

CELEBRATING



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY



ANALYTICS DELIVERED WITH INSIGHTS

ANNUAL REPORT 2020-21



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Disclaimer: This document contains statements about expected future events and financials of ICRA Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.



ICRA at a Glance

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) was set up in 1991 by leading financial/ investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the BSE Limited and National Stock Exchange of India Limited.



Alliance with Moody's Investors Service

The ultimate parent company of international Credit Rating Agency Moody's Investors Service is the indirect largest shareholder of ICRA.

The participation of Moody's is supported by a Technical Services Agreement, which entails Moody's providing certain technical services to ICRA. Specifically, the agreement is aimed at benefiting ICRA's in-house research capabilities by providing ICRA with access to Moody's global research base. Under the agreement Moody's provides enrichment programs to ICRA employees, including access to the financial markets and related courses that are offered as part of the eLearning software licensed by Moody's from Intuition, and provision of financial writing training seminars to designated ICRA employees.





Our Mission

To be at the forefront of enhancing market efficiency as the most respected rating and analytical services firm by:

- ▶ Maintaining high ethical standards, with sound governance practices and being socially responsible
- ▶ Creating a stimulating, inclusive and transparent environment for our employees
- ▶ Serving our customers with high standards of integrity, intellectual rigour & independence

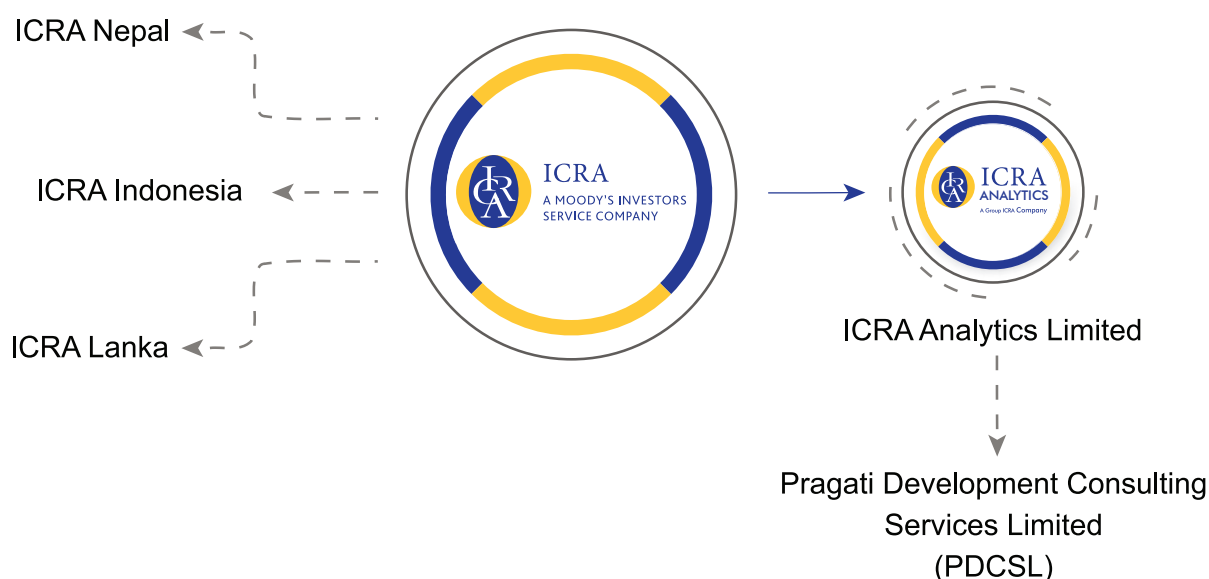


The ICRA Factor

Our services are designed to:

- ▶ Provide information and guidance to institutional and individual investors/creditors;
- ▶ Enhance the ability of borrowers/issuers to access the money market and the capital market for tapping a larger volume of resources from a wider range of the investing public;
- ▶ Assist the regulators in promoting transparency in the financial markets;
- ▶ Provide intermediaries with a tool to improve efficiency in the funds raising process.

ICRA Group Structure



Range of Services

ICRA Limited

RATING SERVICES



As an early entrant in the Credit Rating business, ICRA Limited (ICRA) is one of the most experienced Credit Rating Agencies in the country today. ICRA rates debt instruments issued by manufacturing companies, commercial banks, non-banking finance companies, financial institutions, public sector undertakings and municipalities, among others. ICRA also rates structured obligations and sector-specific debt obligations such as

instruments issued by Power, Telecom and Infrastructure companies. The other services offered include Credit Risk Rating of Debt Mutual Funds, an Independent Credit Evaluation (ICE) of the residual debt in entities under the RBI's framework for resolution of stressed assets and Rating of security receipts issued by Asset Reconstruction Companies (ARCs) as required by RBI.

INDUSTRY RESEARCH



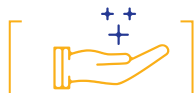
Complementing the credit rating services, ICRA provides research services across the economy, industry and companies. The reports are tailored to meet the requirements of banks, mutual funds, insurance companies, PEs or venture funds and corporates.

ICRA Research covers 55 plus industries with the reports providing in-depth analyses across the following areas: Business and profitability outlook, Industry analysis, competitive landscape, impact

of regulatory environment, benchmarking of companies, industry credit profile, Company profile on listed players, among others.

ICRA's 'Credit Perspectives' provide detailed analysis on ratings assigned. These reports broadly cover the following areas: Key rating considerations, Rating sensitivity factors, Rating rationale, Company profile, Business update, Business outlook, Financial update, Financial outlook, etc.

THE SERVICES SPECTRUM



Rating Services

- ▶ Credit Rating
- ▶ Bank Loan Rating
- ▶ Structured Finance Rating
- ▶ Issuer Rating
- ▶ Mutual Fund Rating

Industry Research

www.icra.in

ICRA Lanka Limited

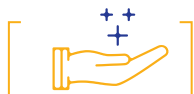
RATING SERVICES



ICRA Lanka Limited (ICRA Lanka), a wholly owned subsidiary of ICRA, offers a wide range of rating services in the Sri Lankan market, putting into use parent ICRA's accumulated experience in the areas of credit rating, grading, and investment information. Its rating focuses on entities in the financial and corporate sectors, besides long-, medium-, and short-term debt instruments issued by borrowers from various sectors of the economy.

ICRA Lanka also rates Rupee-denominated debt instruments issued by commercial banks, non-banking finance companies, financial institutions, manufacturing, construction and service companies, among others. It also rates structured obligations and sector-specific debt obligations. The other services offered include credit risk rating of debt mutual funds, insurance financial strength rating of insurance companies, project finance rating, structured finance rating and line of credit rating.

THE SERVICES SPECTRUM



- ▶ Credit Rating
- ▶ Bank Loan Rating
- ▶ Structured Finance Rating
- ▶ Issuer Rating

- ▶ Project Finance Rating
- ▶ Mutual Fund Rating
- ▶ Insurance Financial Strength Rating

www.icralanka.com

ICRA Nepal Limited

RATING SERVICES



ICRA Nepal Limited (ICRA Nepal), a subsidiary of ICRA, offers a wide range of rating services in the Nepalese market. Using the accumulated experience and technical support from the holding company, it has developed capability to execute the diversified product. ICRA Nepal rates Rupee-denominated long-, medium- and short-term debt instruments. Its services also include issuer rating, fund management quality

rating and grading of equity offers and bank loan line of credit rating. The rating/grading service with current focus in the banking and finance, insurance and hydro-electricity sector is also being offered to construction, trading, aviation, manufacturing companies among others. Further, ICRA Nepal will roll out the Rating of Claims Paying Ability of insurance companies in the near future.

THE SERVICES SPECTRUM



- ▶ Debt Rating
- ▶ Bank Loan Rating
- ▶ Issuer Rating
- ▶ Fund Management Quality Rating
- ▶ Equity Grading

Rating Services to be offered in near future

- ▶ Claims Paying Ability of Insurance Companies
- ▶ Insurance Financial Strength Rating

www.icranepal.com

ICRA Analytics Limited

ICRA Analytics Ltd, formerly known as ICRA Online Ltd [ICRON], a wholly-owned subsidiary of ICRA Ltd, provides solutions, analytics, services and digital platforms for Knowledge Services, Risk Management, Market Data, Consulting and Grading. ICRA Analytics has a wholly-owned subsidiary, Pragati Development Consulting Services Limited.

With more than 20 years of experience in executing 10,000+ assignments, ICRA Analytics has acquired significant expertise across multiple domains, and serves Banks, NBFCs, Fund Managers, Intermediaries, Investors and Corporates in the domestic as well as global space.

The domain expertise complemented with functional competence has helped ICRA Analytics design implement and provide products, services and solutions in Risk Management, IFRS & GAAP accounting, Structured Finance analysis, Bond Valuation, Financial & Risk Advisory. Other than expanding reach to hitherto unserved client segments, ICRA Analytics added new offerings to its portfolio, like Expected Credit Loss tool for NBFCs and banks, Rating and Treasury Tracker for corporate treasuries.

The process and compliance orientation evinced through the extant ISO27001:2013 and ISO9001:2015 certifications for entire company which enables ICRA Analytics to continue making improvements in productivity, operations and security posture. Basis the certification exercise carried out during the year, ICRA Analytics has been re-certified as a Great Place to Work for the FY22. Sustained focus on upskilling and engaging with the talent pool of 700+ trained and qualified personnel continue to remain a key initiative for ICRA Analytics, as it remains committed to adding value to its customers through innovation and efficiency.



**ICRA
ANALYTICS**
A Group ICRA Company



The Services Spectrum

RISK MANAGEMENT

- ▶ Internal Rating Software for Banks with Basel II Compliant Models
- ▶ Credit Risk Modeling
- ▶ Expected Credit Loss Computation
- ▶ Operational Risk Management Software
- ▶ Industry Risk Scores and Reports
- ▶ Early Warning Signals

MARKET DATA

- ▶ Daily Pricing of Active ISINs through Security Level Valuation
- ▶ Indices
- ▶ Rating Tracker
- ▶ Performance Data & Research of Live MF Schemes
- ▶ Portfolio Tracking & Analytics
- ▶ Investor Education Collateral

GRADING SERVICES

- ▶ SME Grading
- ▶ Vendor Grading
- ▶ ESCO Grading
- ▶ Other Grading Services

KNOWLEDGE SERVICES

- ▶ Data Management using automation
- ▶ GAAP & IFRS Accounting Support and Analysis
- ▶ Financial Statement Analysis & Text Interpretation
- ▶ Structured Finance Product and Solutions Support
- ▶ Research
- ▶ IT Services

www.icraanalytics.com

High Impact Research



Indian Banking Sector, March 2021



Indian Analysis on Union Budget 2021-22



Fuelling India's Electric Vehicle Dream, May 2021



Financial Markets & Banking Update, April 2021

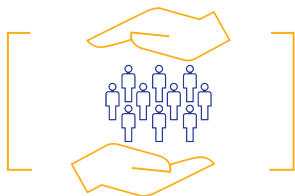


Consolidated Sectoral Outlook, FY 2022



Indian Road Sector, February 2021

Corporate Social Responsibility at ICRA



For ICRA, Corporate Social Responsibility (CSR) has been an important milestone. We, at ICRA, firmly believe that companies should wholeheartedly contribute towards CSR. We aim to constantly stay a step ahead in dealing with positive changes, create new value systems and contribute broadly to society. ICRA envisions to create stronger communities and enrich the lives of the less privileged through its mission of promoting education, empowering youths with employable skills and livelihood and supporting the environment. To accomplish its mission, the following programmes have been conceptualised this financial year.

SKILL DEVELOPMENT PROGRAMMES



DIGITAL INCLUSION FOR YOUNG ASPIRANTS (DIYA)

This is a unique technology-driven skill development programme that creates a pathway towards digital age career opportunities for underprivileged youth. Despite Covid-19 challenges, the programme managed to achieve the desired objective by adopting alternative tools and methods. The trainings were conducted online, integrated with cutting-edge technology of Cloud Learning Management System made learning more interesting and enabled students to learn at their own pace while being safe at home. Other than the

foundation training in IT skills, students were also trained in workplace English and workplace readiness and subject-specific training like financial management, retail management, Tally and hardware and networking via various online medium and applications. This programme has been implemented in collaboration with the Anudip Foundation for Social Welfare in the rural areas of West Bengal.

Till date, the programme has benefitted more than 2,100 youths with nearly 71% employment records.



■ Convocation ceremony of DIYA students



■ Job drive for DIYA students

WOMEN ENTREPRENEURSHIP PROGRAMME (WEP)

ICRA is deeply committed to skill building and education with a special focus on empowering women. The project reaches out to women in urban, semi-urban and rural areas where they are involved in livelihood activities across the identified districts of Gujarat.

The main aim of the programme is to equip women with financial education and business management skills, who are already involved in income-generating activities at the household level, as well as women who show potential to take up any such activity. During the Covid scenario,