



ICRA

ICRA Limited

May 12, 2022

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001, India  
**Scrip Code: 532835**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Plot no. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai - 400 051, India  
**Symbol: ICRA**

Dear Sir/Madam,

**Sub: - Investor Presentation, Q4 FY22**

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 FY22.

Kindly take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman)  
Company Secretary & Compliance Officer

Encl.: As Above



ICRA

A MOODY'S INVESTORS  
SERVICE COMPANY

# Group ICRA Investor Presentation Q4 FY22

*May 12, 2022*

# Contents

**01**

---

**Group ICRA  
Overview**

**02**

---

**Financial  
Performance  
Review –  
ICRA Limited  
(Standalone)**

**03**

---

**Financial  
Performance  
Review –  
Group ICRA  
(Consolidated)**

**04**

---

**- Research  
- Webinars**

**01**

---

**Group ICRA  
Overview**

**02**

---

Financial  
Performance  
Review –  
ICRA Limited  
(Standalone)

**03**

---

Financial  
Performance  
Review –  
Group ICRA  
(Consolidated)

**04**

---

- Research  
- Webinars

# Group ICRA Overview

## ICRA Nepal-ICRA Lanka

(subsidiaries of ICRA Limited)



### ICRA Nepal



First credit rating agency in Nepal



Provides independent credit rating opinions and grading services

### ICRA Lanka



Provides independent credit rating opinions and research

## ICRA Limited

(parent entity – standalone)



ICRA  
A MOODY'S INVESTORS  
SERVICE COMPANY



Provides independent credit ratings opinions and research



31+ years of experience and ~400 workforce



13 offices across India

## ICRA Analytics

(subsidiary of ICRA Limited)



ICRA  
ANALYTICS  
A Group ICRA Company



Provides solutions, analytics and digital platforms for risk management, market data, consulting and knowledge services



22+ years of experience and ~800 workforce



Serving clients across the globe



Certified as a “Great Place to Work”

01

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Group ICRA  
Overview

02

---

**Financial  
Performance  
Review –  
ICRA Limited  
(Standalone)**

03

---

Financial  
Performance  
Review –  
Group ICRA  
(Consolidated)

04

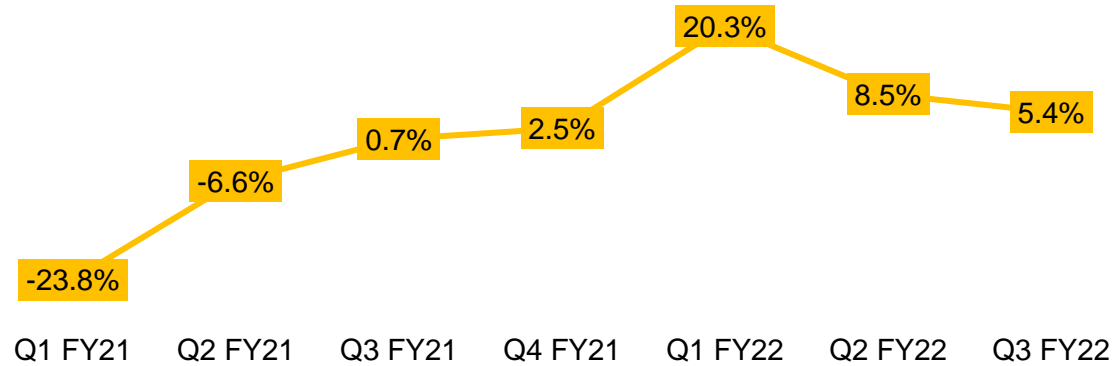
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- Research  
- Webinars

# Economic Environment

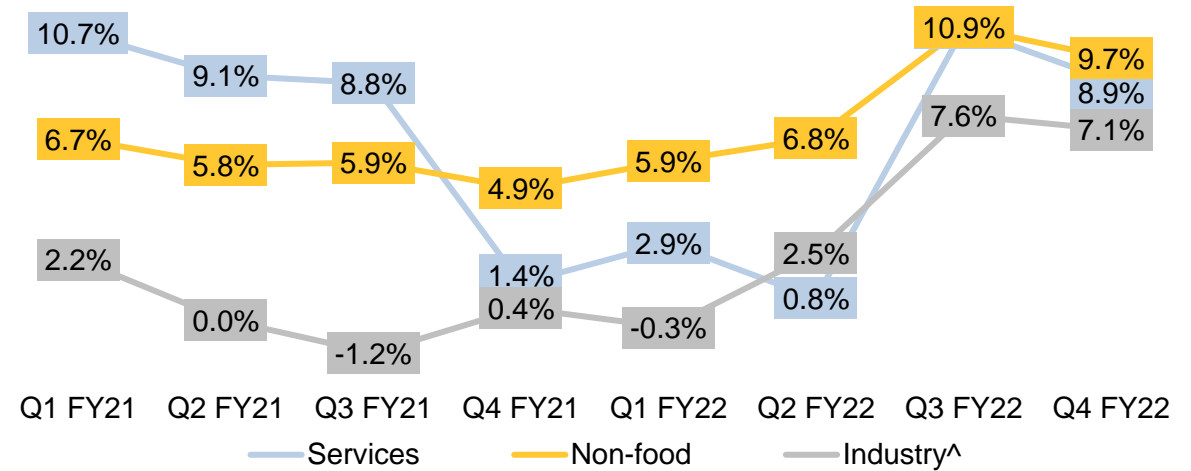
## GDP Growth

(source: CSO)



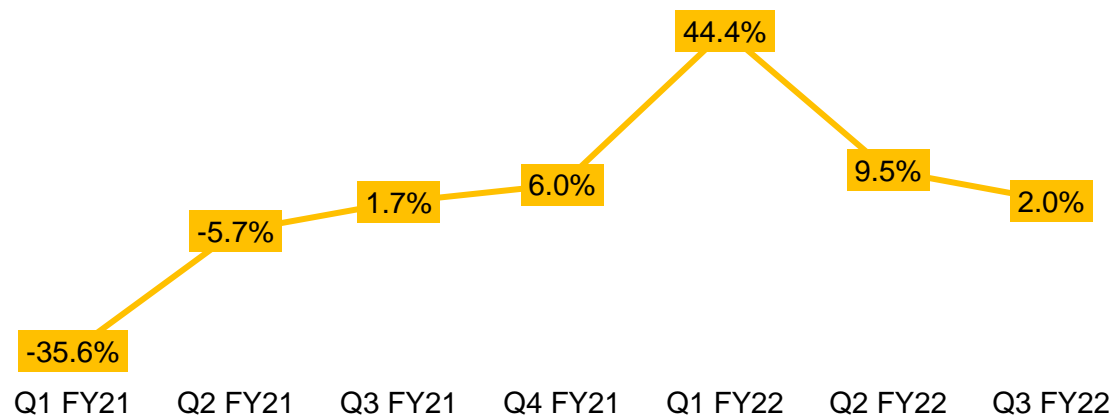
## Bank Credit – YoY Growth\*

(source: RBI)



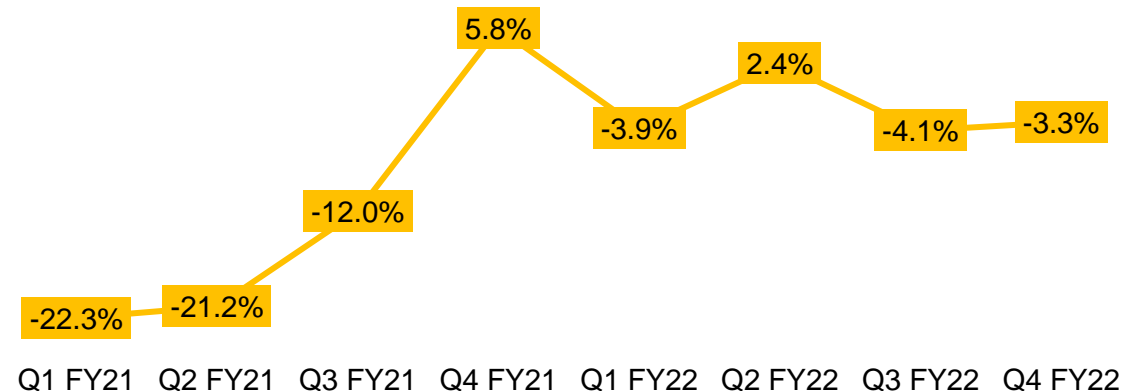
## Index of Industrial Production Growth

(source: MOSIP)



## Outstanding CPs – YoY Growth\*

(source: RBI)



\* YoY rise in total outstanding at the end of each quarter

^ Includes all types of enterprises, i.e. micro, small, medium and large

# Challenges and Risk Factors

**01**

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**Economic and social challenges due to covid-19 pandemic and geopolitical tensions**

**02**

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**Despite several policy measures, investment activity yet to show a meaningful revival**

**03**

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**Reputation-related risks**

**04**

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**Competition from other rating agencies**

**05**

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**Ability to retain / attract quality manpower, rising compensation and related costs**

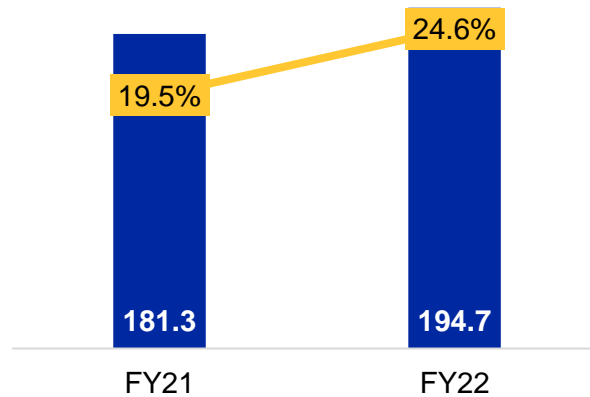
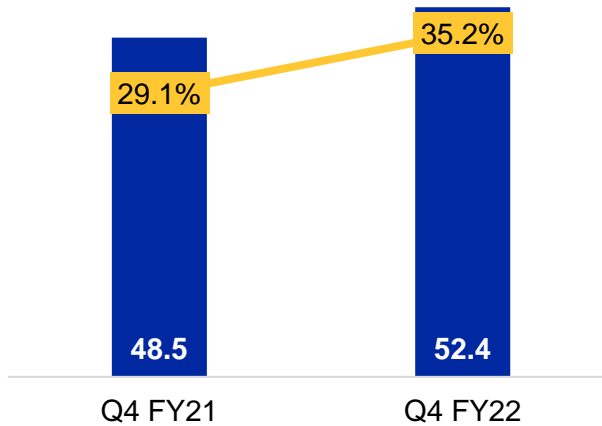
**06**

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**Funding substitutes including overseas borrowing or adverse domestic interest rate movements**



# ICRA Standalone – Financial Performance



For the quarter ended March 31, 2022, the company's operating income was Rs. 52.4 crore, as against Rs. 48.5 crore in the corresponding quarter of the previous financial year, reflecting a growth of 8.0%. The growth in revenue is led by enhanced fresh business from existing as well as new clients. This was achieved despite the backdrop of a fall in bond issuances in the market due to geo-political concerns adding to inflationary pressures, in turn leading to rate hike expectations. The tentativeness in the bond market led to a pickup in bank credit to large industrial segment, supporting the overall credit growth.

Other income was at Rs. 8.0 crore for the quarter ended March 31, 2022, which was at the same level as against corresponding quarter of the previous financial year

The employees benefit expenses during the current quarter was lower by 12.1% on y-o-y basis, whereas other expenses were higher by 41.0% on y-o-y basis, mainly due to higher recruitment costs, legal costs, higher bad-debts provisions, and higher utilities & office maintenance expenses due to resumption of work from office.

The PBT for the quarter was at Rs. 26.4 crore, higher by 19.5% as against Rs. 22.1 crore y-o-y basis and PAT was also higher by 15.3% at Rs. 18.8 crore on y-o-y basis.

For the financial year ended on March 31, 2022, the Company's operating income was at Rs. 194.7 crore, higher by 7.4% as against the previous financial year. The revenue growth was led by a focussed approach in tapping the growth segments in the economy which led to an improvement in revenue despite lower rated volumes. The company's PBT was at Rs. 93.3 crore (30.1% y-o-y increase) and PAT at Rs. 73.3 crore (38.6% y-o-y increase).

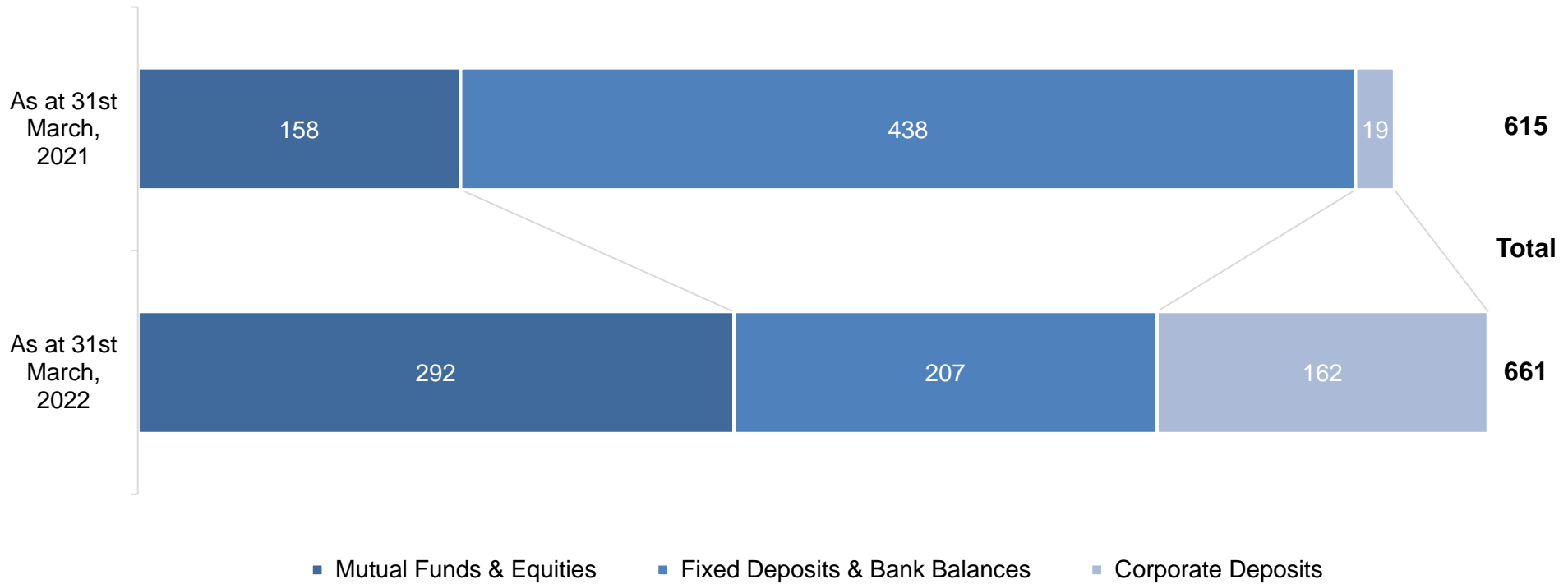
■ Operating Revenue (₹ cr)    — Operating Margin

# ICRA Standalone – P&L (₹ cr)



P&L		Q4 FY21	Q4 FY22	Q4 FY22 vs Q4 FY21	FY21	FY22	FY22 vs FY21
<b>Operating Revenue</b>	<b>a</b>	<b>48.5</b>	<b>52.4</b>	<b>8.0%</b>	<b>181.3</b>	<b>194.7</b>	<b>7.4%</b>
Compensation Expenses	b1	26.5	23.3	-12.1%	110.0	111.4	1.3%
Other Expenses	b2	6.1	8.6	41.0%	28.9	28.5	-1.4%
Depreciation		1.4	1.6	14.3%	5.2	5.3	1.9%
Finance Costs		0.4	0.4	0.0%	1.7	1.5	-11.8%
<b>Total Expenses</b>	<b>b</b>	<b>34.4</b>	<b>33.9</b>	<b>-1.5%</b>	<b>145.9</b>	<b>146.8</b>	<b>0.6%</b>
<b>Operating Profit</b>	<b>c=a-b</b>	<b>14.1</b>	<b>18.4</b>	<b>30.5%</b>	<b>35.3</b>	<b>47.9</b>	<b>35.7%</b>
Other Income	d	8.0	8.0	0.0%	36.3	45.4	25.1%
<b>Profit Before Tax</b>	<b>e=c+d</b>	<b>22.1</b>	<b>26.4</b>	<b>19.5%</b>	<b>71.7</b>	<b>93.3</b>	<b>30.1%</b>
Tax	f	5.8	7.7	32.8%	18.7	20.0	7.0%
<b>PAT</b>	<b>g=e-f</b>	<b>16.3</b>	<b>18.8</b>	<b>15.3%</b>	<b>52.9</b>	<b>73.3</b>	<b>38.6%</b>
Other Comprehensive Income (Net of Tax)	h	0.1	0.2		0.3	0.5	
<b>Total Comprehensive Income (Net of Tax)</b>	<b>i=g+h</b>	<b>16.3</b>	<b>19.0</b>	<b>16.6%</b>	<b>53.2</b>	<b>73.8</b>	<b>38.7%</b>
Other Metrics		Q4 FY21	Q4 FY22		FY21	FY22	
Comp Expense %	b1 / a	54.6%	44.5%		60.7%	57.2%	
Other Expense %	b2 / a	12.6%	16.5%		15.9%	14.6%	
Operating Margin %	c / a	29.1%	35.2%		19.5%	24.6%	
Profit Before Tax Margin %	e / (a+d)	39.1%	43.8%		32.9%	38.9%	
PAT Margin %	g / (a+d)	28.8%	31.1%		24.3%	30.5%	

# ICRA Standalone – Investments (₹ cr)



01

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Group ICRA  
Overview

02

---

Financial  
Performance  
Review –  
ICRA Limited  
(Standalone)

03

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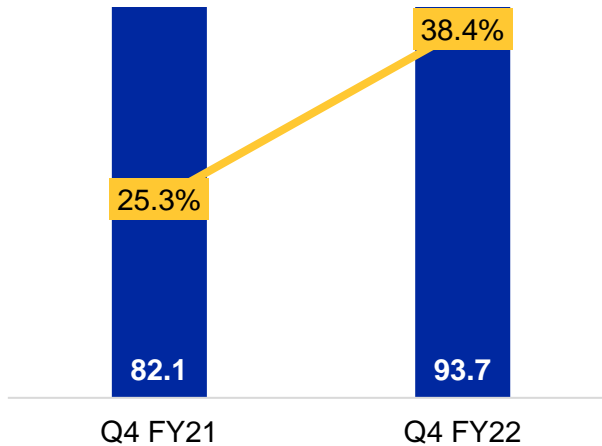
**Financial  
Performance  
Review –  
Group ICRA  
(Consolidated)**

04

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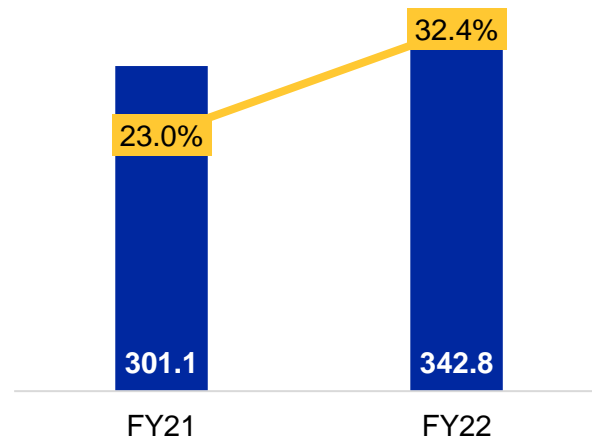
- Research  
- Webinars

# ICRA Consolidated – Financial Performance



For the quarter ended March 31, 2022, the consolidated operating income was Rs. 93.7 crore, against Rs. 82.1 crore on y-o-y basis, reflecting a growth of 14.1%. Consolidated PBT was at Rs. 46.5 crore, higher by 52.5%, and PAT was at Rs. 33.7 crore, higher by 49.8% on y-o-y basis. The growth in consolidated revenue is primarily driven by the growth in ratings and outsourcing segments.

ICRA has expanded its offerings portfolio across all its non-ratings business segments, along with higher outreach activities leading to increase in business from existing clients along with addition of new clients.



For the financial year ended on March 31, 2022, the consolidated operating income was Rs. 342.8 crore as compared to Rs. 301.1 crore, reflecting a growth of 13.8%, on y-o-y basis.

The other income was lower by 4.4%, over the previous financial year. The company's consolidated PBT was higher by 35.8% at Rs. 152.1 crore and PAT was also higher by 37.2% at Rs. 113.5 crore as compared to the previous financial year.

■ Operating Revenue (₹ cr)    — Operating Margin

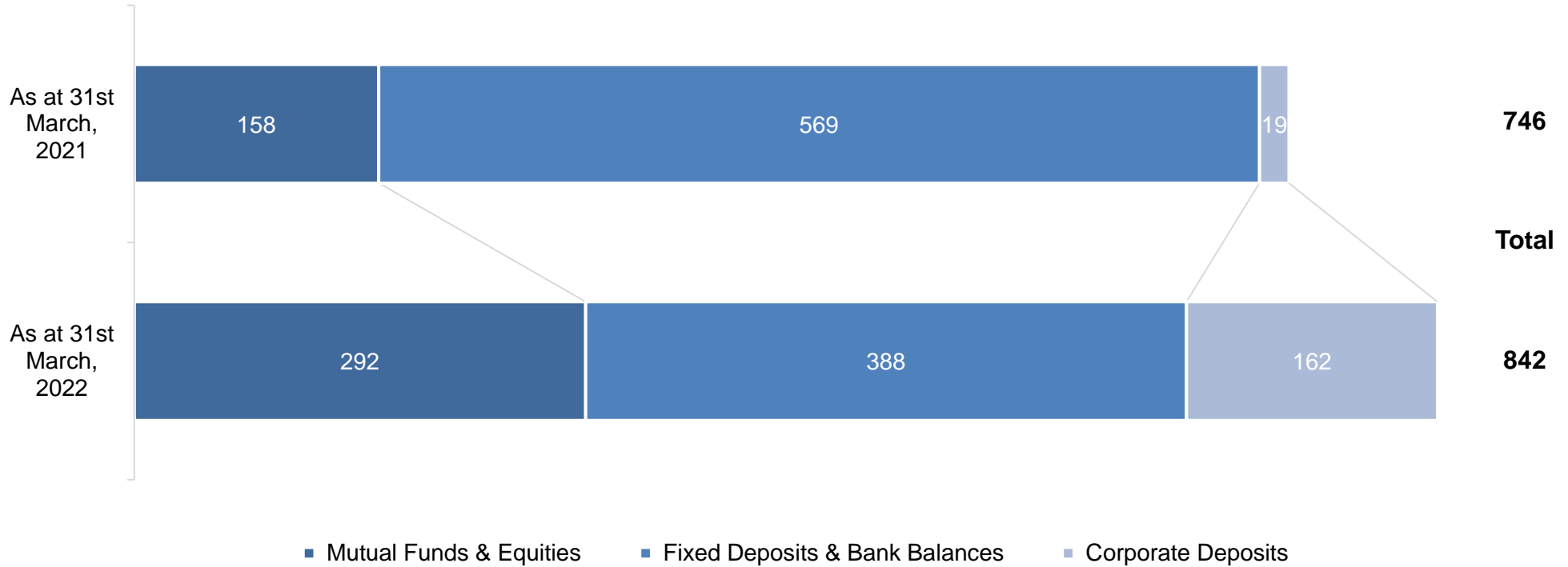
# ICRA Consolidated – P&L (₹ cr)



P&L		Q4 FY21	Q4 FY22	Q4 FY22 vs Q4 FY21	FY21	FY22	FY22 vs FY21
<b>Operating Revenue</b>	<b>a</b>	<b>82.1</b>	<b>93.7</b>	<b>14.1%</b>	<b>301.1</b>	<b>342.8</b>	<b>13.8%</b>
Compensation Expenses	b1	42.7	41.5	-2.8%	171.7	179.2	4.4%
Other Expenses	b2	15.6	13.6	-12.8%	48.2	43.0	-10.8%
Depreciation		2.6	2.3	-11.5%	9.9	7.8	-21.2%
Finance Costs		0.5	0.4	-20.0%	2.1	1.6	-23.8%
<b>Total Expenses</b>	<b>b</b>	<b>61.3</b>	<b>57.8</b>	<b>-5.7%</b>	<b>231.9</b>	<b>231.6</b>	<b>-0.1%</b>
<b>Operating Profit</b>	<b>c=a-b</b>	<b>20.8</b>	<b>35.9</b>	<b>72.6%</b>	<b>69.2</b>	<b>111.2</b>	<b>60.7%</b>
Other Income	d	9.8	10.6	8.2%	42.8	40.9	-4.4%
<b>Profit Before Tax</b>	<b>e=c+d</b>	<b>30.5</b>	<b>46.5</b>	<b>52.5%</b>	<b>112.0</b>	<b>152.1</b>	<b>35.8%</b>
Tax	f	8.0	12.8	60.0%	29.3	38.6	31.7%
<b>PAT</b>	<b>g=e-f</b>	<b>22.5</b>	<b>33.7</b>	<b>49.8%</b>	<b>82.7</b>	<b>113.5</b>	<b>37.2%</b>
Other Comprehensive Income (Net of Tax)	h	0.1	0.0		0.0	(0.4)	
<b>Total Comprehensive Income (Net of Tax)</b>	<b>i=g+h</b>	<b>22.6</b>	<b>33.7</b>	<b>49.1%</b>	<b>82.7</b>	<b>113.2</b>	<b>36.9%</b>

Other Metrics		Q4 FY21	Q4 FY22	FY21	FY22
Comp Expense %	b1 / a	52.0%	44.2%	57.0%	52.3%
Other Expense %	b2 / a	19.0%	14.5%	16.0%	12.5%
Operating Margin %	c / a	25.3%	38.4%	23.0%	32.4%
Profit Before Tax Margin %	e / (a+d)	33.2%	44.6%	32.6%	39.6%
PAT Margin %	g / (a+d)	24.5%	32.3%	24.0%	29.6%

# ICRA Consolidated – Investments (₹ cr)



01

---

Group ICRA  
Overview

02

---

Financial  
Performance  
Review –  
ICRA Limited  
(Standalone)

03

---

Financial  
Performance  
Review –  
Group ICRA  
(Consolidated)

04

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- **Research**
- **Webinars**



# High Impact Research



INDIAN GOLD JEWELLERY  
RETAIL INDUSTRY

Robust performance in Q3 FY2022; industry to register strong growth of 17% in FY2022, despite the expected third wave in Q4 FY2022

JANUARY 2022



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Retail-NBFC Credit Trends

Business recovery to gain traction in FY2023; rise in infections pose key downside risk

JANUARY 2022



Down the PLI Path

Unlocking India's manufacturing capability

February 2022



INDIAN CORPORATE  
SECTOR: Q3 FY2022  
PERFORMANCE REVIEW  
AND OUTLOOK

India Inc. grapples with margin headwinds even as revenues recover



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INDIAN BROKERAGE INDUSTRY

Industry growth rate expected to moderate in FY2023 after a record performance in 9MFY2022

MARCH 2022



Cross-sectoral strategy

Russia-Ukraine face-off: Commodity risks aggravate as sanctions cover oil trade

March 2022



# Thematic Discussions for Industry Participants ICRA

***Indian Banking Sector***

***Indian Cement Sector***

***The Indian Hospitality Industry***

***Indian Roads & Highways Sector***

***Performance Update: Retail Non-Bank Finance Companies***

***Indian Tyre Industry: Trends and Outlook***

***The Indian Hospitality Industry***

***Indian Construction Sector***



*This Investor 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. The Company 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.*

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