

ICRA Limited

May 30, 2025

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai 400001, India

Scrip Code: 532835

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1, G Block

Bandra-Kurla Complex

Bandra (East)

Mumbai - 400051, India

Symbol: ICRA

Dear Sir/Madam,

Sub: - Investor Presentation Q4 & FY2025

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 & FY2025.

The presentation shall also be made available on our website at https://www.icra.in/.

Kindly take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman) Company Secretary & Compliance Officer

Encl.: As Above

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Credible Insights.

Investor Presentation Q4 & FY2025

MAY 2025



AGENDA



ICRA AT A GLANCE



FINANCIAL SYNOPSIS



MACRO-ECONOMIC OUTLOOK



BUSINESS DRIVERS & OUTLOOK



RESEARCH & OUTREACH

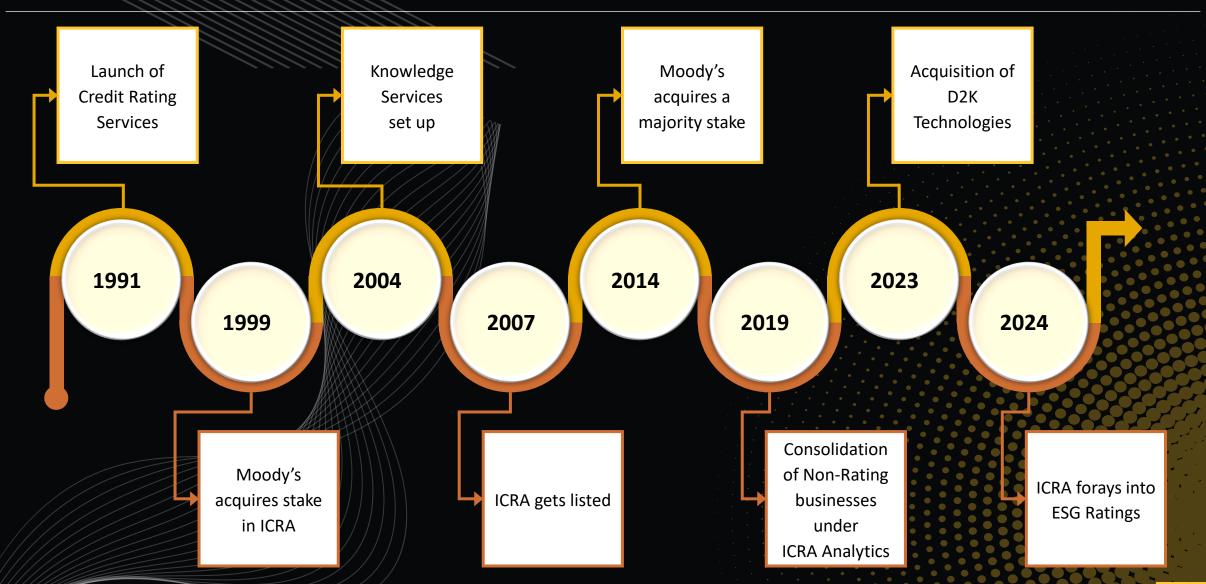


CORPORATE SOCIAL RESPONSIBILITY



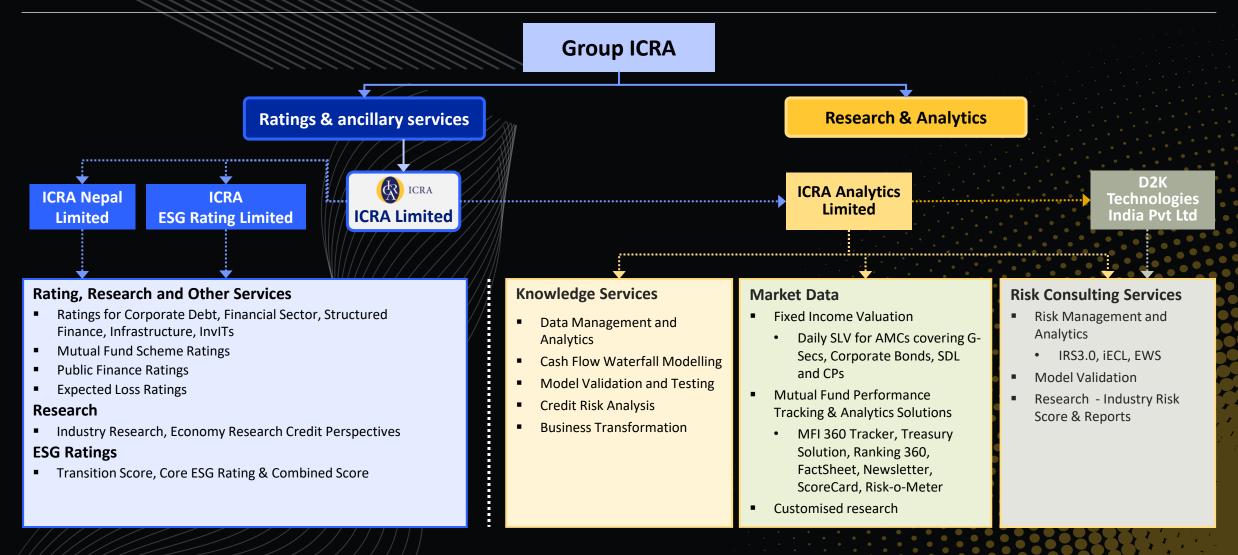
ICRA's journey





ICRA business segment and legal entity structure





Key call-outs FY2025





↑ 11.6% Rs. 498.0



Revenue*

↑ 17.1% Rs. 234.0



PBT Crore

↑ 12.5% Rs. 171.2

PAT

Crore

↑ 12.5% Rs. 176.7



Basic EPS
Per Equity Share

Rs. 60/share



Dividend *Per Equity Share*

Non-Financial



Collaboration with leading global players

 BitSight (Cybersecurity) & FTSE-Russell (Fixed Income Indices)



Expanding Service Offerings via

Customised Research, EQ 360, Prevention of Market Abuse & Infre360



ICRA ESG received licence under the Issuer Pays Model in April 2024

 Published 5 ESG Ratings across key sectors in its first year



Published **600+** research reports, covering more than **60 sectors**



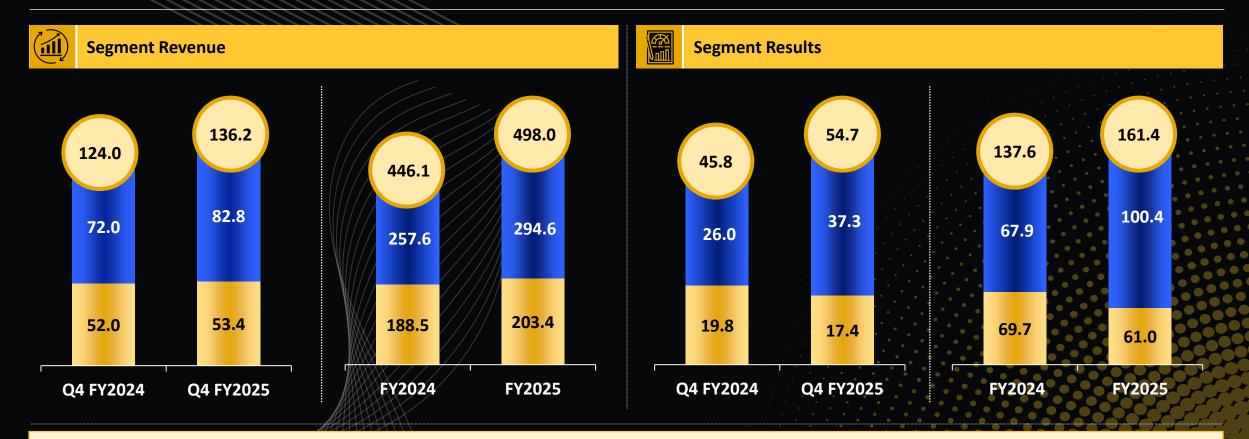
Growth across businesses: Q4 & FY2025





Segmental performance: Q4 & FY2025





- In Q4 bond issuances dipped 12.5% YoY amid broad-based weakness and tight liquidity, bank credit growth also moderated, while commercial papers and securitisation volumes rose on NBFC and HFC demand. Despite these headwinds, ICRA expanded across segments, supported by large mandates and remained at the forefront of the credit rating market as it rated several novel transactions
- Research & Analytics saw strong demand for market data, customised research and risk products. Tightened regulatory environment provides opportunities for growth in risk offerings. Knowledge services was able to partially offset loss of ESG projects through growth in core analytical support services



Macroeconomic projections (Baseline)



GDP, GVA



INFLATION



REPO RATE



FISCAL DEFICIT



EXTERNAL ACCOUNT



Real GDP Growth

FY2025e: +6.3%

FY2026e: +6.2%

Real GVA Growth

FY2025e: +6.2%

FY2026e: +6.0%

CPI Inflation

FY2025: +4.6%

FY2026e: +3.5%

WPI Inflation

FY2025: +2.3%

FY2026e: +2.0%

Another 75 bps rate cuts likely until October 2025 followed by an extended pause

Fiscal Deficit/GDP ratio

FY2025e: 4.8%

FY2026e: 4.4%

Current Account
Balance

FY2025e: -0.9% of GDP

FY2026e: -1.1% of GDP

Domestic consumption and investment activity to improve in FY2026 even as outlook for external demand remains uncertain



Rural demand is expected to be upbeat in the near term, aided by the robust crop output over the last two cropping seasons as well as an upbeat outlook for kharif sowing in the ongoing fiscal aided by the India Meteorological Department's (IMD) prediction of an above normal monsoon.

The combination of the sizeable incometax relief in the Union Budget for FY2026, rate cuts leading to lower Equated Monthly Instalments (EMIs), and a moderation in food inflation is expected to boost household disposable incomes and urban consumption in FY2026.



The Gol's capex is budgeted to rise by 10.1% in FY2026, which augurs well for investment activity. Besides, the outlook for residential investment appears healthier, auguring well for construction activity. However, the recent tariff-related uncertainties, as well as evolving geopolitical concerns, could delay private capex plans.

The tepidness in India's merchandise exports is expected to continue in FY2026, with the tariff war and uncertainty around the impact on certain sectors posing downside risks to the outlook, amid fears of dumping of some goods, even as lower crude oil prices will be supportive. While the growth in services exports is likely to remain healthy, a slowdown in advanced economies could pose risks to the outlook.

Source: ICRA Research



Ratings & ancillary services: Business environment and outlook

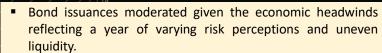






Environment

The moderation in economic growth due to the overhang of Lok Sabha elections and reduced urban consumption had an impact on the overall credit market. In addition, the geopolitical uncertainties that led to recessionary expectations in the global market too had its impact on the domestic economy.



- Commercial paper (CP) outstanding grew 14% in FY2025 with increased borrowings from Security Broking firms and NBFCs.
 Some borrowers preferred CPs over Long-term borrowings on expectation of interest rate cuts.
- Credit to NBFCs slowed considerably due to higher risk weights and asset quality issues in some segments such as unsecured loans. Dip in demand from micro and small Industries too moderated the bank credit growth.
- Elevated credit to deposit ratio along with deposit mobilisation challenges also slowed the credit growth.
- High growth in volumes boosted by some private sector banks in addition to large NBFCs.
- The dominant asset class continues to be vehicle loans like in FY2024 followed by home loan/loan against property. Share of PTC remained steady at 57% like last year.



Outlook

The easing inflation suggests likelihood of rate cuts that would enable credit market growth. The outlook for consumption and Government investment remains intact along with an upbeat rural demand which should find further support if the monsoon is above normal.

- Bond issuances would be dependent on interest rate cuts. Quicker transmission of reduced rates compared to bank credit is likely to benefit bonds. Expensive foreign currency borrowing is likely to support domestic borrowing, and bonds are likely to be beneficiaries.
- CPs would remain attractive as these have even quicker transmission of rate cut than bonds.
- Reduction in risk weights for NBFCs, deferment of Liquidity Coverage Ratio and deferment of various proposals which could have impacted bank capital (such as project finance norms like provisioning, expected credit loss framework) will be positives.
- Various credit guarantee schemes for MSMEs in Union Budget, other schemes like housing subsidy, capital expenditure for Infrastructure segment too will help credit growth
- Securitisation volumes would continue to be driven by need for diversified and/or cheaper funding for NBFCs. Banks too would rely on securitization if challenges on the deposit front in terms of availability and cost continue.
- Securitisation volumes in FY2026 are estimated to be in the range of Rs. ~2.5 trillion.



Bond

FY2025: 7.2% YoY growth [PY 17.2%]

9

Bank Credit

FY2025: 10.9% YoY growth [PY 16.3%]



Securitisation

Market volumes are estimated to have grown by ~25% in FY2025 YoY

Ratings performance metrics continues to be robust

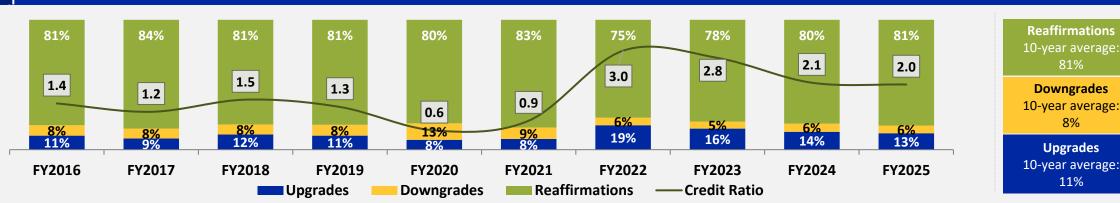


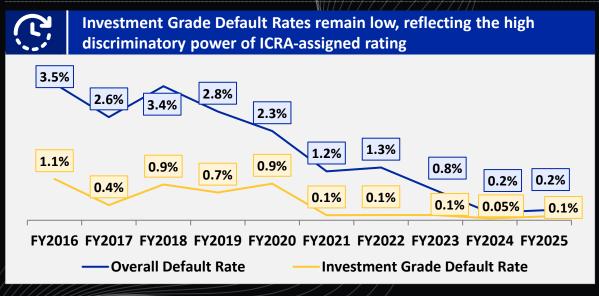
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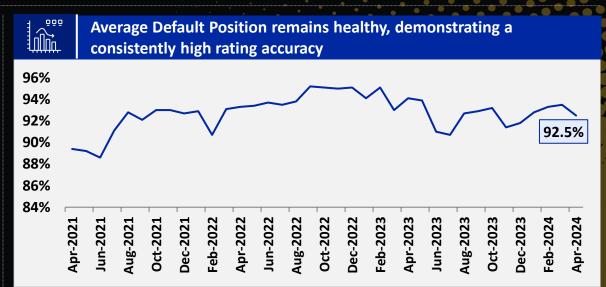
11%



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







Research & Analytics: Business environment and outlook





Environment

- Build-up in inflationary expectation and emerging geo-political pressures intensify the cautionary trend in spending
- Outsourcing industry impacted by increased use of Gen-AI. Coupled with insourcing trends, this may taper down the high growth seen in the past.
- Ability to drive process efficiencies driven by deep domain expertise emerging as a critical ask across client segments.



Research & Analytics

- Increasingly strong demand for high quality research and analytics.
- Regulatory oversight remains providing business opportunities in risk analytics, data management, market alerts, stress testing, and reporting.
- Investors across organised sectors Insurance, Banks, NBFCs, Mutual Funds, Pension Funds, AIFs and PMS drive demand for sophisticated risk solutions.
- Increasing regulatory oversight covering
 - · Asset quality and regulatory reporting
 - Model governance and validation
 - Operational risk
- Banks and NBFCs looking at sophisticated EWS tools
- Climate-related risks to be increasingly factored into lending decisions



Outlook

- Entry into new markets and building new partnerships will drive future growth.
- Focus will be on value-added segments related to process optimisation, business transformation, data analysis and technology services.
- Leveraging expertise in structured finance, ratings support and research to provide impetus.
- Need for regulatory compliance expected to drive demand for market data services.
- Collaboration with leading global data providers to anchor market expansion into Fixed Income Indices.
- Domain strength in data and research analytics delivered using sophisticated technology solutions will ensure strong market dominance.
- Trend towards cloud-based information products and related data solutions.
- Enhanced regulatory focus on Model Governance is expected to drive demand.
- Integrated workflow solutions on Risk Scoring, EWS, asset classification along with ECL may provide a platform to leverage operational efficiency and enhance technological integration
- Growing retail asset base will drive demand for data models.



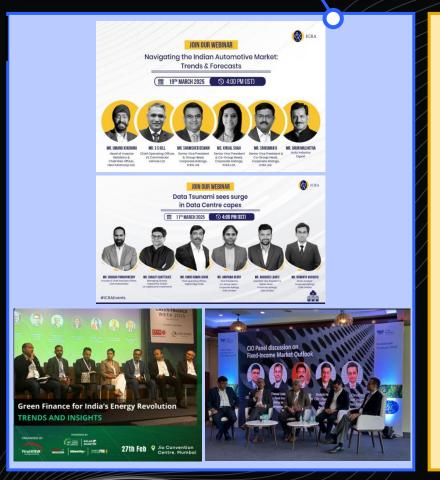
Research & outreach



1 WEBINARS & EVENTS

2 RESEARCH PUBLISHED

3 MEDIA COVERAGE







grow 6.4%

in Q3: Icra

Social listening







Episode 507 of The Core Report podcast with Govindraj Ethiraj is here!

- Today's headlines are:
- The bulls and bears fight it out once again as markets slip for the 6th day,
- The data vs emotion argument on whether this is the right time to buy stocks,
 Consumer price inflation is down to a 5-month low, will another round of rate cuts
 come? Aditi Nayar, Chief Economist at ICRA, shares insights,
- India gearing up for a major gas sourcing & distribution push to drive its energy needs. Interview with Akshay Kumar Singh, Managing Director & CEO of Petroneting
- The new tax bill is almost here and early reactions suggest more was expected.

Listen to the full episode for deep-dive analysis and expert insights. Tune in here: https://lnkd.in/gXQRW-Tc



We are excited to have K Ravichandran, Chief Rating Officer, ICRA Limited, join us at the ET Infra Finance Summit 2025! With his expertise in credit ratings and risk assessment, he will share key insights on financial stability, investment opportunities, and the evolving landscape of infrastructure financing.

- m Date: 6th March, 2025
- P Venue: The Grand, New Delhi

Gain valuable perspectives from industry leaders shaping the future of infrastructure finance.

Register Now: https://bit.ly/40CPtQQ







Group ICRA CSR - Change begins here!



500

WOMEN SUPPORTED AND **EMPOWERED**



STUDENTS' EDUCATION SPONSORED



YOUTH SUPPORTED IN **LEARNING SKILLS**







418

EMPLOYEE VOLUNTEERING HOURS



TRAINING IMPARTED ON **SUSTAINABILITY AND HEALTH** & SAFETY



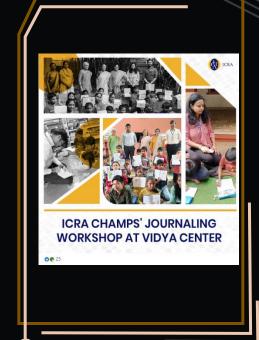
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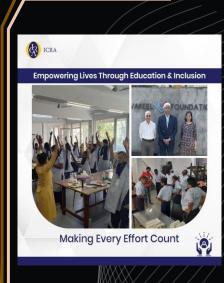
SPONSORED EDUCATION OF CHILDREN WITH INTELLECTUAL DISABILITIES



Group ICRA CSR initiatives













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Thank You!

