



ICRA

ICRA Limited

June 10, 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: Disclosure of impact of CoVID-19 pandemic

With reference to SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith the disclosure of impact of CoVID-19 pandemic on ICRA Limited (the “**Company**” or “**ICRA**”).

This is for your kind information and record.

Regards,

Sincerely,

(Vipul Agarwal)

Interim Chief Operating Officer & Group Chief Financial Officer

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.

Tel. : +91.124.4545300
CIN : L749999DL1991PLC042749

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9354738909
Tel. : +91.11.23357940-45

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Impact of the CoVID-19 pandemic on the business:

The lockdown imposed by the Central and most State Governments to contain the spread of CoVID-19 has led to a steep decline in activity levels in the economy across sectors – manufacturing as well service – that is expected to result in a sharp contraction in GDP of about 5%, as per ICRA’s estimates, in FY 2021. Fresh issuances from corporates, including finance companies, has been restricted to few entities – those backed by strong promoters and Public Sector Undertakings (PSUs) - which has impacted the fresh ratings business. This impact, however, has been mitigated to some extent by the spurt in rating opportunities due to issuances that got funded by the Reserve Bank of India’s [RBI] Targeted Long-Term Repo Operations [TLTRO] which was a key step towards providing liquidity to corporates, and the refinancing opportunities that arose because of easing in monetary policy leading to fall in yields. The funding by corporates has largely been done to shore up their liquidity buffers and a pick-up in private sector investment cycle looks distant.

Rating opportunities in the near term are going to depend, inter alia, on revival in economic activity, trajectory of interest rates and Government spending to revive manpower intensive sectors that in turn would spur consumption. Investment by private sector companies would additionally depend on access to funding, as lenders as well as investors have turned risk averse.

In terms of operations, ICRA is well geared to serve our clients and market participants without any disruption in our service levels.

Ability to maintain operations including the factories/units/office spaces functioning and closed down

The Ministry of Home Affairs had issued various orders in which various guidelines were issued laying down the measures to be taken by the ministries and the departments of the Government of India, the State/Union Territory Governments and State/Union Territory Authorities for containment of CoVID-19 pandemic in the country.

One of the orders *inter alia* provides that commercial and private establishment shall be closed down, but that the capital and debt market service as notified by the Securities and Exchange Board of India (“SEBI”) shall be exempted from such closures.

Accordingly, SEBI had issued notifications, through which capital and debt market services entities, including credit rating agencies, were exempted from the lock-down.

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However, in order to mitigate any risk to our employees, ICRA extended remote work for all employees across all locations. ICRA has demonstrated its ability to provide seamless delivery of high-quality and timely services to its clients even during the lock-down and with the employees working remotely.

Schedule, if any, for restarting the operations:

ICRA has extended remote work for all employees across all locations until further notice.

Steps taken to ensure smooth functioning of operations:

The Company is monitoring developments across the country and taking all appropriate steps to make the employees' remote work experience as successful and seamless as possible. The Company is also monitoring the health of all employees to be assured of their well-being.

We installed VPNs, digital signatures, and enabled meetings through video conferencing for smooth functioning of our operations.

Adhering to the cyber security guidelines and best practices, frequent IT advisory is being shared with ICRA employees related to spam, phishing attacks, ransomware and cyber security related areas.

Estimation of the future impact of CoVID-19 on its operations:

Considering the smooth functioning of our operations, we intend to continue the current form of our operations until further notice. The Company is monitoring developments across the country and evaluating regulatory relaxations keeping the safety of its employees and other stakeholders in mind.

Details of impact of CoVID-19 on listed entity's - capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and controls, supply chains and demand for its products/services:

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. Your 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.

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Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:

As on date of this disclosure, there has been no impact on the business due to non fulfilment of any obligations by any party to existing contracts/agreements, except a few cases which are sub-judice.

Other relevant material updates about the listed entity's business:

In the Annual Report 2019-20, we will present updates about our business.

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