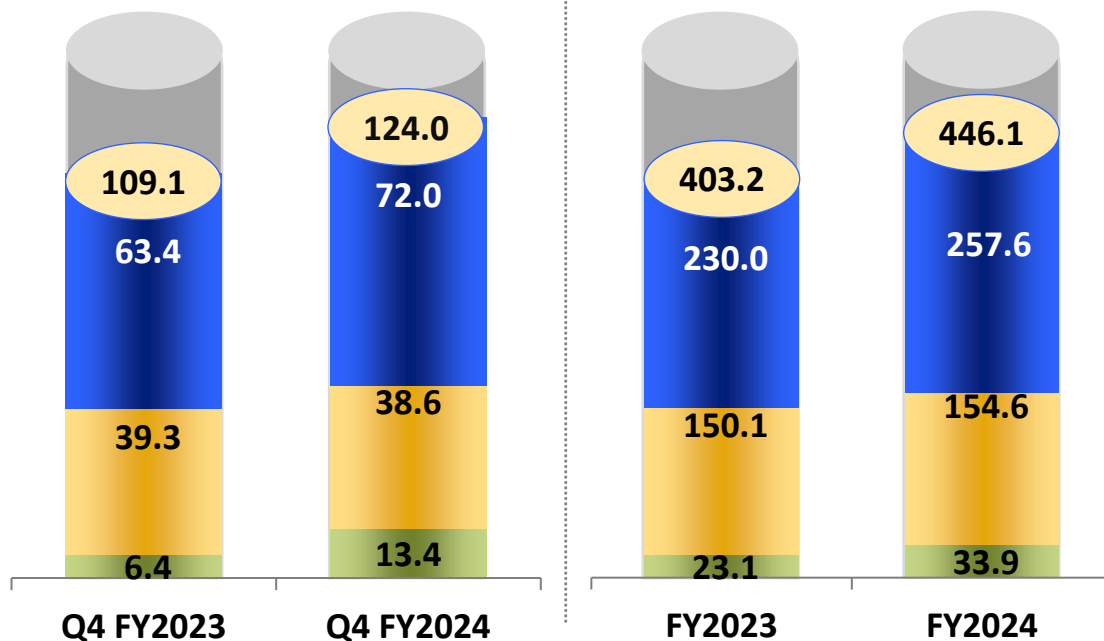
- Revenue growth driven by robust performance in Ratings and consolidation of D2K\* from current year
- Bond issuances and bank credit recorded a strong growth as domestic credit market continued to benefit from the lower prevailing rates compared with the global scenario
- ICRA Analytics' revenue growth driven by banking and risk business, coupled with the impact of consolidation of D2K. In the Market Data vertical, the journey of tying up key partnership arrangements with leading global data service providers for valuation services continued to gain traction

\*D2K Technologies India Private Limited (D2K) w.e.f 5<sup>th</sup> Nov'24

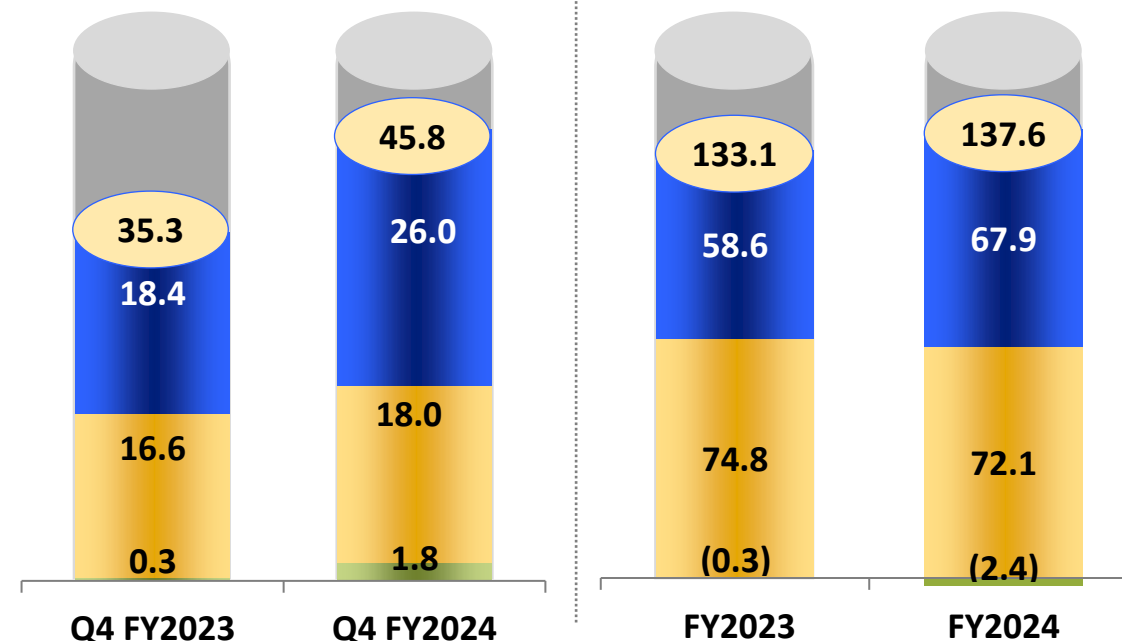
# Segmental performance: Q4 & FY2024



## Segment Revenue



## Segment Results



- Ratings segmental revenue and margins saw strong growth
- Current year financials include impact of amount provided towards arbitral award and transaction costs related to acquisition of D2K
- In the current year, ICRA Limited and ICRA Analytics Limited entered into an agreement for share of common expenses. Consequently, ICRA Ratings yearly segmental margins include 1.9% positive impact of such recharge, whereas ICRA Analytics segmental margins had an adverse impact of 2.6%

Others includes market services, consulting services segments (incl D2K)

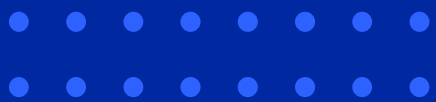
■ Rating, research and other services

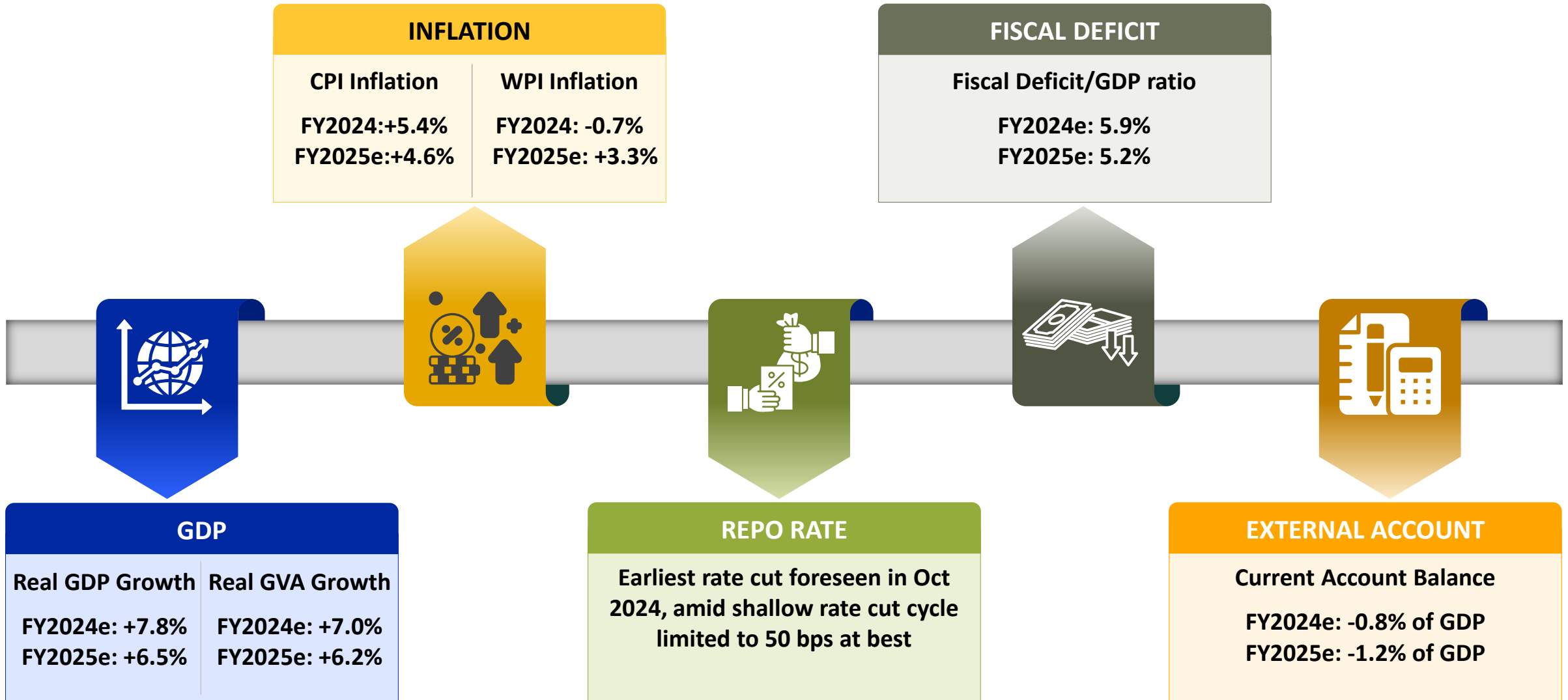
■ Knowledge services

■ Others



## MACRO-ECONOMIC OUTLOOK





Source: ICRA Research

# Back-ended pick-up in economic activity foreseen in H2 FY2025

Rural demand may improve in the second half of FY2025, once there is some visibility on farm cash flows from rabi procurement, monsoon volume and distribution, and the outcome for the next kharif crop



In addition to the slowdown in budgeted growth, the ongoing Parliamentary Elections in early FY2025 would impact the momentum of the Govt's capex during this period. Thereafter, with the monsoon setting in from June, project execution and construction activities are likely to slow down, suggesting that the capex may display a back-ended pick-up in FY2025



Urban consumption is projected to remain upbeat, though uneven in FY2025, with high-income households and new entrants into the formal labour market driving demand. The recent tightening of norms for personal loans and credit cards by the RBI could adversely impact credit growth for these segments, which may weigh on discretionary consumption



The tepidness in India's merchandise exports is expected to continue in H1 FY2025, followed by some improvement in H2, supported by a likely pick-up in global demand after the rate cut cycle begins in the major economies in H2 CY2024. Services exports may outpace merchandise export growth in FY2025





# BUSINESS DRIVERS & OUTLOOK



# Ratings: Business environment and outlook




## Environment

In FY2024, both the bond market and the bank credit market benefitted from tailwinds as the overall cost of borrowing in the global market was dearer

- Bond issuances reached an all-time high of Rs. 10.2 trillion in FY2024; all sub-segments – banks, bonds and corporates – grew well
- CP outstanding grew 9.9% as the securities firms funded their margin trading facility and working capital requirement

- The incremental credit deposit ratio for the banking system continued to be over 100% for the second consecutive year
- Given the Government’s thrust, expectedly, infrastructure and iron and steel sectors led in terms of incremental credit
- Medium and small industrial sector grew at a faster clip than the large

- Existing large issuers securitised higher volumes; new originators also sold pools, driven by their need for diversified and/or cheaper funding
- The dominant asset class shifted from mortgage loans to vehicle loans in FY2024



## Outlook

Going ahead, the interest rates in the global markets are likely to remain higher and only companies that need to diversify the funding base or those with a natural hedge in the borrowing currency would opt for ECBs

- Prevailing moderate yields would get further support in case of a rate cut which is now expected in Q3
- Expected growth in FY2025 may moderate on a high base but would find support as banks are now allowed to hold corporate bonds in HTM bucket


- Bank credit growth will moderate due to the higher base of the previous year. Expected range of 11.7%-12.6% in FY2025
- Moderation in bank credit-deposit ratio and higher risk weights to NBFC lending and consumer loan segments likely to weigh in

- Growth in the AUMs of NBFCs and HFCs expected to support the demand for securitisation even as co-lending picks up
- Securitisation volumes in FY2025 estimated to be in the range of Rs. ~2-2.1 trillion




**Bond**

Q4 FY2024: 15.6% YoY and FY2024: 17.2% growth YoY



**Bank Credit**

Q4 FY2024: 3.5% [3.1% PY] growth on-quarter and FY2024: 16.3% [15.4% PY] growth on-year in terms of outstanding

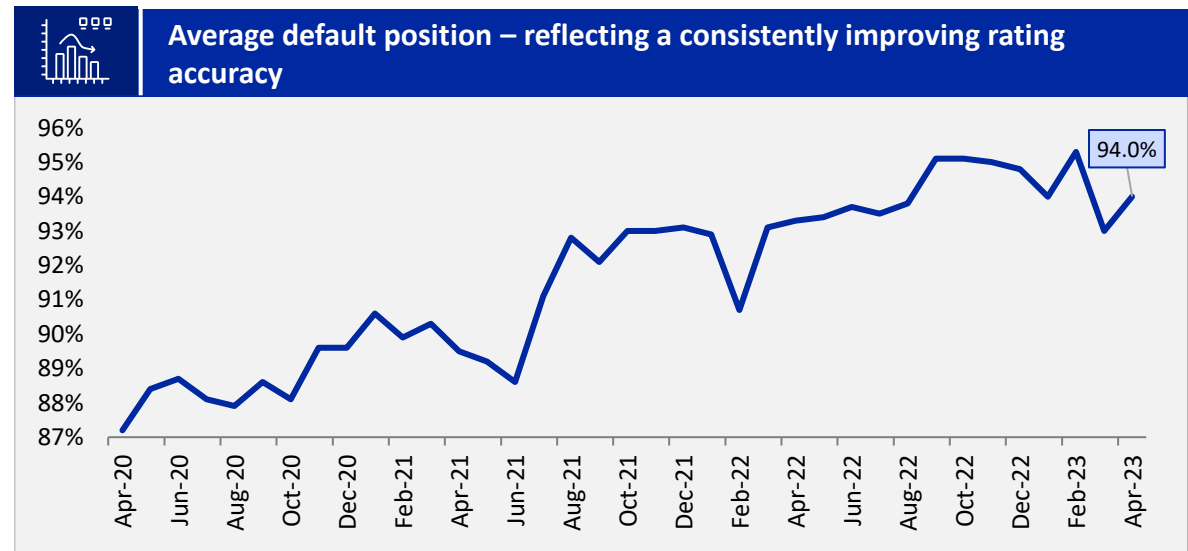
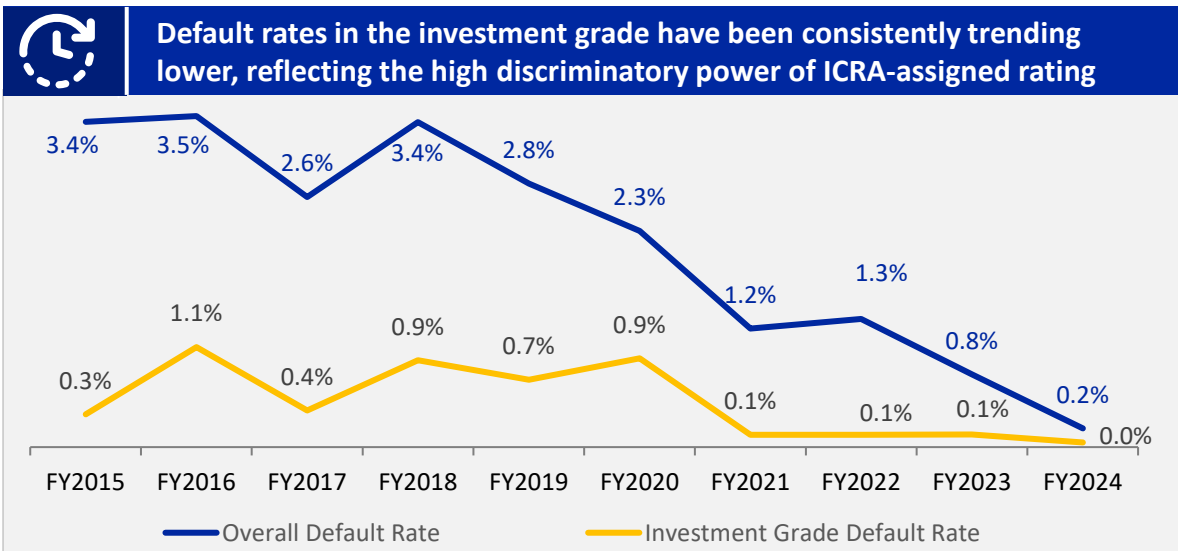
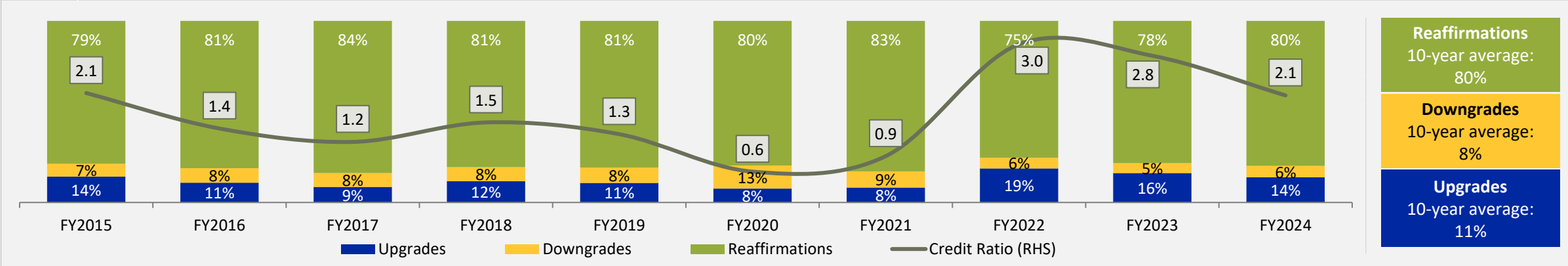


**Securitisation**

Market volumes are estimated to have grown by approximately 25% in FY2024 on-year (excl one large HFC that exited)

# Rating performance metrics continue to be robust

**\* Trend in rating reaffirmation and rating changes – ICRA upgraded two entities for every entity downgraded, during the last fiscal**



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





## Environment



## Outlook



### Knowledge Services

- Strong domain expertise and partnership will continue to drive growth
- Inflationary pressures continue and spending remains cautionary
- Strong tilt towards insourcing and increased use of AI may taper down higher growth seen in the past

- With deep focus on digitisation and AI-driven automation, focus remains on value-added work related to business transformation, data analysis and technology services
- Business transformation projects, traction in issuer-side support in structured finance and post-review work in ratings support to provide impetus



### Market Data

- Increased regulatory push for stress testing, risk management, data transparency and reporting
- Strong growth in demand from organised sectors - AIFs, banks, mutual funds and pension funds
- Collaboration with leading global data providers for value-added services, which will expand service coverage

- Regulatory focus on risk will increase demand for Market Data services
- Engagement with reputed global data service providers will play a key role in servicing larger markets and enhance data monetisation
- Push towards cloud-based information tool and related data products



### Risk Management

- Increasing regulatory oversight covering
  - Consumer loans/bank lending to NBFCs with significant unsecured lending portfolio
  - NBFCs - Automation of credit lifecycle; risk assessment under ICAAP; monitoring of sensitive sector exposures
- ECL norms for banks likely over next 12-18 months
- Climate-related risks to significantly impact regulated entities

- Increased opportunities for IAL products/API-led integration owing to enhanced regulatory focus on automation of credit life cycle for banks and NBFCs
- Risk and analytics will continue to play key role in large banks and NBFCs, providing ample growth opportunities for risk analytics
- D2K acquisition will strengthen IAL product portfolio to offer comprehensive solutions to banks



## RESEARCH & OUTREACH



## 1 WEBINARS & EVENTS



ICRA invites you to a webinar on **The Indian State Governments: Capex to Surge Despite a Moderation in Revenue Growth**

ICRA's presentation on state government finances will be followed by a conversation with Mr. Tarun Bajaj, IAS, Former Revenue and Economic Affairs Secretary, Government of India on a variety of Centre-State issues and a Q&A with webinar participants

**Mr. Tarun Bajaj**  
IAS, Former Revenue and Economic Affairs Secretary, Government of India



ICRA invites you to a webinar on **The Indian Pharmaceutical Industry: Headwinds in Remission**

ICRA's presentation will be followed by a tête-à-tête with the industry experts and a Q&A session with webinar participants.

**Mr. Umang Vohra**  
Managing Director & Global CEO, Cipla Limited

**Mr. Rajeev Nannapaneni**  
Director & CEO, Natco Pharma Limited

Tuesday, July 25, 2023 | 4:00 PM (IST)



## 2 RESEARCH PUBLISHED



**The Suez Canal – A Choppy Transit**

India's maritime trade with Europe and USA in rough waters; delay and cost escalation likely

January 2024



**SECURITIES BROKING INDUSTRY**

Investor exuberance propelling industry performance; MTF achieves a new high

January 2024



**LIBERATING HYDROGEN IMPRISONED IN COAL**

Government's Rs. 8,500-crore capital incentive for coal/ lignite gasification projects could be a tipping point for attracting fresh investments

FEBRUARY 2024

## 3 MEDIA COVERAGE

**Indian Airlines may Cut Net Loss to ₹7,000cr in FY24: ICRA**

**NBFCs' AUM to rise 13-15% in FY24, led by 18-20% retail loan growth: ICRA**

**Icra: Centre's fund releases may lead to divergence in borrowing by states in Q2**

**IT Sector's Revenue Likely to Grow 3-5% in FY25: Icra**

**Initial cost of e2W may rise 10% due to reduced subsidy: ICRA**

**Indian pharma to grow at 7-9% in FY24: ICRA**

**CBAM to hit 15-40% of steel export: Icra**

**Telcos Likely to Report Revenue Growth of 7-9% in FY24: ICRA**

**Collection efficiency for personal loans fell in Dec 2023: ICRA**

# Social listening

**Jyotiraditya M. Scindia** @JM\_Scindia

India's domestic air passenger traffic up by 2.3% in May, Icrs study shows  
[business-standard.com/industry/news/...](https://business-standard.com/industry/news/...)

via NaMo App

**India's domestic air passenger traffic up by 2.3% in May, Icrs study shows**  
 BUSINESS STANDARD JUNE 13TH, 2023



**Shashank Purohit** • 2nd Editor in Chief - Poultry Dairy & Feed News Point | Publicli...  
 1w • 0

ICRA highlighted the positive impact of controlled supply, healthy demand, and softened feed costs on players' earnings in the industry. Notably, maize and soybean prices, major components of feed costs, experienced declines of approximately 9% and 21%, respectively, in H1 FY2023. Despite the favorable conditions so far, concerns have been raised about the potential spike in feed costs. A significant contraction in soybean harvest during the kharif season and delayed sowing of maize are potential factors that could exert pressure on the profit margins of poultry companies in next year.

#news #feed #animalfeeds #animalhealth #animalnutrition #poultry #livestock #meat #farming #india #poultryscience #Poultryprocessing #poultryfeed #poultryequipment #poultryfeednutrition

Poultry, Dairy & Feed News Point  
 1,880 followers

**Indian Poultry Industry 2024**

Indian poultry industry revenues to grow by 8-10% | ICRA  
 poultrydailyfeed.com • 3 min read



**Gopal Joshi** • 2nd Thought Leader | Strategist & Consultant: Beverages Alcohol...  
 3mo • Edited • 0

This is imminent and should occur. The Indian Alcoholic Beverages Industry is currently experiencing a severe setback and is bleeding profusely on account of skyrocketing input costs.


ENA and glass bottles alone constitute 70% of the input cost. Both of these components are rapidly increasing in cost. Besides alcoholic beverages, every industry is allowed to adjust their prices in line with inflation and market dynamics.

Our industry is in a dire situation, even with incremental sales. It is losing profitability due to these critical issues. This will persist until our industry raises its voice. Our industry plays a significant role in State excise and taxation revenue, as well as in generating a major customs duty, in addition to heavy taxation on ENA and Molasses.

Yet, no one is listening to us..?

#liquorindustry #alcoholicbeverages #alcohol #ena #distillery #distillers #alcoholindustry

Alcohol beverage industry may see margin contraction in FY24: ICRA  
 business-standard.com • 3 min read



**Sharad Dubey** @Sharad9Dubey

ICRA expects the credit metrics of India Inc. to show slight sequential improvement in Q3 FY2024, with interest coverage increasing to 4.5-5.0 times in Q3 FY2024 from 4.5 times in Q2 FY2024.

1:15 PM · Nov 28, 2023 · 1,340 Views

1 1 10

**Shivek Aggarwal** • 2nd Founder and CEO at Agprop | Real Estate | Proptech  
 2mo • 0

The QSR Industry is just gonna double! Here's how

According to a recent report by ICRA, the top five players in the domestic QSR industry are expected to add nearly 2,300 stores between FY23 and FY25, with an estimated capex of around Rs. 5,800 crores. This is twice the levels seen during the pre-Covid era.

The industry revenue is estimated to grow by 20-25% in FY2024 over FY2023, driven by improving average daily sales (ADS) and store additions.

Also, higher technological absorption amidst the changing consumer behaviour post-Covid, wherein delivery as a medium is much more accepted, shall support the increasing penetration.

I'm thrilled to know that the capex for FY23-FY25 is estimated at around Rs. 1,800 crores to Rs. 2,000 crore per annum, which would be around 2.5 times that of the levels seen in FY2020.

**Gyanesh Chaudhary** • 2nd Chairman & MD @ Vikram Solar | Harvard OPM, Sustainabl...  
 2mo • 0

Incredible #MondayMotivation! The future of sustainable energy is shining brighter than ever, with ICRA projecting a substantial surge in domestic solar PV module manufacturing capacity by 2025. Thanks to strong policy support & soaring demand, we're on track to reach nearly 100 GW. #renewableenergy

**Domestic solar module manufacturing capacity to touch 60 GW mark by 2025: ICRA**  
 economicstimes.indiatimes.com • 2 min read

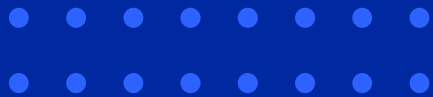
You and 150 others 4 comments · 2 reposts



Responsibility



## CORPORATE SOCIAL RESPONSIBILITY



# ICRA Cares - Change begins here!

**500**

**WOMEN SUPPORTED & EMPOWERED**



**919**

**HOURS VOLUNTEERED BY EMPLOYEES**



**3503**

**STUDENTS EDUCATED**



**166**

**EMPLOYEES TRAINED ON CSR & SUSTAINABILITY**



**555**

**YOUTH SUPPORTED IN LEARNING SKILLS**



**340**

**SPONSORING CHILDREN WITH INTELLECTUAL DISABILITIES**




# Employee engagement in CSR initiatives


ICRA  
47,924 followers  
3mo · Edited

ICRA's CSR commitment extends to Jai Vakeel Foundation's Special School in Mumbai, aimed at holistic education for children with Intellectual Disabilities. Our Managing Director & Group CEO, Ramnath Krishnan, and Group CFO, Venkatesh V., visited the school, experiencing the incredible work done. The visit showcased the impact across Health, Education, and Skill Development centres, emphasizing economic independence for individuals.

#ICRA #ICRAViews #CSR #Changebeginshere




### ICRA COLLABORATES WITH JAI VAKEEL FOUNDATION & RESEARCH CENTRE, MUMBAI




### Swachhta Hi Seva

a nationwide initiative, celebrated by our CSR partners.





"Shramdaan," a tribute to Mahatma Gandhi on the eve of his 154<sup>th</sup> birth anniversary, was celebrated with full enthusiasm by ICRA's CSR partners.




### CSR CHAMPS CULTIVATE CHANGE:

Plantation Drive in Gurugram, Sports Fun in Mumbai



### Empowering Minds:

ICRA Nurtures Critical Thinkers in its Skill Development Programme.



ICRA, in partnership with Anudip Foundation, equips underprivileged youth with critical thinking skills, preparing them to lead with creativity and confidence in a changing world.

This 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, except as required by applicable laws or regulations, ICRA 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. ICRA or any of its subsidiaries, or the directors, officers or employees of ICRA or its subsidiaries, shall have no liability whatsoever for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation. Past performance cannot be relied on as a guide to future performance.





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ICRA

**Thank You!**