



ICRA

ICRA Limited

November 5, 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: - Outcome of the Board Meeting dated November 5, 2020; commenced at 7:15 pm and concluded at 8:49 pm

Pursuant to Regulations 30, 33 and any other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), please find enclosed the unaudited Financial Results (Standalone & Consolidated) of ICRA Limited (the “**Company**”) for the second quarter and half year ended September 30, 2020, reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on November 5, 2020.

Please also find enclosed the Limited Review Reports submitted by M/s. B S R & Co. LLP, Chartered Accountants, (FRN: 101248W/W-100022), the Statutory Auditors of the Company.

Kindly take the above on record.

Regards,

Sincerely,

(N. Sivaraman)
Managing Director & Group CEO
DIN: 00001747

Encl.: As above

Building No. 8. 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurugram – 122002, Haryana
Registered Office: 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi 110001.

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RATING

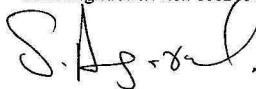
RESEARCH

INFORMATION

BSR & Co. LLP

5. Based on our review conducted as above, except for the effects/ possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For BSR & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Shashank Agarwal
Partner

Membership No.: 095109
UDIN: 20095109AAAAH4460

Place : Gurugram
Date : 5 November 2020



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020						
(Rupees in lakh, except share data, per share data and where otherwise stated)						
S. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Six months ended	Six months ended
		30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income					
I	Revenue from operations	4,336.16	4,249.79	5,094.14	8,585.95	10,231.87
II	Other income	898.12	960.71	1,049.80	1,858.83	2,062.99
III	Total income (I+II)	5,234.28	5,210.50	6,143.94	10,444.78	12,294.86
	Expenses					
IV	Employee benefit expenses	2,826.92	2,684.38	2,881.25	5,511.30	5,662.15
V	Finance costs	43.95	43.57	46.12	87.52	75.98
VI	Depreciation and amortisation expense	133.60	120.00	149.59	253.60	265.30
VII	Other expenses	675.48	998.11	1,242.01	1,673.59	2,130.57
VIII	Total expenses (IV to VII)	3,679.95	3,846.06	4,318.97	7,526.01	8,134.00
IX	Profit before tax (III-VIII)	1,554.33	1,364.44	1,824.97	2,918.77	4,160.86
	Tax expense:					
	Current tax	406.65	333.99	500.44	740.64	1,233.25
	Deferred tax	18.58	32.18	16.85	50.76	128.83
X	Total tax expense	425.23	366.17	517.29	791.40	2,707.22
XI	Profit after tax (IX-X)	1,129.10	998.27	1,307.68	2,127.37	2,798.78
	Other comprehensive income					
A	(i) Items that will not be reclassified to profit or (loss)	(4.58)	57.59	(15.44)	53.01	(29.96)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)	1.15	(14.49)	3.31	(13.34)	7.54
B	(i) Items that will be reclassified to profit or (loss)	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or (loss)	-	-	-	-	-
XII	Other comprehensive income, net of income tax (A+B)	(3.43)	43.10	(12.13)	39.67	(22.42)
XIII	Total comprehensive income for the period (XI + XII)	1,125.67	1,041.37	1,295.55	2,167.04	2,776.36
XIV	Paid up equity share capital (Face value : Rs. 10 per share)	965.12	965.12	965.12	965.12	965.12
XV	Other equity					57,287.92
XVI	Earnings per equity share (Rs.) (Face value of Rs. 10 per share):					
	Basic	11.74	10.38	13.60	22.12	29.10
	Diluted	11.74	10.38	13.60	22.12	29.10

See accompanying notes to the standalone unaudited financial results

Notes:

1 Standalone Statement of Assets and Liabilities are given below:

S.No.	Particulars	As at 30/09/2020	As at 31/03/2020
		Unaudited	Audited
A. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2,782.28	2,879.24	
(b) Intangible assets	1.57	2.52	
(c) Intangible assets under development	226.73	188.18	
(d) Financial assets			
(i) Investments	9,181.04	5,118.64	
(ii) Loans	393.55	379.17	
(iii) Others financial assets	974.65	775.35	
(e) Deferred tax assets (net)	353.10	417.20	
(f) Non-current tax asset (net)	1,078.75	742.01	
(g) Other non-current assets	8.54	11.58	
Total non-current assets	15,000.21	10,515.89	
2 Current assets			
(a) Financial assets			
(i) Investments	7,969.99	7,969.99	
(ii) Trade receivables	4,345.70	3,339.31	
(iii) Cash and cash equivalents	1,155.41	148.07	
(iv) Bank balances other than (iii) above	42,038.59	43,376.35	
(v) Loans	10.59	21.93	
(vi) Others financial assets	2,115.32	2,186.75	
(b) Other current assets	486.87	805.28	
(c) Assets held for sale	27.74	27.74	
Total current assets	58,150.21	57,875.42	
Total assets	73,150.42	68,389.31	
B. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	965.12	965.12	
(b) Other equity	57,105.55	57,287.92	
Total equity	58,070.67	58,253.04	
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	1,527.09	1,588.55	
(b) Provisions	183.79	152.57	
Total non-current liabilities	1,710.88	1,741.12	
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro and small enterprises	15.49	10.37	
(B) Total outstanding dues of creditors other than micro and small enterprises	417.09	928.18	
(ii) Other financial liabilities	3,184.32	687.74	
(b) Provisions	1,394.35	1,547.99	
(c) Current tax liabilities (net)	107.06	107.47	
(d) Other current liabilities	8,250.56	5,113.40	
Total current liabilities	13,368.87	8,395.15	
Total liabilities	15,079.75	10,136.27	
Total equity and liabilities	73,150.42	68,389.31	



2 Standalone Cash Flow Statement:				
Particulars	Six months ended		Six months ended	
	30/09/2020		30/09/2019	
	Unaudited	Unaudited	Unaudited	Unaudited
A. Cash flow from operating activities				
Profit before tax	2,918.77		4,160.86	
Adjustments for				
Depreciation and amortisation expense	253.60		265.30	
Bad debts/ advances written off (net of provisions)	31.28		117.79	
Long term individual payout funded through ICRA Employees Welfare Trust	256.42		272.17	
Interest on lease liabilities	87.52		74.52	
Other interest cost	-		1.46	
Short term lease rentals	7.76		10.40	
Interest income on fixed deposits	(1,485.94)		(1,430.23)	
Interest income on investments	(277.74)		(322.31)	
Dividend from subsidiary company	-		(21.47)	
Gain on financial assets carried at FVTPL (net)	(62.40)		(251.57)	
Profit on sale of assets, (net)	(0.02)		(0.46)	
Advances received from customers written back	(118.37)		(93.18)	
Operating cash flow before changes in operating assets and liabilities	1,610.88		2,783.28	
Adjustments for changes in operating assets and liabilities				
(Increase)/ decrease in trade receivables	(1,041.37)		(3,719.51)	
(Increase)/ decrease in loans	(3.04)		6.05	
(Increase)/ decrease in other financial assets	(212.11)		(303.38)	
(Increase)/ decrease in other assets	321.45		107.68	
Increase/ (decrease) in trade payables	(505.97)		354.58	
Increase/ (decrease) in other financial liabilities	47.47		(659.25)	
Increase/ (decrease) in other liabilities	3,042.50		2,956.51	
Increase/ (decrease) in provisions	(69.41)		(682.79)	
Cash generated from operations before tax	3,190.40		843.17	
Taxes paid, net of refund	(1,077.79)		(1,513.36)	
Net cash generated from operating activities (A)	2,112.61		(670.19)	
B. Cash flow from investing activities				
Purchase of property, plant and equipment, intangible assets and intangible assets under development including capital advances	(105.81)		(108.77)	
Sale proceeds from property, plant and equipment	1.16		8.43	
Sale proceeds from redemption/ disposal of mutual funds	-		8,290.19	
Investment in mutual funds	(4,000.00)		-	
Interest received on investments	20.82		32.23	
(Increase)/ decrease in fixed deposits (having maturity of more than three months) (net)	1,139.23		(7,205.56)	
Interest received on fixed deposits	2,008.93		1,895.13	
Dividend received from subsidiary company	20.40		-	
Net cash generated/ (used) in investing activities (B)	(915.27)		2,911.65	
C. Cash flow from financing activities				
Payment of lease liabilities	(92.71)		(91.19)	
Interest paid on lease liabilities	(87.52)		(74.52)	
Short term lease rentals	(7.76)		(10.40)	
Increase/(decrease) in unclaimed dividend	(2.01)		0.41	
Net cash generated (used) in financing activities (C)	(190.00)		(175.70)	
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	1,007.34		2,065.76	
Add: Cash and cash equivalents at the beginning of period	148.07		1,266.18	
Cash and cash equivalents at the end of the period	1,155.41		3,331.94	

3 The Company's business activity falls within a single primary business segment viz. "Rating, research and other services". The operating segment has been defined based on regular review by the Company's Chief Operating Decision Maker to assess the performance of the Company and to make decision about allocation of resources.

4 The Company had declared a final dividend of Rs. 27 per equity share for the financial year ended March 31, 2020, in its Annual General Meeting held on September 23, 2020 and paid on October 7, 2020.

5 As disclosed earlier, the Company has been in the process of addressing certain ongoing matters.

(a) During the quarter under review, Securities and Exchange Board of India (SEBI) has enhanced the penalty amount from Rs. 25 lakh to Rs. 1 crore in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's customer and the customer's subsidiaries. The Company has made requisite provision in its books. Subsequent to the quarter ended September 30, 2020, the Company has deposited the enhanced penalty amount under protest and is in process of filing an appeal with SEBI Appellate Tribunal contesting the said order.

(b) The Board of Directors ("Board") had previously appointed external experts to examine and report on anonymous representations making certain allegations against two former officials which were forwarded to the Company by SEBI ("Representations"). The findings of the external experts indicated that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The aforesaid officials are no longer in the employment of the Company. The key findings alongwith remediation measures have been submitted to SEBI on July 29, 2020. The Board has taken appropriate measures in the best interest of the Company and its various stakeholders. The Company has also been co-operating with government agencies in relation to queries against one of the Company's customer and the customer's subsidiaries. Based on the legal opinions given by external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.

(c) The Company received another anonymous representation during the year ended March 31, 2020 and the examination thereof is in progress and no matter requiring adjustment / having a material impact on financial results has been identified till date.

6 Management's response to comments of the statutory auditors in the Limited Review Report

With regards to comments of the statutory auditors in paragraph 4 of the limited review report, pertaining to ongoing matters, it is submitted that - in respect of the Representation, the key findings of the examination alongwith the details of remediation measures have been submitted to SEBI on July 29, 2020. The Company has also been co-operating with government agencies in relation to queries against one of the Company's customers and the customer's subsidiaries.

7 After a significant fall in level of economic activity in Q1 FY 2020-21 due to the pandemic led lock-down, increase in capacity utilisation in several manufacturing sectors and resumption in disbursement activities by some lending institutions marked the pick up in economic activity in the following quarter. Despite this our estimate of GDP growth for the fiscal has further contracted to 11% though Q2 FY 2020-21 is expected to fare better than the previous quarter. Bank credit to industry has been sluggish and bond issuances have been restricted to entities with stronger credit profiles. Though benign interest rates provide support to borrowing plans, the fund raising would depend on a sustainable increase in economic growth.

In terms of operations, the Company continues to serve its clients and market participants without any disruption in the service levels. To mitigate any risk to Company's employees, the Company has extended remote working for all employees across all locations and demonstrated its ability to provide seamless delivery of high-quality and timely services to its clients.

In view of the pandemic relating to COVID-19, the Company has considered internal and external information and has performed an analysis based on current estimates on the Company's capital and financial resources, profitability, liquidity position, assets, internal financial reporting and control, and demand for the Company's services. The Company is of the view that based on its present assessment, this situation does not materially impact the Company's capital and financial resources. However, the actual impact of COVID-19 may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions and consequential impact on its financial results.

8 Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification.

9 These standalone financial results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. These standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on November 5, 2020. The Statutory Auditors of the Company have carried out limited review of the standalone financial results for the quarter and six months ended September 30, 2020 and a qualified report [in respect of matter described in Note 5 (b) above] has been issued. The review report of the Statutory Auditor is being filed with the BSE and National Stock Exchange. For more details on standalone financial results, visit Investors relations section of our website at www.icra.in and financial results under Corporates section of www.bseindia.com and www.nseindia.com.

By Order of the Board of Directors

Digitally signed by SIVARAMAN NARAYANASWAMI
 Date: 2020.11.05 19:29:02 +05'30'

N. Sivaraman
 Managing Director & Group CEO
 (DIN: 00001747)

Place : Mumbai
 Date : November 5, 2020

B S R & Co. LLP

Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II,
Gurgaon - 122 002, India

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

To
Board of Directors of ICRA Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of ICRA Limited ("the Parent" or "the Company") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. Attention is drawn to note 5(b) of the Statement, that the Board of Directors ("Board") of the Company had previously appointed external experts to examine and report on anonymous representations making certain allegations against two former officials, which were forwarded to the Company by SEBI ("Representations").

The findings of the external experts indicated that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The aforesaid officials are no longer in the employment of the Company. The key findings alongwith remediation measures have been submitted to SEBI on July 29, 2020.

The Company has also been co-operating with government agencies in relation to queries against one of the Company's customer and the customer's subsidiaries.

We are unable to comment on the impact, if any, that may result from the above matter, on the consolidated financial results for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020.

The impact of this uncertainty was also one of the subject matters of qualification in our audit opinion on the consolidated financial results for the year ended 31 March 2020 and review report on unaudited consolidated financial results for the quarter ended 30 June 2020 and quarter ended 30 September 2019.

5. The Statement includes the results of the following entities:

Parent:

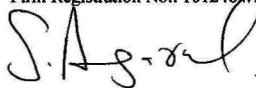
ICRA Limited

Subsidiaries:

- (a) ICRA Analytics Limited (*formerly known as ICRA Online Limited*)
 - (b) Pragati Development Consulting Services Limited
 - (c) ICRA Nepal Limited
 - (d) ICRA Lanka Limited
 - (e) PT ICRA Indonesia
 - (f) ICRA Employees Welfare Trust
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the effects/ possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The Statement includes the interim financial results of 4 subsidiaries which have not been reviewed, whose interim financial information reflect total assets (before consolidation adjustments) of Rs. 1,691.84 lakhs as at 30 September 2020 and total revenue (before consolidation adjustments) of Rs. 151.81 lakhs and Rs. 283.18 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 48.55 lakhs and Rs. 86.00 lakhs, and total comprehensive income of Rs. 47.11 lakhs and Rs. 86.13 lakhs for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, and net cash inflows (before consolidation adjustments) of Rs. 224.96 lakhs for the period from 1 April 2020 to 30 September 2020, as considered in the Statement. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For BSR & Co. LLP
Chartered Accountants
Firm Registration No.: 101248WW-100022



Shashank Agarwal
Partner
Membership No.: 095109
UDIN: 20095109AAAAIH5661

Place : Gurugram
Date : 5 November 2020



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020						
(Rupees in lakh, except share data, per share data and where otherwise stated)						
S.No	Particulars	Quarter ended	Quarter ended	Quarter ended	Six months ended	Six months ended
		30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
						Audited
	Income					
I	Revenue from operations	7,199.98	6,961.89	7,763.10	14,161.87	15,466.73
II	Other income	1,051.80	1,117.87	1,214.02	2,169.67	2,379.59
III	Total income (I+II)	8,251.78	8,079.76	8,977.12	16,331.54	17,846.32
	Expenses					
IV	Employee benefit expenses	4,373.66	4,130.58	4,283.80	8,504.24	8,461.27
V	Finance costs	51.59	52.05	57.08	103.64	94.89
VI	Depreciation and amortisation expense	249.91	228.00	269.61	477.91	497.45
VII	Other expenses	1,014.24	1,339.77	1,645.19	2,354.01	2,926.29
VIII	Total expenses (IV to VII)	5,689.40	5,750.40	6,255.68	11,439.80	11,979.90
IX	Profit before tax (III-VIII)	2,562.38	2,329.36	2,721.44	4,891.74	5,866.42
	Tax expense:					
	Current tax	570.11	599.80	713.69	1,169.91	1,701.68
	Deferred tax	124.47	24.67	75.79	149.14	179.10
X	Total tax expense	694.58	624.47	789.48	1,319.05	1,880.78
XI	Profit after tax (IX-X)	1,867.80	1,704.89	1,931.96	3,572.69	3,985.64
	Other comprehensive income					
A	(i) Items that will not be reclassified to profit or (loss)	(10.75)	41.75	(16.79)	31.00	(33.51)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)	2.70	(10.50)	2.85	(7.80)	9.22
B	(i) Items that will be reclassified to profit or (loss)	(1.44)	1.57	(0.59)	0.13	(1.44)
	(ii) Income tax relating to items that will be reclassified to profit or (loss)	-	-	-	-	-
XII	Other comprehensive income, net of income tax (A+B)	(9.49)	32.82	(14.53)	23.33	(25.73)
XIII	Total comprehensive income for the period (XI+XII)	1,858.31	1,737.71	1,917.43	3,596.02	3,959.91
XIV	Net Profit attributable to:					
	(a) Owners of the company	1,845.06	1,681.53	1,909.74	3,526.59	3,939.42
	(b) Non-controlling interest	22.74	23.36	22.22	46.10	46.22
XV	Other comprehensive income attributable to:					
	(a) Owners of the company	(9.49)	32.82	(14.53)	23.33	(25.73)
	(b) Non-controlling interest	-	-	-	-	-
XVI	Total comprehensive income attributable to:					
	(a) Owners of the company	1,835.57	1,714.35	1,895.21	3,549.92	3,913.69
	(b) Non-controlling interest	22.74	23.36	22.22	46.10	46.22
XVII	Paid up equity share capital (Face value : Rs. 10 per share)	965.12	965.12	965.12	965.12	965.12
XVIII	Other equity					69,196.35
XIX	Earnings per equity share (Rs.) (Face value of Rs. 10 per share)					
	Basic	19.18	17.48	19.85	36.66	40.95
	Diluted	19.18	17.48	19.85	36.66	40.95

See accompanying notes to the consolidated unaudited financial results

Notes:

1 Consolidated Statement of Assets and Liabilities are given below:

S.No.	Particulars	As at 30/09/2020	As at 31/03/2020
		Unaudited	Audited
A. ASSETS			
1 Non-current assets			
(a)	Property, plant and equipment	5,032.09	5,252.48
(b)	Goodwill	122.53	122.53
(c)	Other intangible assets	82.19	74.60
(d)	Intangible assets under development	309.84	204.19
(e)	Financial assets		
(i)	Investments	6,488.95	2,426.55
(ii)	Loans	459.27	445.43
(iii)	Others financial assets	5,645.40	2,106.88
(f)	Deferred tax assets (net)	485.27	642.20
(g)	Non current tax asset (net)	1,583.67	1,178.75
(h)	Other non-current assets	79.89	83.47
	Total non-current assets	20,289.10	12,537.08
2 Current assets			
(a)	Financial assets		
(i)	Investments	7,969.99	7,969.99
(ii)	Trade receivables	6,711.00	5,719.47
(iii)	Cash and cash equivalents	5,424.33	1,620.82
(iv)	Bank balances other than (iii) above	44,731.29	51,057.83
(v)	Loans	23.93	36.06
(vi)	Others financial assets	3,775.47	4,171.95
(b)	Other current assets	1,020.05	1,411.89
(c)	Assets held for sale	27.74	27.74
	Total current assets	69,683.80	72,015.75
	Total assets	89,972.90	84,552.83
B. EQUITY AND LIABILITIES			
1 Equity			
(a)	Equity share capital	965.12	965.12
(b)	Other equity	70,149.07	69,196.35
	Equity attributable to equity holders of parent	71,114.19	70,161.47
(c)	Non-controlling interests	304.68	258.58
	Total equity	71,418.87	70,420.05
Liabilities			
2 Non-current liabilities			
(a)	Financial liabilities		
(i)	Other financial liabilities	2,092.27	1,922.58
(b)	Provisions	430.90	708.47
	Total non-current liabilities	2,523.17	2,631.05
3 Current liabilities			
(a)	Financial liabilities		
(i)	Trade payables		
	(A) Total outstanding dues of micro and small enterprises	15.54	11.39
	(B) Total outstanding dues of creditors other than micro and small enterprises	912.30	1,540.87
(ii)	Other financial liabilities	3,603.99	1,163.76
(b)	Provisions	1,863.35	2,368.91
(c)	Current tax liabilities (net)	118.06	300.25
(d)	Other current liabilities	9,517.62	6,116.55
	Total current liabilities	16,030.86	11,501.73
	Total liabilities	18,554.03	14,132.78
	Total equity and liabilities	89,972.90	84,552.83



2 Segment wise revenue, results, assets and liabilities are given below:							
S. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Six months ended	Six months ended	Year ended
		30/09/2020	30/06/2020	30/09/2019	30/09/2020	30/09/2019	31/03/2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(i)	Segment revenue:						
	(a) Rating, research and other services	4,487.97	4,381.16	5,253.91	8,869.13	10,541.90	21,434.70
	(b) Consulting services	440.26	409.48	512.34	849.74	999.73	2,477.12
	(c) Outsourced and information services	2,291.08	2,208.45	2,116.24	4,499.53	4,135.28	8,548.71
	Total segment revenue	7,219.31	6,999.09	7,882.49	14,218.40	15,676.91	32,460.53
	Less: Inter-segment revenue	(19.33)	(37.20)	(119.39)	(56.53)	(210.18)	(351.69)
	Total revenue	7,199.98	6,961.89	7,763.10	14,161.87	15,466.73	32,108.84
(ii)	Segment results:						
	(Profit before tax and other income from each segment)						
	(a) Rating, research and other services	737.95	474.82	863.97	1,212.77	2,266.41	5,530.13
	(b) Consulting services	(48.47)	(70.85)	(63.51)	(119.32)	(132.59)	(195.48)
	(c) Outsourced and information services	871.47	844.62	808.35	1,716.09	1,527.31	3,260.05
	Total segment results	1,560.95	1,248.59	1,608.81	2,809.54	3,661.13	8,594.70
	Less: Finance costs	(51.59)	(52.05)	(57.08)	(103.64)	(94.89)	(204.47)
	Add: Unallocable income net of unallocable expenses	1,053.02	1,132.82	1,169.71	2,185.84	2,300.18	4,757.36
	Profit before tax	2,562.38	2,329.36	2,721.44	4,891.74	5,866.42	13,147.59
(iii)	Segment assets:						
	(a) Rating, research and other services	8,800.58	9,484.16	10,220.43	8,800.58	10,220.43	7,974.59
	(b) Consulting services	1,886.24	2,156.99	1,602.55	1,886.24	1,602.55	1,747.34
	(c) Outsourced and information services	5,075.59	6,830.33	5,188.11	5,075.59	5,188.11	5,510.60
	(d) Unallocable	74,210.49	70,237.66	68,841.77	74,210.49	68,841.77	69,320.30
	Total segment assets	89,972.90	88,709.14	85,852.86	89,972.90	85,852.86	84,552.83
(iv)	Segment liabilities:						
	(a) Rating, research and other services	13,901.11	13,367.47	14,785.35	13,901.11	14,785.35	11,242.62
	(b) Consulting services	903.64	853.49	1,402.09	903.64	1,402.09	1,004.93
	(c) Outsourced and information services	1,073.80	2,144.51	1,186.00	1,073.80	1,186.00	1,622.97
	(d) Unallocable	2,675.48	178.41	3,680.15	2,675.48	3,680.15	262.26
	Total segment liabilities	18,554.03	16,543.88	21,053.59	18,554.03	21,053.59	14,132.78
3 Consolidated Cash Flow Statement:							
Particulars	Six months ended						
	30/09/2020	30/09/2019					
	Unaudited	Unaudited					
Profit before tax	4,891.74	5,866.42					
Adjustments for:							
Depreciation and amortisation expense	477.91	497.45					
Bad debts/ advances written off (net of provisions)	(17.71)	60.24					
Interest on lease liabilities	103.64	93.43					
Other interest cost	-	1.46					
Short term lease rentals	22.81	43.00					
Interest income on fixed deposits	(1,783.68)	(1,745.56)					
Interest income on investments	(277.74)	(323.84)					
Gain on financial assets carried at FVTPL (net)	(62.40)	(251.57)					
Advances received from customers written back	(118.37)	(93.18)					
Unrealised foreign exchange gain	(3.20)	(3.52)					
Loss / (Profit) on sale of assets (net)	(0.02)	1.10					
Operating cash flow before changes in operating assets and liabilities	3,232.98	4,145.43					
Adjustments for changes in operating assets and liabilities							
(Increase)/ decrease in trade receivables	(973.75)	(4,526.14)					
(Increase)/ decrease in loans	(1.71)	23.90					
(Increase)/ decrease in other financial assets	(49.98)	(319.36)					
(Increase)/ decrease in other assets	395.42	197.96					
Increase/ (decrease) in trade payables	(624.42)	322.31					
Increase/ (decrease) in other financial liabilities	313.59	(372.21)					
Increase/ (decrease) in other liabilities	3,306.41	3,551.22					
Increase/ (decrease) in provisions	(752.13)	(882.03)					
Cash generated from operations before tax	4,846.41	2,141.08					
Taxes paid, net of refund	(1,757.02)	(1,956.15)					
Net cash generated from operating activities (A)	3,089.39	184.93					
B. Cash flow from investing activities:							
Purchase of property, plant and equipment, intangible assets and intangible assets under development including capital advances	(299.96)	(379.65)					
Sale proceeds from property, plant and equipment	1.16	9.68					
Sale proceeds from redemption/ disposal of mutual funds	-	8,290.19					
Investment in mutual funds	(4,000.00)	-					
Interest received on investments	20.82	33.18					
(Increase)/ decrease in fixed deposits (having maturity of more than three months) (net)	2,797.88	(8,614.68)					
Interest received on fixed deposits	2,480.45	2,336.45					
Net cash generated/ (used) in investing activities (B)	1,000.35	1,675.17					
C. Cash flow from financing activities							
Payment of lease liabilities	(157.77)	(84.81)					
Interest paid on lease liabilities	(103.64)	(93.43)					
Short term lease rentals	(22.81)	(43.00)					
Increase/(decrease) in unclaimed dividend	(2.01)	0.41					
Net cash generated/ (used) in financing activities (C)	(286.23)	(220.83)					
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	3,803.51	1,639.27					
Add: Cash and cash equivalents at the beginning of period	1,620.82	2,442.15					
Cash and cash equivalents at the end of the period	5,424.33	4,081.42					



ICRA Limited

Corporate Identity Number (CIN): L74999DL1991PLC042749

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(Rupees in lakh, except share data, per share data and where otherwise stated)

- 4 The Company had declared a final dividend of Rs. 27 per equity share for the financial year ended March 31, 2020, in its Annual General Meeting held on September 23, 2020 and paid on October 7, 2020.
- 5 As disclosed earlier, the Company has been in the process of addressing certain ongoing matters.
- (a) During the quarter under review, Securities and Exchange Board of India (SEBI) has enhanced the penalty amount from Rs. 25 lakh to Rs. 1 crore in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's customer and the customer's subsidiaries. The Company has made requisite provision in its books. Subsequent to the quarter ended September 30, 2020, the Company has deposited the enhanced penalty amount under protest and is in process of filing an appeal with SEBI Appellate Tribunal contesting the said order.
- (b) The Board of Directors ("Board") had previously appointed external experts to examine and report on anonymous representations making certain allegations against two former officials which were forwarded to the Company by SEBI ("Representations"). The findings of the external experts indicated that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The aforesaid officials are no longer in the employment of the Company. The key findings alongwith remediation measures have been submitted to SEBI on July 29, 2020. The Board has taken appropriate measures in the best interest of the Company and its various stakeholders. The Company has also been co-operating with government agencies in relation to queries against one of the Company's customer and the customer's subsidiaries. Based on the legal opinions given by external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.
- (c) The Company received another anonymous representation during the year ended March 31, 2020 and the examination thereof is in progress and no matter requiring adjustment / having a material impact on financial results has been identified till date.
- 6 **Management's response to comments of the statutory auditors in the Limited Review Report**
With regards to comments of the statutory auditors in paragraph 4 of the limited review report, pertaining to ongoing matters, it is submitted that – in respect of the Representation, the key findings of the examination alongwith the details of remediation measures have been submitted to SEBI on July 29, 2020. The Company has also been co-operating with government agencies in relation to queries against one of the Company's customers and the customer's subsidiaries.
- 7 After a significant fall in level of economic activity in Q1 FY 2020-21 due to the pandemic led lock-down, increase in capacity utilisation in several manufacturing sectors and resumption in disbursement activities by some lending institutions marked the pickup in economic activity in the following quarter. Despite this our estimate of GDP growth for the fiscal has further contracted to 11% though Q2 FY 2020-21 is expected to fare better than the previous quarter. Bank credit to industry has been sluggish and bond issuances have been restricted to entities with stronger credit profiles. Though benign interest rates provide support to borrowing plans, the fund raising would depend on a sustainable increase in economic growth. Consulting business is also impacted and traction continues to remain subdued due to COVID-19. However, no significant impact has been observed on Outsourced & information services.
- In terms of operations, the Group continues to serve its clients and market participants without any disruption in the service levels. To mitigate any risk to employees, the Group has extended remote working for all employees across all locations and demonstrated its ability to provide seamless delivery of high-quality and timely services to its clients.
- In view of the pandemic relating to COVID-19, the Group has considered internal and external information and has performed an analysis based on current estimates on the entities capital and financial resources, profitability, liquidity position, assets, internal financial reporting and control, and demand for the entity's services. The Group is of the view that based on its present assessment this situation does not materially impact the entity's capital and financial resources. However, the actual impact of COVID-19 may differ from that estimated due to unforeseen circumstances and the entity's will continue to closely monitor any material changes to future economic conditions and consequential impact on its consolidated financial results.
- 8 Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification.
- 9 These consolidated financial results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. These consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on November 5, 2020. The Statutory Auditors of the Company have carried out limited review of the consolidated financial results for the quarter and six months ended September 30, 2020 and a qualified report [in respect of matter described in Note 5 (b) above] has been issued. The review report of the Statutory Auditor is being filed with the BSE and National Stock Exchange. For more details on financial results, visit Investors relations section of our website at www.icra.in and Financial Results under Corporates section of www.bseindia.com and www.nseindia.com.

By Order of the Board of Directors

Digitally signed by SIVARAMAN
NARAYANASWAMI
Date: 2020.11.05 19:30:13 +05'30'

N. Sivaraman

Managing Director & Group CEO

(DIN: 00001747)

Place : Mumbai

Date : November 5, 2020