



ICRA

ICRA Limited

August 27, 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 August 27, 2020; commenced at 6:45 pm and concluded at 8:20 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 first quarter ended June 30, 2020, reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on August 27, 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
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RATING

RESEARCH

INFORMATION

B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurugram - 122 002, India

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To
Board of Directors of ICRA Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of ICRA Limited ("the Company") for the quarter ended 30 June 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Our responsibility is to issue a report 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to note 3 of the Statement, wherein it is stated that the Company is in the process of addressing certain ongoing matters.

First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of INR 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of INR 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. Both the matters are sub-judice. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.

B S R & Co. (a partnership firm with Registration No. BSA1222) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-6161) with effect from October 14, 2013

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5th Floor, Luthra Escobar
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Mumbai - 400 011

Second, the Board of Directors ("Board") had 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"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts to examine such allegations.

Based on our sighting and briefing of the findings of the external experts, the findings indicate 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 external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.

Based on our sighting and briefing of the findings of the second set of external experts, the findings do not indicate any material deficiencies with applicable regulations and Company policies.

Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.

Fourth, the Company had received a letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group. As informed to us, the Company had submitted its responses to SEBI on such observations dated 14 August 2019 and there has been no further development in this matter.

While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the standalone financial results for the quarter ended 30 June 2020.

The impact of these uncertainties was also subject matter of qualification in our audit opinion on the standalone financial results for the quarter and year ended 31 March 2020 and review report on unaudited standalone financial results for the quarter ended 30 June 2019.

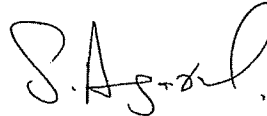
5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.



B S R & Co. LLP

6. 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 B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Shashank Agarwal
Partner
Membership No.: 095109
UDIN: 20095109AAAAFL6888

Place : Gurugram
Date : 27 August 2020



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020					
(Rupees in lakh, except share data, per share data and where otherwise stated)					
S. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
		30/06/2020	31/03/2020	30/06/2019	31/03/2020
		Unaudited	Audited (Refer note 6)	Unaudited	Audited
	Income				
I	Revenue from operations	4,249.79	5,276.38	5,137.73	20,778.26
II	Other income	960.71	1,000.02	1,013.19	4,057.40
III	Total income (I+II)	5,210.50	6,276.40	6,150.92	24,835.66
	Expenses				
IV	Employee benefit expenses	2,684.38	1,954.13	2,780.90	10,510.73
V	Finance costs	43.57	44.60	29.86	166.22
VI	Depreciation and amortisation expense	120.00	133.42	115.71	537.64
VII	Other expenses	998.11	1,284.07	888.56	4,415.87
VIII	Total expenses (IV to VII)	3,846.06	3,416.22	3,815.03	15,630.46
IX	Profit before tax (III-VIII)	1,364.44	2,860.18	2,335.89	9,205.20
	Tax expense:				
	Current tax	333.99	698.54	732.81	2,706.57
	Deferred tax	32.18	53.16	111.98	0.65
X	Total tax expense	366.17	751.70	844.79	2,707.22
XI	Profit after tax (IX-X)	998.27	2,108.48	1,491.10	6,497.98
	Other comprehensive income				
A	(i) Items that will not be reclassified to profit or (loss)	57.59	(19.93)	(14.52)	(71.95)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)	(14.49)	5.02	4.23	18.11
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)	43.10	(14.91)	(10.29)	(53.84)
XIII	Total comprehensive income for the period (XI+XII)	1,041.37	2,093.57	1,480.81	6,444.14
XIV	Paid up equity share capital (Face value : Rs. 10 per share)	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	10.38	21.92	15.50	67.55
	Diluted	10.38	21.92	15.50	67.55

See accompanying notes to the standalone unaudited financial results

Notes:

- The Company's business activity falls within a single primary operating 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.
- The Board of Directors, at its meeting held on July 14, 2020, had recommended a dividend of Rs. 27 per equity share for the financial year ended March 31, 2020. The proposal is subject to the approval of members at the forthcoming Annual General Meeting.
- As disclosed earlier, the Company has been in the process of addressing certain ongoing matters.

First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of Rs. 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of Rs. 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. Both the matters are sub-judice and the Company has made adequate provision in this regard. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.

Second, the Board of Directors ("Board") had 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"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts, to examine such allegations.

The external experts examining the Representations had concluded their examination and the findings 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 external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis).

Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis is a qualitative technical matter that was beyond the scope of the examination, as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.

The findings of the second set of external experts do not indicate any material deficiencies with applicable regulations and Company policies.

The findings of the external experts have been presented to the Board members. The Board has taken appropriate measures in the best interest of the Company and its various stakeholders with regard to the outcome of the examination.

Third, the Company directly received another anonymous representation during the year ended March 31, 2020 against certain of its existing officials and the examination thereof is in progress.

Fourth, the Company had received a letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group. The Company had submitted its responses to SEBI on such observations dated August 14, 2019. There has been no further development in this matter.

While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the above matters is currently unascertainable. However, 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.



ICRA

ICRA Limited
Corporate Identity Number (CIN): L74999DL1991PLC042749
Registered Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi- 110 001
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Website: www.icra.in, Email ID: investors@icraindia.com
(Rupees in lakh, except share data, per share data and where otherwise stated)

4 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 – Firstly, in respect of matters relating to Adjudication Proceeding, the same are sub-judice and the Company has made adequate provision in this regard. Secondly, 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. Thirdly, in respect of another anonymous representation during the year ended March 31, 2020 against certain of its existing officials, the examination thereof is in progress. Fourthly, in respect of letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group, the Company had submitted its responses to SEBI on such observations dated August 14, 2019 and there is nothing outstanding on the part of the Company.

- 5 The level of activity in the economy was significantly impacted by the lockdown imposed by the Central and State Governments to contain the spread of COVID-19 in the first quarter of the financial year 2020-21. This along with less than expected pick-up in the economy in the second quarter due to slow relaxation in the lockdown as well as re-imposition of the same in some geographies has resulted in our estimate of GDP contracting further to -9.5%. Fresh issuances of debt have been largely from entities with strong credit ratings or from those having sound promoters. Many such issuers also availed financing through commercial papers to take advantage of the fall in yield at the shorter end of the curve. Rating opportunities are going to depend inter alia on the activity level in the economy as well as the availability of funds. Softer interest rates would provide refinancing opportunities in the near term.

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 even during the lock-down.

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 statements.

- 6 The figures for the preceding quarter ended March 31, 2020, as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and the published year to date figures upto the end of third quarter of the relevant financial year. Also the figures upto the end of the third quarter of the preceding financial year were only reviewed and not subjected to an audit.
- 7 These results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on August 27, 2020. The Statutory auditors of the Company have carried out limited review of the financial results for the quarter ended June 30, 2020, and a qualified report (in respect of matter described in Note-3 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 unaudited 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 SVARAMAN NARAYANASWAMI
Date: 2020.08.27 18:59:35 +05'30'

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

Place: Mumbai
Dated: August 27, 2020

B S R & Co. LLP

Chartered Accountants

Building No. 10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

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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 June 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 3 of the Statement, wherein it is stated that the Company is in the process of addressing certain ongoing matters.

First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of INR 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of INR 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. Both the matters are sub-judice. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.

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(a Limited Liability Partnership with LLP Registration
No. AAB-0181) with effect from October 14, 2013

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B S R & Co. LLP

Second, the Board of Directors ("Board") had 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"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts to examine such allegations.

Based on our sighting and briefing of the findings of the external experts, the findings 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 external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.

Based on our sighting and briefing of the findings of the second set of external experts, the findings do not indicate any material deficiencies with applicable regulations and Company policies.

Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.

Fourth, the Company had received a letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group. As informed to us, the Company had submitted its responses to SEBI on such observations dated 14 August 2019 and there has been no further development in this matter.

While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the consolidated financial results for the quarter ended 30 June 2020.

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

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

Parent:

ICRA Limited

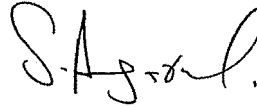
Subsidiaries:

- (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

B S R & Co. LLP

6. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
7. 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.
8. The Statement includes the interim financial results of 4 subsidiaries which have not been reviewed, whose interim financial results reflect total revenue (*before consolidation adjustments*) of Rs. 131.37 lakhs, total net profit after tax (*before consolidation adjustments*) of Rs. 37.45 lakhs and total comprehensive income (*before consolidation adjustments*) of Rs. 39.02 lakhs for the quarter ended 30 June 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 B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022



Shashank Agarwal
Partner
Membership No.: 095109
UDIN: 20095109AAAAFK9135

Place : Gurugram
Date : 27 August 2020



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020					
(Rupees in lakh, except share data, per share data and where otherwise stated)					
S. No	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
		30/06/2020	31/03/2020	30/06/2019	31/03/2020
		Unaudited	Audited (Refer note 6)	Unaudited	Audited
	Income				
I	Revenue from operations	6,961.89	8,706.50	7,703.63	32,108.84
II	Other income	1,117.87	1,249.68	1,165.57	4,796.75
III	Total income (I+II)	8,079.76	9,956.18	8,869.20	36,905.59
	Expenses				
IV	Employee benefit expenses	4,130.58	3,382.49	4,177.47	16,166.87
V	Finance costs	52.05	53.76	37.81	204.47
VI	Depreciation and amortisation expense	228.00	267.41	227.84	1,029.01
VII	Other expenses	1,339.77	2,062.33	1,281.10	6,357.65
VIII	Total expenses (IV to VII)	5,750.40	5,765.99	5,724.22	23,758.00
IX	Profit before tax (III-VIII)	2,329.36	4,190.19	3,144.98	13,147.59
	Tax expense:				
	Current tax	599.80	1,027.37	987.99	3,707.31
	Deferred tax	24.67	(322.83)	103.31	(283.49)
X	Total tax expense	624.47	704.54	1,091.30	3,423.82
XI	Profit after tax (IX-X)	1,704.89	3,485.65	2,053.68	9,723.77
	Other comprehensive income				
A	(i) Items that will not be reclassified to profit or (loss)	41.75	(37.98)	(16.72)	(85.40)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)	(10.50)	9.66	6.37	21.59
B	(i) Items that will be reclassified to profit or (loss)	1.57	1.55	(0.85)	1.28
	(ii) Income tax relating to items that will be reclassified to profit or (loss)	-	-	-	-
XII	Other comprehensive income, net of income tax (A+B)	32.82	(26.77)	(11.20)	(62.53)
XIII	Total comprehensive income for the period (XI+XII)	1,737.71	3,458.88	2,042.48	9,661.24
XIV	Net Profit attributable to:				
	(a) Owners of the company	1,681.53	3,458.46	2,029.68	9,617.50
	(b) Non-controlling interest	23.36	27.19	24.00	106.27
XV	Other comprehensive income attributable to:				
	(a) Owners of the company	32.82	(26.77)	(11.20)	(62.53)
	(b) Non-controlling interest	-	-	-	-
XVI	Total comprehensive income attributable to:				
	(a) Owners of the company	1,714.35	3,431.69	2,018.48	9,554.97
	(b) Non-controlling interest	23.36	27.19	24.00	106.27
XVII	Paid up equity share capital (Face value : Rs. 10 per share)	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	17.48	35.95	21.10	99.98
	Diluted	17.48	35.95	21.10	99.98

See accompanying notes to the consolidated unaudited financial results

Notes:

1 Segment wise revenue, results and capital employed:

Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
		30/06/2020	31/03/2020	30/06/2019	31/03/2020
		Unaudited	Audited (Refer note 6)	Unaudited	Audited
(i)	Segment revenue:				
	(a) Rating, research and other services	4,381.16	5,449.18	5,287.99	21,434.70
	(b) Consulting services	409.48	1,057.37	487.39	2,477.12
	(c) Outsourced and information services	2,208.45	2,276.52	2,019.04	8,548.71
	Total segment revenue	6,999.09	8,783.07	7,794.42	32,460.53
	Less: Inter-segment revenue	(37.20)	(76.57)	(90.79)	(351.69)
	Total revenue	6,961.89	8,706.50	7,703.63	32,108.84
(ii)	Segment results: (Profit before tax and other income from each segment)				
	(a) Rating, research and other services	474.82	1,969.24	1,402.44	5,530.13
	(b) Consulting services	(70.85)	45.95	(69.08)	(195.48)
	(c) Outsourced and information services	844.62	928.13	718.96	3,260.05
	Total segment results	1,248.59	2,943.32	2,053.32	8,594.70
	Less: Finance costs	(52.05)	(53.76)	(37.81)	(204.47)
	Add: Unallocable income net of unallocable expenses	1,132.82	1,300.63	1,130.47	4,757.36
	Profit before tax	2,329.36	4,190.19	3,144.98	13,147.59
(iii)	Segment assets:				
	(a) Rating, research and other services	9,484.16	7,974.59	12,524.11	7,974.59
	(b) Consulting services	2,156.99	1,747.34	1,639.46	1,747.34
	(c) Outsourced and information services	6,830.33	5,510.60	5,242.75	5,510.60
	(d) Unallocable	70,237.66	69,320.30	66,918.90	69,320.30
	Total segment assets	88,709.14	84,552.83	86,325.22	84,552.83
(iv)	Segment liabilities:				
	(a) Rating, research and other services	13,367.47	11,242.62	16,933.21	11,242.62
	(b) Consulting services	853.49	1,004.95	1,350.49	1,004.93
	(c) Outsourced and information services	2,144.51	1,622.97	1,423.38	1,622.97
	(d) Unallocable	178.41	262.26	263.36	262.26
	Total segment liabilities	16,543.88	14,132.78	19,970.44	14,132.78



ICRA

ICRA Limited

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Website: www.icra.in, Email ID: investors@icraindia.com
(Rupees in lakh, except share data, per share data and where otherwise stated)

- 2 The Board of Directors, at its meeting held on July 14, 2020, had recommended a dividend of Rs. 27 per equity share for the financial year ended March 31, 2020. The proposal is subject to the approval of members at the forthcoming Annual General Meeting.
- 3 As disclosed earlier, the Company has been in the process of addressing certain ongoing matters.
First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of Rs. 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of Rs. 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. Both the matters are sub-judice and the Company has made adequate provision in this regard. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.
Second, the Board of Directors ("Board") had 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"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts, to examine such allegations.
The external experts examining the Representations had concluded their examination and the findings 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 external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis).
Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis is a qualitative technical matter that was beyond the scope of the examination, as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.
The findings of the second set of external experts do not indicate any material deficiencies with applicable regulations and Company policies.
The findings of the external experts have been presented to the Board members. The Board has taken appropriate measures in the best interest of the Company and its various stakeholders with regard to the outcome of the examination.
Third, the Company directly received another anonymous representation during the year ended March 31, 2020 against certain of its existing officials and the examination thereof is in progress.
Fourth, the Company had received a letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group. The Company had submitted its responses to SEBI on such observations dated August 14, 2019. There has been no further development in this matter.
While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the above matters is currently unascertainable. However, 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.
- 4 **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 – Firstly, in respect of matters relating to Adjudication Proceeding, the same are sub-judice and the Company has made adequate provision in this regard. Secondly, 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. Thirdly, in respect of another anonymous representation during the year ended March 31, 2020 against certain of its existing officials, the examination thereof is in progress. Fourthly, in respect of letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group, the Company had submitted its responses to SEBI on such observations dated August 14, 2019 and there is nothing outstanding on the part of the Company.
- 5 The level of activity in the economy was significantly impacted by the lockdown imposed by the Central and State Governments to contain the spread of COVID-19 in the first quarter of the financial year 2020-21. This along with less than expected pick-up in the economy in the second quarter due to slow relaxation in the lockdown as well as re-imposition of the same in some geographies has resulted in our estimate of GDP contracting further to -9.5%. Fresh issuances of debt have been largely from entities with strong credit ratings or from those having sound promoters. Many such issuers also availed financing through commercial papers to take advantage of the fall in yield at the shorter end of the curve. Rating opportunities are going to depend inter alia on the activity level in the economy as well as the availability of funds. Softer interest rates would provide refinancing opportunities in the near term. Consulting business were also impacted due to lockdown restriction, and traction continues to remain subdued. 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 even during the lock-down.
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 statements.
- 6 The figures for the preceding quarter ended March 31, 2020, as reported in these consolidated financial results, are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and the published year to date figures upto the end of third quarter of the relevant financial year. Also the figures upto the end of the third quarter of the preceding financial year were only reviewed and not subjected to an audit.
- 7 These results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. These consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on August 27, 2020. The Statutory auditors of the Company have carried out limited review of the consolidated financial results for the quarter ended June 30, 2020 and a qualified report (in respect of matter described in Note-3 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 consolidated unaudited 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: 2020.08.27 19:00:45 +05'30'
N. Sivaraman
Managing Director & Group CEO
(DIN: 00001747)

Place: Mumbai
Dated: August 27, 2020