



ICRA Limited

An Associate of Moody's Investors Service

ENHANCING BUSINESS VALUE THROUGH

INTELLECTUAL

LEADERSHIP

Annual Report **2013-14**

ICRA Limited
TWENTY-THIRD ANNUAL REPORT



Annual Report **2013-14**

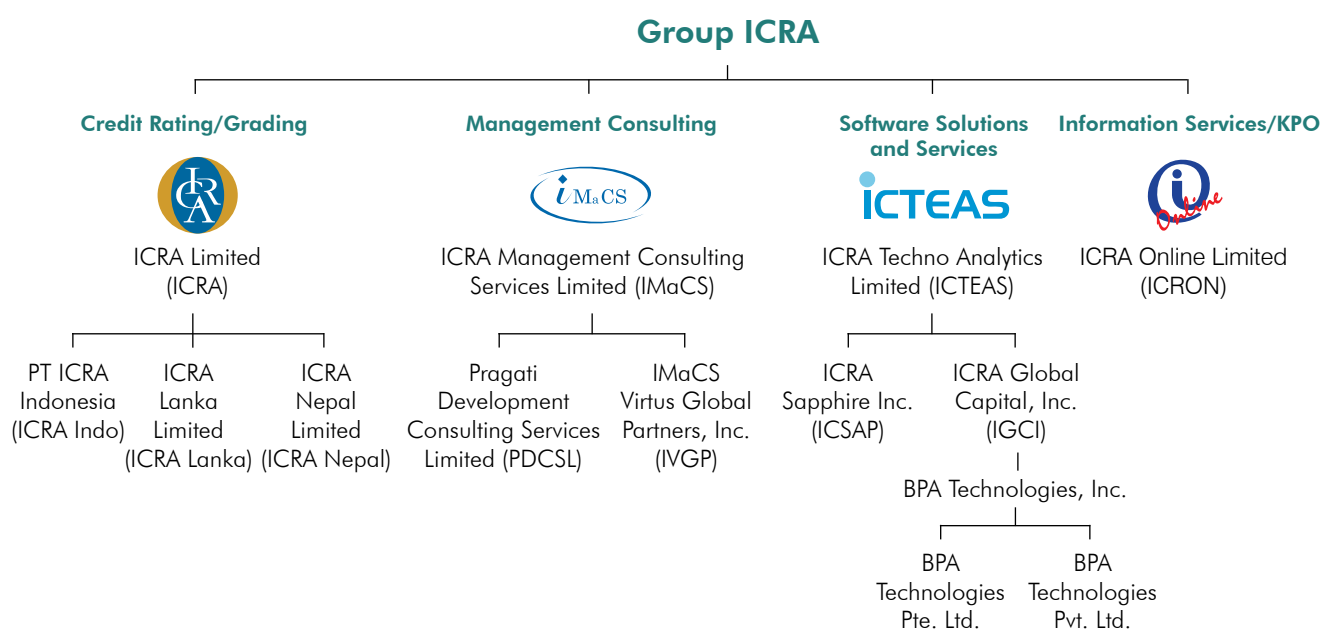
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ICRA at a Glance

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, a full-service Credit Rating Agency with its shares listed on the BSE and the National Stock Exchange, has six subsidiaries: **ICRA Management Consulting Services Limited (IMaCS)**; **ICRA Techno Analytics Limited (ICTEAS)**; **ICRA Online Limited (ICRON)**; **PT ICRA Indonesia (ICRA Indo)**; **ICRA Lanka Limited (ICRA Lanka)**, and **ICRA Nepal Limited (ICRA Nepal)**. Together, **ICRA and its subsidiaries**, along with **their subsidiaries**, form the ICRA Group of Companies, that is, **Group ICRA**.



Alliance with Moody's Investors Service

The international Credit Rating Agency Moody's Investors Service¹ is ICRA's largest shareholder. The participation of Moody's is supported by a Technical Services Agreement, which entails Moody's providing certain high-value technical services to ICRA. Specifically, the agreement is aimed at benefiting ICRA's in-house research capabilities, and providing it with access to Moody's global research base. The agreement also envisages Moody's conducting regular training and business seminars for ICRA analysts on various subjects to help them better understand and manage concepts and issues relating to the development of the capital markets in India. Besides this formal training programme, the agreement provides for Moody's advising ICRA on Rating-products strategy, and the Ratings business in general.

¹ through its Group company Moody's Investment Company India Private Limited



ICRA at a Glance

The ICRA Factor

Facilitating efficiency in business...

ICRA's Ratings and Information products/services reflect independent, professional and impartial opinions, which assist businesses enhance the quality of their decisions, help issuers access a broader investor base, and enable even lesser known companies approach the money and capital markets.

The research factor...

We strongly believe that quality and authenticity of information are derivatives of an organisation's research base. We have dedicated teams for Monetary, Fiscal, Industry and Sector research, and a panel of Advisors to enhance our in-house capabilities. Our research base enables us to maintain the highest standards of quality and credibility.

Committed to the development of the financial market...

The focus of ICRA in the coming years will continue to be on developing innovative concepts and products in a dynamic market environment, generating and promoting wider investor education and interest, enhancing efficiency and transparency in the financial market, and providing a healthier environment for market participants and regulators.

Our products and 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 at a Glance

Group ICRA The Services Spectrum*

| ICRA | ICRA Indo** | ICRA Lanka*** |
|---|--|---|
| RATING SERVICES <ul style="list-style-type: none"> • Credit Rating • Bank Loan Rating • Rating of SSIs/SMEs • Corporate Governance Rating • Rating of Claims Paying Ability of Insurance Companies • Project Finance Rating • Mutual Fund Rating GRADING SERVICES IPOs, Microfinance Institutions, Construction Entities, Real Estate Developers and Projects, Education Institutes, Maritime Training Institutes | RATING SERVICES <ul style="list-style-type: none"> • Credit Rating • Structured Finance Rating • Bank Loan Rating • Project Finance Rating • Mutual Fund Rating • Claims Paying Ability of Insurance Companies • Issuer Rating **The operations of PT ICRA Indonesia (ICRA Indo) are limited to the Indonesian market | RATING SERVICES <ul style="list-style-type: none"> • Credit Rating • Structured Finance Rating • Bank Loan Rating • Project Finance Rating • Mutual Fund Rating • Claims Paying Ability of Insurance Companies • Issuer Rating ***The operations of ICRA Lanka Limited (ICRA Lanka) are limited to the Sri Lankan market |
| EQUITY RESEARCH SERVICE INDUSTRY RESEARCH | | |
| www.icra.in | www.icraindonesia.com | www.icralanka.com |

| ICRA Nepal**** | IMaCS | ICTEAS | ICRON |
|--|---|--|---|
| RATING SERVICES <ul style="list-style-type: none"> • Credit Rating • Structured Finance Rating • Bank Loan Rating • Project Finance Rating • Mutual Fund Rating • Claims Paying Ability of Insurance Companies • Issuer Rating ****The operations of ICRA Nepal Limited (ICRA Nepal) are limited to the Nepalese market | CONSULTING SERVICES <ul style="list-style-type: none"> • Policy Advisory • Strategy • Risk Management • Capacity Building • Process Re-engineering • Transaction Advisory • Policy & Regulation • Development Consulting | IT SOLUTIONS/ANALYTICS/ENGINEERING <ul style="list-style-type: none"> • Information Technology Solutions <ul style="list-style-type: none"> - Client-Server Applications - Web-centric Applications - Mobile Applications - Software Services in Disaster Response Initiative - Customization/Implementation Services on Oracle E-Business Suite • Business Intelligence/Analytics <ul style="list-style-type: none"> - Predictive Modelling Solutions - Data Mining Solutions - Business Intelligence and Analytics Solutions • Engineering Services <ul style="list-style-type: none"> - Multidisciplinary Computer Aided Engineering Design Services - Resourcing Services | FINANCIAL INFORMATION PRODUCTS AND SERVICES <ul style="list-style-type: none"> • Mutual Fund and ULIP Data and Content Provider • Investment Research and Analytics • Wealth and Transaction Management Software Products • IT Tools for Financial Planning and Analytics • Software Services KPO SERVICES (BACK-END ANALYTICAL SERVICES SUPPORT) <ul style="list-style-type: none"> • Data Services • Accounting Services • Electronic Conversion of Financial Statements • Research • Analytics |
| www.icranepal.com | www.imacs.in | www.ict eas.com | www.icraonline.com |

* The list of services is indicative and not exhaustive

ICRA at a Glance

Range of Services

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 rupee-denominated 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 Corporate Governance Rating, Stakeholder Value and Governance Rating, Credit Risk Rating of Debt Mutual Funds, Rating of Claims Paying Ability of Insurance Companies, Project Finance Rating, Line of Credit Rating and Valuation of Principal Protected-Market Linked Debentures (PP-MLD). ICRA, along with National Small Industries Corporation Limited (NSIC), has launched a Performance and Credit Rating Scheme for Small-Scale Enterprises in India. The service is aimed at enabling Small and Medium Enterprises (SMEs) improve their access to institutional credit, increase their competitiveness, and raise their market standing.

PT ICRA Indonesia (ICRA Indo), a subsidiary of ICRA, offers a wide range of Rating services in the Indonesian market, including Credit Rating of rupiah-denominated debt instruments issued by corporate entities, banks, finance companies and financial institutions, service companies and infrastructure sector companies; Issuer Rating of corporate entities, banks, finance companies and financial institutions, service companies, infrastructure sector companies and small & medium sector companies; Structured Finance Rating of asset-backed and mortgage-backed securitization transactions, among others; Bank Loan Rating based on the Basel II accord; Project Finance Rating; Mutual Funds and Fund House Ratings; Municipal Bonds Rating and Claims Paying Ability Rating of Insurance Companies.

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 focus is on entities mainly in the financial sector, 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, and manufacturing and service companies, among others. It also rates structured obligations and sector-specific debt obligations. The other services offered include Corporate Governance Rating, Stakeholder Value and Governance Rating, Credit Risk Rating of Debt Mutual Funds, Rating of Claims Paying Ability of Insurance Companies, Project Finance Rating, and Line of Credit Rating.

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 of its holding company, it has developed the capability to offer a diverse range of Rating and Grading related services. ICRA Nepal rates rupee-denominated long-term, medium-term and short-term debt instruments. Its services also include Issuer Rating, Fund Management Quality Rating and Grading of Equity Offers. The Rating/Grading service, which is currently focused on the banking and finance, insurance and hydro-electricity sectors, is also being offered to manufacturing companies, infrastructure sector companies, service companies, small and medium sector entities, and others. Further, ICRA Nepal is preparing to offer other products including Bank Loan/Line of Credit Rating and Rating of Claims Paying Ability of insurance companies in the near future.

ICRA at a Glance

Grading Services

The Grading Services offered by ICRA employ pioneering concepts and methodologies, and include Grading of: Initial Public Offers (IPOs); Microfinance Institutions (MFIs); Construction Entities; Real Estate Developers and Projects; and Maritime Training Institutes. In IPO Grading, an ICRA-assigned IPO Grade represents a relative assessment of the “fundamentals” of the issue graded in relation to the universe of other listed equity securities in India. In MFI Grading, the focus of ICRA’s grading exercise is on evaluating the candidate institution’s business and financial risks. The Grading of Construction Entities seeks to provide an independent opinion on the quality of performance of the entities graded. Similarly, the Grading of Real Estate Developers and Projects seeks to make property buyers aware of the risks associated with real estate projects, and with the developers’ ability to deliver in accordance with the terms agreed. In the education sector, ICRA offers the innovative service of Grading of Maritime Training Institutes in India. These apart, of late, ICRA has been offering the services of Grading of Renewable Energy Service Companies (RESCOs) and System Integrators (SI); Grading of Management Education Institutes; Grading of Engineering Colleges/Universities; Grading of Fundamental Strength and Recovery Prospects; Assessment of the Fundamental and Financial Strength of Real Estate Entities (REEs) & Real Estate Projects (REPs); and ICRA Corporate Responsibility and Sustainable-Business Grading.

Industry Research

ICRA has re-launched its industry research service, covering over 30 segments in the corporate and financial services sectors. Given ICRA’s strong analytical capabilities across industries, the research reports provide in-depth analysis of industry-specific issues, trends in demand-supply factors, the competitive landscape, and medium-to-long-term outlook. The research reports are tailored to meet the research requirements of a wide range of participants, including banks, mutual funds, insurance companies, venture funds and corporates.

Equity Research Service

The ICRA Equity Research Service seeks to provide market participants with an assessment of the fundamental earning quality of specific companies and their current relative valuation as reflected by the prevailing price of their equity shares. An ICRA Equity Research assessment, while not specifying any target price for the shares evaluated, captures two key factors—fundamental earning quality and relative valuation—that influence the price behaviour of equity shares of companies over the medium and long term. In assessing the relative valuation of a company’s equity share, the same is benchmarked against an appropriate peer set or index.

ICRA Equity Research reports are aimed at benefiting all categories of investors, including retail investors and especially those with a longer term investment horizon.

Consulting Services

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of ICRA Limited, is a multi-line management consulting firm with a global operating footprint. IMaCS’ consulting services span Public Policy, Strategy, Risk Management, and Transaction Advisory services. IMaCS’ clientele includes Banks and Financial Service Companies, Corporates, Financial Investors, Governments, Regulators, and Multilateral/Bilateral Development Agencies. Headquartered in India, IMaCS has consulting experience in over 45 countries across South East Asia, South Asia, West Asia, Africa, Europe, and North America.

IMaCS offers Programme Management and other outsourcing services through its wholly-owned subsidiary, **Pragati Development Consulting Services Limited**.

ICRA at a Glance

Software Development, Analytics & Business Intelligence and Engineering Services

ICRA Techno Analytics Limited (ICTEAS), a wholly-owned subsidiary of ICRA Limited, offers a complete portfolio of Information Technology (IT) solutions to meet the dynamic needs of present-day businesses. The services range from the development of traditional web-centric and mobile applications to the new generation of cutting-edge analytics and business intelligence solutions. With many man-years of experience in data-mining and predictive modeling, ICTEAS offers analytics solutions in multiple functional domains such as procurement, sales, supply chain, logistics, and resource planning. The Engineering Division of ICTEAS offers multidisciplinary computer aided engineering design services.

ICTEAS uses a mix of onsite/offshore strategies to optimize bottom-line benefits for its customers. It is a Microsoft Gold Partner and is ISO 9001: 2008 certified.

ICRA Sapphire Inc. (ICSAP), a wholly-owned subsidiary of ICTEAS, is based in and operates out of Connecticut, USA. It offers US clients a full array of leading edge Business Analytics and Software Development services backed by offshore teams, which work out of ICTEAS, Kolkata. This hybrid engagement model allows for seamless project management, execution and rapid offshore scaling of teams while bringing down development costs.

ICRA Global Capital, Inc. (IGCI) is a special purpose vehicle of ICTEAS. IGCI has been incorporated to look after overseas investment activities. Currently, it holds 100% equity stake in BPA Technologies, Inc.

BPA Technologies Inc. (BPA), a wholly-owned subsidiary of ICTEAS, is a California-based global business consulting and software technology services firm. It delivers Enterprise Content Management (ECM) solutions, Portal and Collaboration solutions, and Comprehensive Quality Assurance (QA) Solutions. BPA has development centres in Chennai and Visakhapatnam. With a global delivery model, BPA offers innovative and cost effective information management solutions to its clients across various industries.

BPA Technologies Pte. Ltd., a wholly-owned subsidiary of BPA, acts as a state-of-the-art offshore delivery centre in India for software development and QA services.

Knowledge Process Outsourcing and Online Software

ICRA Online Limited (ICRON) is a wholly-owned subsidiary of ICRA Limited. The company operates out of Kolkata and Mumbai.

Encouraged by the emerging dynamics of the outsourcing business, ICRON diversified into the Knowledge Process Outsourcing business in April 2004, with focus on the Banking, Financial Services and Insurance (BFSI) vertical. Presently, ICRON has three lines of business (LoBs) offering data services, research and analytics to regional and global clients. ICRON works with banks, insurance companies, asset management companies and other financial institutions. Timely, accurate, and affordable solutions help partners achieve their business goals.

In the Data Services segment, ICRON offers support to its clients in the areas of data extraction, aggregation, validation, analysis and adjustments in areas of accounts, financial management and structured finance.

In Research, ICRON serves clients through financial research, asset-class reports, news & event tracking, company profiles preparation, customer data analysis, newsletters, fund profiling and financial blogging.

Analytics is an emerging business for ICRON and involves discovering patterns in data and building predictive models.

ICRON, Kolkata Division, is ISO 9001:2008 and 27001: 2005 certified through continuous focus on and adherence to quality and data security policies and practices.

ICRA Limited



Annual Report **2013-14**

Chairman Emeritus

Mr. D.N. Ghosh

Formerly, Chairman,
State Bank of India**Board of Directors**

Mr. P.K. Choudhury

Chairman & Group CEO

Dr. Uddesh Kohli

Formerly, Chairman and
Managing Director, Power
Finance Corporation Limited

Prof. Deepak Nayyar

Formerly, Vice Chancellor,
University of DelhiMr. Piyush Gunwantra
MankadFormerly, Executive Director,
Asian Development Bank

Mr. Amal Ganguli

Formerly, Chairman and Senior
Partner, PricewaterhouseCoopers

Dr. Min Ye

Managing Director and
Regional Head,
Moody's Asia Pacific

Mr. Simon Richard Hastilow

Managing Director and
Global Head of
Relationship Management,
Moody's Investors Service

Mr. Naresh Takkar

Managing Director & CEO

Audit CommitteeMr. Amal Ganguli, Chairman
Dr. Uddesh Kohli
Prof. Deepak Nayyar
Dr. Min Ye
Mr. Simon Richard Hastilow
Mr. Piyush Gunwantra Mankad**Nomination and
Remuneration Committee**Prof. Deepak Nayyar, Chairman
Dr. Uddesh Kohli
Mr. Amal Ganguli
Dr. Min Ye**Stakeholders
Relationship Committee**Dr. Uddesh Kohli, Chairman
Mr. P.K. Choudhury
Mr. Naresh Takkar**Corporate Social
Responsibility Committee**Mr. Piyush Gunwantra Mankad,
Chairman
Prof. Deepak Nayyar
Dr. Uddesh Kohli
Mr. Naresh Takkar**Statutory Auditors**Vipin Aggarwal & Associates
Chartered Accountants
E-4, Defence Colony
New Delhi – 110024**Solicitors**AZB & Partners
Plot No. A8, Sector 4
Noida – 201301FoxMandal Little
Solicitors & Advocates
FM House, A-9, Sector 9
Noida – 201301HSB Partners
Advocates
'Capitale', 9th Floor,
No. 554/555, Anna Salai
Teynampet,
Chennai – 600018**Chief Financial Officer
& Company Secretary**

Mr. Vijay Wadhwa

BankersHDFC Bank Limited
Surya Kiran Building
K.G. Marg, Connaught Place
New Delhi – 110 001State Bank of Hyderabad
74 Janpath,
New Delhi – 110 001Deutsche Bank AG
Ground Floor, Infinity Tower
DLF, Phase II
Gurgaon – 122 002, HaryanaKotak Mahindra Bank Limited
JMD Regent Square
Mehrauli Gurgaon Road
Opposite Bristol Hotel
Gurgaon – 122 002, Haryana**Registrar and
Share Transfer Agent**Link Intime India Private Limited
44 Community Centre,
2nd Floor, Naraina Industrial Area,
Phase I, Near PVR, Naraina,
New Delhi – 110 028**Registered Office**1105, Kailash Building,
11th Floor
26, Kasturba Gandhi Marg
New Delhi – 110 001**Corporate Office**Building No. 8,
2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon – 122 002, Haryana

ICRA Board of Directors



Mr. Pranab Kumar Choudhury is the Chairman of ICRA Limited & Chief Executive Officer of Group ICRA. He is also Chairman of ICRA Online Limited, ICRA Lanka Limited, ICRA Nepal Limited, BPA Technologies Inc., and Peerless Financial Services Limited. Besides, he is President Commissioner of PT ICRA Indonesia and a Director on the Boards of ICRA Management Consulting Services Limited, ICRA Techno Analytics Limited, BPA Technologies Inc. and ICRA Sapphire Inc. He is also a Director on the Boards of Peerless Securities Limited and The Peerless General Finance & Investment Company Limited. Mr. Choudhury holds a Bachelor's and a Master's Degree in Commerce from the University of Calcutta. He is a Chartered Accountant from The Institute of Chartered Accountants of India and also holds a Post-Graduate Diploma in Advanced Financial Management from the Maastricht School of Management, The Netherlands. Besides, Mr. Choudhury is a C.A.I.B. from The Institute of Bankers, London, and a C.A.I.B. from the Indian Institute of Bankers. With a professional experience of over 41 years now, Mr. Choudhury has, prior to joining ICRA, worked in the manufacturing, commercial banking, development banking, and merchant banking sectors.



Dr. Uddesh Kohli is an Independent Director of ICRA. He is an Engineer from the Indian Institute of Technology, Roorkee, and holds a Post-Graduate Diploma in Industrial Administration from the Manchester University, UK. He obtained his Ph.D. in Economics from the Delhi School of Economics. Dr. Kohli has been Chairman and Managing Director of Power Finance Corporation Limited, and has worked with the Planning Commission, Government of India, reaching the position of Advisor (Additional Secretary level). He has carried out international assignments for Asian Development Bank, United Nations Industrial Development Organization, United Nations Development Programme and United Nations Office for Project Services. He is at present a Director on the Boards of ALSTOM India Limited, Lanco Infratech Limited, PTC India Financial Services Limited, National Energy Trading and Services Limited, and ICRA Techno Analytics Limited. Dr. Kohli's areas of expertise include development planning, finance, project formulation, appraisal, sustainability and monitoring, power/energy planning, Corporate Social Responsibility training and human resource development.



Professor Deepak Nayyar, an eminent economist, is an Independent Director of ICRA. He is Professor of Economics at Jawaharlal Nehru University, New Delhi. Earlier, he has taught at the University of Oxford, the University of Sussex, the Indian Institute of Management, Calcutta, and the New School for Social Research, New York. Professor Nayyar was Vice Chancellor of the University of Delhi from 2000 to 2005. He has also served as Chief Economic Adviser to the Government of India and Secretary in the Ministry of Finance. In the past, he was a Director on the Boards of State Trading Corporation of India, the State Bank of India, Export-Import Bank of India, Maruti Udyog and SAIL. At present, he is on the Board of Birla Corporation Limited and of ONGC. He was educated at St. Stephen's College, University of Delhi. Thereafter, as a Rhodes Scholar, he went on to study at Balliol College, University of Oxford, where he obtained a B. Phil and a D. Phil in Economics. He has received the V.K.R.V. Rao Award for his contribution to research in Economics. He is an Honorary Fellow of Balliol College, Oxford. Professor Nayyar served as Chairman of the Board of Governors of the UNU World Institute for Development Economics Research, Helsinki, a Member of the Board of Directors of the Social Science Research Council in the United States, and Chairman of the Advisory Council for the Department of International Development, Queen Elizabeth House, University of Oxford. He has also served as a member of the National Knowledge Commission in India and Vice President of the International Association of Universities, Paris.



Mr. Piyush Gunwantrai Mankad is a retired civil servant, with a distinguished career of over 40 years in the Indian Government. Born in 1941, Mr. Mankad had his college education in Delhi University, doing his Bachelor's and Master's Degrees in Humanities, topping the University. He later did a Diploma (with Distinction) in Development Studies at the Cambridge University, UK. He joined the prestigious Indian Administrative Service in 1964, topping his batch. His major official postings included Controller of Capital Issues, Ministry of Finance, Government of India; Principal Finance Secretary, Government of Madhya Pradesh; Secretary in the Ministries of Industry, Government of India; Chairman of the Foreign Investment Promotion Board; Secretary, Information and Broadcasting; and Finance/Revenue Secretary, Government of India. His overseas assignments include those as Counsellor Economic, Embassy of India, Tokyo, and Executive Director for India, Bhutan, Bangladesh, Laos and Tajikistan and Board Member, Asian Development Bank, Manila, which was his last official assignment till July 2004. He has wide ranging experience of diverse sectors, both economic and social, and his major areas of experience and expertise include public administration, finance, capital market development and regulation, and industrial and investment promotion. As Controller of Capital Issues, Government of India, from 1985 to 1990, he was associated with many pioneering steps to develop and modernise the Indian Capital Markets, including the establishment of the first Rating Agency and the setting up of the Securities and Exchange Board of India. He is currently on the Board of several highly regarded companies in the private sector as Independent Director, including from the Tata and Mahindra Groups, in addition to ICRA, and is also on various Governing Bodies/Trusts, including the Army Group Insurance Fund; Society of Capital Market Development and Research; and the Lady Shriram College for Women, New Delhi. He also serves, from time to time, on official committees, and is currently the Chairman of a Government of India Task Force on Public Sector Enterprises.

ICRA Board of Directors



Mr. Amal Ganguli is an Independent Director of ICRA. He is a Fellow of the Institute of Chartered Accountants in England & Wales as well as The Institute of Chartered Accountants of India. He did his training in London, and worked there with Peat Marwick Mitchell & Co. Mr. Ganguli joined Price Waterhouse in India in 1964, became a Partner of the firm in 1969 and from 1996 till the time of his retirement, was the Chairman and Senior Partner of PricewaterhouseCoopers in India. He has been a member of several study groups of The Institute of Chartered Accountants of India and has also worked as an independent short-term consultant to the World Bank after his retirement. Mr. Ganguli is on the Boards of a number of companies including HCL Technologies Limited, New Delhi Television Limited, Century Textiles and Industries Limited, AVTEC Limited, Maruti Suzuki India Limited and Tata Communications Limited.



Dr. Min Ye is a Non-Independent Director of ICRA. He is the Managing Director and the Regional Head of Moody's Asia Pacific. He is responsible for formulating business growth initiatives, budgeting and planning, managing Moody's offices and affiliate relations, and monitoring the regulatory environment in the Asia Pacific region. Earlier, he was the Managing Director and the Country Manager for Moody's China, as well as the Chief Executive Officer of China Chengxin International Credit Rating Co. Ltd., a Moody's affiliate in China. Dr. Min Ye, who joined Moody's as a Senior Analyst and Vice President in 1994, has also worked as the Managing Director of the Structured Finance Group for Asia Pacific (ex-Japan) in Hong Kong.

Dr. Min Ye has a BE and an ME in Electrical Engineering from the Tsinghua University in Beijing. He also has a Ph.D. in Electrical and Computer Engineering from the Carnegie Mellon University, USA.



Mr. Simon Richard Hastilow is a Non-Independent Director of ICRA. He is a Managing Director and the Global Head of Relationship Management of Moody's Investors Service. Mr. Simon Hastilow graduated from City of London Polytechnic in London. He worked for 10 years in London-based marketing and advertising companies, and then for 10 years at Thomson Reuters in various marketing, sales and business management roles. He joined Moody's in 2011 in his current role.

ICRA Board of Directors



Mr. Naresh Takkar is the Managing Director & CEO of ICRA. Prior to holding this position he was Joint Managing Director & Chief Rating Officer of ICRA. He is also a Director of ICRA Techno Analytics Limited, ICRA Online Limited, ICRA Lanka Limited, ICRA Nepal Limited and of PT. ICRA Indonesia. Besides, he is the Vice-Chairman of Association of Credit Rating Agencies in Asia (ACRAA). He joined ICRA as an analyst in 1991. Before joining ICRA, he was with Tata Consultancy Services for three years in the System Consulting Division. Mr. Takkar is a Chartered Accountant from The Institute of Chartered Accountants of India and holds a Bachelor's Degree in Commerce from the University of Delhi.

Senior Management



Mr. Anjan Deb Ghosh
Senior Group Vice-President &
Chief Rating Officer



Mr. L. Shivakumar
Senior Group Vice-President



Mr. Vivek Mathur
Senior Group Vice-President



Mr. Jayanta Chatterjee
Senior Group Vice-President



Mr. Subrata Ray
Senior Group Vice-President



Mr. Vijay Wadhwa
Chief Financial Officer &
Company Secretary

Directors' Report

To The Members, ICRA Limited

Your Directors have pleasure in presenting the 23rd Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2014.

Financial Performance

During its 23rd year of operations, your Company earned a Net Profit of Rs. 58.73 crore as against Rs. 60.38 crore during the previous year. Your Company's Earning per Share and Cash Earning per Share[†] for the year ended March 31, 2014 were Rs. 58.73 and Rs. 62.65, respectively, as against Rs. 60.38 and Rs. 67.30, respectively, in the previous year. The financial results of your Company (standalone and consolidated) for the year ended March 31, 2014 are presented in the following table.

| Particulars | Standalone | | Consolidated | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2012-13 (Rs. crore) | 2013-14 (Rs. crore) | 2012-13 (Rs. crore) | 2013-14 (Rs. crore) |
| Revenue from Operations | 148.59 | 162.90 | 251.41 | 282.96 |
| Other Income | 16.24 | 17.29 | 17.91 | 19.10 |
| Total Revenue | 164.83 | 180.19 | 269.32 | 302.06 |
| Total Expenditure | (91.95) [#] | (98.27)* | (197.28) [#] | (204.15)* |
| Profit before Tax | 72.88 | 81.92 | 72.04 | 97.91 |
| Tax Expense | (12.50) | (23.19) | (13.23) | (28.99) |
| Profit before Minority Interest | 60.38 | 58.73 | 58.81 | 68.92 |
| Minority Interest | — | — | 0.35 | 0.01 |
| Profit after Tax | 60.38 | 58.73 | 59.16 | 68.93 |
| Balance brought Forward | 98.89 | 127.49 | 112.33 | 139.71 |
| Profit Available for Appropriation | 159.27 | 186.22 | 171.49 | 208.64 |
| APPROPRIATIONS | | | | |
| Proposed Dividend | 22.00 | 23.00 | 22.00 | 23.00 |
| Corporate Tax on Proposed Dividend | 3.74 | 3.91 | 3.74 | 3.91 |
| Transfer to General Reserve | 6.04 | 5.88 | 6.04 | 5.88 |
| Balance Carried to Balance Sheet | 127.49 | 153.43 | 139.71 | 175.85 |
| | 159.27 | 186.22 | 171.49 | 208.64 |

[#]Includes Rs. 4.81 crore towards Amortisation of Deferred Employees Compensation for Options granted under the Employees Stock Option Scheme of your Company.

*Includes Rs. 1.46 crore towards Amortisation of Deferred Employees Compensation for Options granted under the Employees Stock Option Scheme of your Company.

Conditional Open Offer by Moody's

Moody's Singapore Pte Ltd along with Moody's Investment Company India Private Limited and Moody's Corporation has made a Conditional Open Offer under Regulation 3(2) and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations") vide a Public Announcement dated February 21, 2014 for the acquisition of up to 26,50,000 equity shares, representing 26.50% of the total equity shares, of your Company, at a price of Rs. 2,000 per equity share, from public shareholders. At present, Moody's Investment Company India Private Limited holds 28,50,900 equity shares, representing 28.509% of the total equity share capital, of your Company. The Offer is conditional on the acquisition of a minimum of 21,49,101 equity shares, representing 21.49101% of the total equity share capital, of your Company. Acquisition of the minimum 21,49,101 equity shares will take up

[†] Cash EPS is computed after considering Depreciation and Amortisation of Deferred Employees Compensation.

Directors' Report

Moody's shareholding to 50.00001%, thereby making Moody's the majority shareholder of your Company. In case of full acceptance of the Offer, on the other hand, Moody's will hold 55,00,900 equity shares, representing 55.009% of the total equity share capital, of your Company.

As required under the Takeover Regulations, your Company has constituted a Committee of Independent Directors to provide its Reasoned Recommendations on the Open Offer to the shareholders of your Company. The Takeover Regulations require the Committee of Independent Directors to provide its recommendations at least two working days prior to the commencement of the Tendering Period.

Under Regulation 9(c) of the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, prior approval of Securities and Exchange Board of India (SEBI) is required in cases involving change in control of a Credit Rating Agency. Accordingly, an application has been submitted with SEBI, seeking approval for change in control of your Company.

Under the Takeover Regulations, the Tendering Period will commence within 12 working days of the receipt of comments on the draft Letter of Offer from SEBI.

Review of Operations

Rating Services

Market Overview

Anaemic growth, high retail price inflation and periods of substantial volatility of the rupee's exchange rate complicated macroeconomic management in fiscal year 2013-14, although risks related to the current account and fiscal deficits eased during the course of the year.

Despite a favourable monsoon and healthy growth of agricultural output, the pickup in domestic demand in 2013-14 was feeble and restricted to a few sectors. Additionally, issues related to weak investment confidence, high leverage levels of corporates, especially those in the infrastructure sector, and impaired asset quality of banks continued to constrain capacity expansion even as the Cabinet Committee on Investments (CCI) facilitated clearances for stalled projects during the year.

While a moderation in wholesale price inflation led to some monetary easing at the beginning of the fiscal year, the benchmark repo rate was raised by 75 basis points (bps) in September 2013-January 2014 in response to the elevated consumer price inflation rate. Also, given the sharp weakening of the Indian rupee (INR) relative to the US dollar in May-August 2013, the Reserve Bank of India (RBI) undertook temporary measures to combat exchange rate volatility, which however also put a strain on systemic liquidity. On the positive side, after a sharp deterioration in April-June 2013, India's current account deficit (CAD) improved considerably in the subsequent three quarters, led partly by a successful clampdown on gold imports and contraction in non-oil, non-gold merchandise imports following feeble domestic growth. Moreover, merchandise exports looked up, benefiting from the weaker currency. Similarly, the Government of India's fiscal deficit was also contained at a level below the budget estimates.

Primary equity and domestic bond issuances were sluggish in 2013-14. Growth in bank credit also remained at 14-15% during the year as it had in 2012-13.

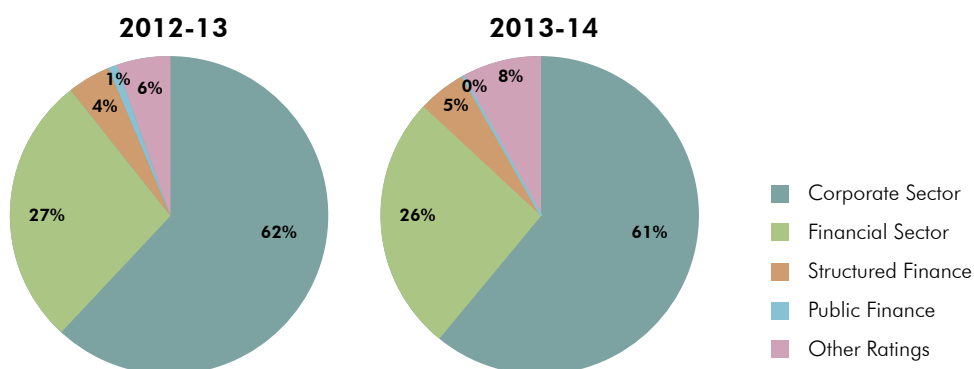
The RBI has signalled an end to further monetary tightening if consumer price inflation follows the hoped-for path of moderation. However, the risks arising out of factors such as the possibility of a below-average monsoon in 2014 and resetting of administered prices (electricity, fuels, fertilisers) point to the high likelihood of an extended pause on policy rates. This, in turn, would keep consumption sentiments in check in 2014-15. Notwithstanding clearances received by various stalled projects, a long gestation period would limit the upside in the near term. Factoring in a mild improvement in manufacturing growth and a pickup in investment activity in the second half, economic growth is likely to display a small uptick in 2014-15.

Directors' Report

Rating Services Review

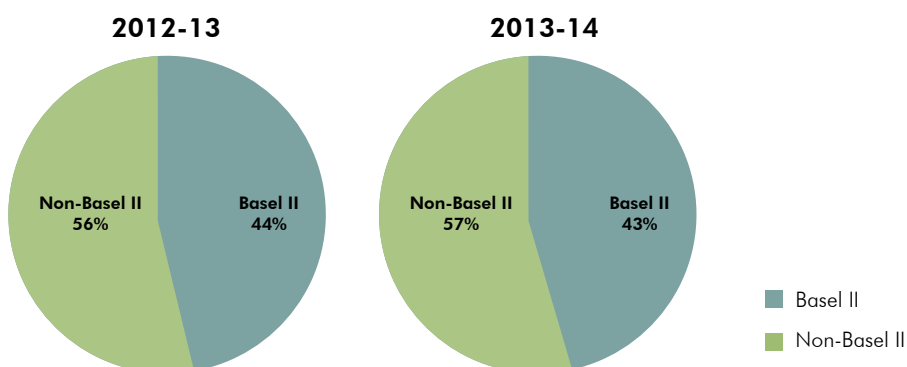
Ratings: Segment-wise Revenue Composition

| Segment | 2012-13 (Rs. crore) | 2013-14 (Rs. crore) | Growth (%) |
|--------------------|------------------------|------------------------|------------|
| Corporate Sector | 92.12 | 99.10 | 8% |
| Financial Sector | 40.85 | 42.63 | 4% |
| Structured Finance | 6.21 | 7.41 | 19% |
| Public Finance | 1.18 | 0.87 | -26% |
| Other Ratings | 8.23 | 12.89 | 57% |
| Total | 148.59 | 162.90 | 10% |



Composition of Rating Revenues

| Segment | 2012-13 (Rs. crore) | | 2013-14 (Rs. crore) | | Growth (%) |
|--------------|------------------------|-------------|------------------------|-------------|------------|
| Basel II | 64.94 | 44% | 69.92 | 43% | 8% |
| Non-Basel II | 83.65 | 56% | 92.98 | 57% | 11% |
| Total | 148.59 | 100% | 162.90 | 100% | 10% |



Directors' Report

Corporate Sector

The market for bank loan ratings expanded at a sluggish pace in 2013-14. It continued to be affected by muted growth in corporate credit, the subdued investment climate leading to slow or deferred project execution and greater risk aversion among lenders in sanctioning new loans. While the high-powered CCI took the lead in according fast-track clearances to several core sector projects during the latter half of the year, it would possibly take some more time for project execution and investments to gather momentum.

As a result of the weak investment climate and high interest rates, total domestic bond issuance declined 27% during 2013-14 over the previous fiscal. Apart from a few tax-free bond issuances by public sector undertakings (PSUs), bond issuances by corporate entities remained low. On the positive side, there were some instances of refinancing of existing loans through bond issuances, and this could be expected to pick up once the interest rate environment turns more benign.

During the year under review, your Company continued to make significant progress in scaling up the business activity of rating small and medium enterprises (SMEs). This has been achieved through a combination of factors like greater reach and higher awareness about the benefits that SME ratings provide to borrowers. Given the large number of SMEs in the country and the valuable experience gained so far, your Company hopes to be able to continue increasing its scale and reach in this segment.

Financial Sector

The total domestic bond issuance by entities in the financial sector declined by 24% during 2013-14 over the previous fiscal as the investment climate remained subdued and the interest rate outlook uncertain. The decline would have been sharper but for the good investor response to the public issuance of debt (including tax-free bonds) by non-banking financial companies (NBFCs) and institutions in the second half of 2013-14, given the relatively high post-tax yields. The volumes were also supported by the increase in issuances of debt capital by banks, with many raising Basel III compliant Tier II bonds to meet regulatory capital requirements. Your Company benefited from this development, given its strong presence in the rating of Bank issuances. During 2013-14, your Company also rated the first Basel III compliant Tier I bonds to be issued by any bank in India. With the banking system facing challenges on capital adequacy, an increase in capital issuance by banks is expected over the medium term, which should help your Company, going forward. Issuances of certificates of deposit (CDs) by banks continued to decline during the year under review, with most banks paring their bulk deposits as bank credit off-take remained subdued.

As for NBFCs, most of them continued to scale up in 2013-14, albeit at a lower rate level than in 2012-13 when the operating environment was more benign. Some NBFCs continued to take the public debt issuance route in 2013-14 to raise funds from a wider investor base for onward lending. The tax-free bond issuances by strong public sector entities picked up in 2013-14 as they offered higher yields than the issuances made the previous year and given the expectations of softening interest rates over the medium term. Better rated entities used commercial papers (CPs) to lower their borrowing costs as the cost of bank funds remained relatively high, especially after the increase in base rates in the second quarter of 2013-14. Accordingly, CP issuances picked up in the second half of 2013-14 after having witnessed a decline in the first. The overall trends in the NBFC sector benefited your Company during the year under review, and it was able to use its strong presence in the sector to continue adding new clients while also increasing the volume of rated debt.

Directors' Report

During 2013-14, your Company reinforced its position further in the rating of debt mutual funds by rating a number of capital protection oriented schemes (across fund houses) launched during the year.

Looking forward, rating activity in the financial sector is expected to grow, but at a pace determined by several factors, including pickup in economic activity, especially in investment and consumption demand, and behaviour of interest rates.

Structured Finance

During 2013-14, issuance volumes in the securitisation market declined 8% over the previous fiscal to around Rs. 28,000 crore. The dip in securitisation activity is attributable primarily to the distribution tax regime for securitisation transactions introduced by the Union Budget, 2013-14. The new tax treatment marks a significant adverse change for banks, the key investor segment in securitisation transactions in India. The pre-dominant motive for banks—primarily private sector banks—to invest in these securities, despite the high tax incidence and the resultant low yield, is the need to meet shortfalls in meeting priority sector lending (PSL) targets. However, even as the securitisation market lost some pace in 2013-14, your Company achieved significant growth compared to the previous year.

The dip in securitisation activity during the year under review was more than compensated by a strong revival in bilateral assignment of loan pools, the alternative mode for acquisition of retail loan assets by banks. The total estimated volume of bilateral assignments was around Rs. 18,000 crore, a rise of over 100% over the figure (albeit low) for the previous year. Notably, a sizable portion of this volume was accounted for by public sector banks, which acquired retail loan pools not to meet PSL shortfalls but as a tool for inorganic growth in assets at a time when corporate credit off-take was low. Estimation of credit loss in such loan pools, which is required by the investors, helped your Company serve this segment effectively.

Investing in securitisation transactions or acquiring loan pools through bilateral assignment—with the underlying assets being eligible loan receivables—continue to be the key routes for banks to meet shortfalls in PSL targets. Thus, going forward, the extent of shortfall in PSL targets in the banking system and the availability of eligible assets with sellers are expected to be the key factors influencing securitisation issuance/assignment volumes.

Economic and Industry Research

Economic Research

Economic research is an activity that your Company has been engaged in right since its inception. The purpose of this continuing programme is to analyse contemporary developments that characterise the money and finance world, and to offer a framework for the explanation of policy choices, initiatives and outcomes. Your Company invests considerable time and resources in this activity, a product of which is the *ICRA Bulletin: Money & Finance (Money & Finance)*. Every issue of *Money & Finance* features in-depth articles covering the key developments in the global and Indian economy since the previous edition, besides research articles on issues of contemporary interest. A host of financial statistics is also presented at the end of every issue. The periodical is disseminated among a wide variety of readers, including, among others, students, academicians, policymakers, investors and economists across the country.

Money & Finance apart, your Company regularly comes out with impact-assessment studies, research notes and trend analyses, covering several topics including, but not limited to, inflation, economic performance, the Union Budget, the index of industrial production, and policy assessment and impact.

Directors' Report

Industry Research

Your Company has continued to strengthen its research offerings, covering over 30 segments in the corporate and financial services sectors. Given your Company's strong analytical capabilities across industries, access to primary data and reach across various tiers of industry players, the research reports provide in-depth analysis of industry-specific issues, trends in demand-supply factors, the competitive landscape, credit trends and medium-to-long-term outlook. The research reports are tailored to meet the analytical requirements of a wide range of participants, including banks, mutual funds, insurance companies, venture funds and corporate entities. Besides periodic off-the-shelf publications, your Company also offers customised research to meet the niche requirements of various clients. Your Company would continue to strengthen its offerings under this service, harnessing its extensive knowledge base and research capabilities.

During the year under review, your Company continued to bring out research notes, analysing the impact of various events on a wide variety of industry players from the credit perspective. Besides, your Company continued to hold seminars, webinars and teleconferences for market participants at regular intervals.

Franchise Development

Your Company continues to make significant efforts to enhance its visibility and reinforce its brand strength through activities aimed at promoting investor and market awareness, bridging the information gap, and recognising excellence.

During the year, your Company held several seminars, some along with banks, on Bank Loan Ratings under Basel II Guidelines, Rating of Small and Medium Enterprises, and other ICRA products in several Tier II cities as part of its outreach and education initiative. Besides, joint seminars with Moody's Investors Service were conducted, all of which were well attended and widely appreciated. Further, several teleconferences, covering most of the key sectors, were organised, with these enabling more efficient and faster dissemination of ICRA's credit outlook among a wider set of market participants. These apart, regular media releases were made on issues of interest to the investing public.

On recognising excellence, your Company continues to power the *Financial Advisor Awards* along with CNBC-TV18, and the *India Pride Awards*, an initiative to recognise the superior performing public sector entities, with the Dainik Bhaskar group. All these awards have gained considerable popularity, as is evident from the level of participation witnessed over the years. In addition, your Company during the year under review powered the *MACCIA Awards* that recognise Corporate Excellence in the State of Maharashtra. This award is promoted by Maharashtra Chamber of Commerce, Industry & Agriculture and IBN Lokmat.

Subsidiary Companies

During the year under review, ICRA Techno Analytics Limited (ICTEAS), a wholly owned subsidiary of your Company, through its subsidiary ICRA Global Capital Inc., increased its equity stake to 100% in BPA Technologies Inc. (BPA), thereby making BPA a wholly-owned subsidiary of ICTEAS. BPA is a California-based global business consulting and software technology services firm. Other than in California, BPA has development centres in Chennai and Visakhapatnam. Focused on enterprise content management, enterprise portal and collaboration, BPA offers strategy consulting, implementation and application management services in its areas of specialisation.

Directors' Report

Your Company is in compliance with all the conditions stipulated by the Ministry of Corporate Affairs, Government of India, for availing itself of the general exemption under Section 212 (8) of the Companies Act, 1956, from annexing to the Balance Sheet of your Company, the Audited Statements of Account together with the Directors' Reports and the Auditors' Reports for the year 2013-14 of the following subsidiary companies:

1. ICRA Management Consulting Services Limited
 - 1.1. IMaCS Virtus Global Partners Inc.
 - 1.2. Pragati Development Consulting Services Limited
2. ICRA Techno Analytics Limited
 - 2.1. ICRA Sapphire Inc.
 - 2.2. ICRA Global Capital Inc.
 - 2.2.1. BPA Technologies Inc.
 - 2.2.1.1. BPA Technologies Pte Ltd.
 - 2.2.1.2. BPA Technologies Pvt. Ltd.
3. ICRA Online Limited
4. PT. ICRA Indonesia
5. ICRA Lanka Limited
6. ICRA Nepal Limited

However, if any Shareholder of your Company or its subsidiary companies so desires, your Company will make available copies of the Financial Statements of the above subsidiary companies and related information, free of charge.

The Consolidated Financial Statements of Group ICRA, consisting of ICRA Limited, its subsidiaries, and their subsidiaries, for the year 2013-14, which form a part of the Annual Report, are attached. The Auditors' Report on the Consolidated Financial Statements is also attached. A statement containing the brief financial details of the said subsidiary companies is annexed, as prescribed by the Ministry of Corporate Affairs, Government of India, to the Consolidated Financial Statements. The Consolidated Financial Statements have been prepared in accordance with the prescribed Accounting Standards.

Recovery of Security Deposit from Associated Journals Limited

During 1998-99, your Company had filed a suit with the Hon'ble High Court of Delhi for the recovery of a refundable security deposit of Rs. 46.73 lakh, along with interest due thereon, from Associated Journals Limited for premises located at Herald House, Bahadurshah Zafar Marg, New Delhi. During 2007-08, a ruling was passed in favour of your Company in the said matter by the Hon'ble High Court of Delhi. Subsequently however, appeals were filed by Associated Journals Limited against the said ruling. In 2011-12, the Hon'ble High Court of Delhi dismissed the appeals, but refrained from imposing any cost on Associated Journals Limited. Thereafter, your Company reinitiated proceedings against Associated Journals Limited for recovery of the sums due in terms of the decree passed in favour of your Company. Your Company has received the amount deposited by Associated Journals Limited with the Hon'ble High Court of Delhi, and subsequently full and final settlement amount was received on March 31, 2014.

Branches of the Company

Your Company operates its business from its offices in Delhi, Gurgaon, Mumbai, Kolkata, Chennai, Ahmedabad, Bengaluru, Hyderabad, and Pune. During the year under review, your Company took additional space on lease in Mumbai, Kolkata, Chennai and Pune to accommodate employees who have joined your Company recently.

Directors' Report

Human Resource Development & Training

Human resource development continued to be accorded high priority during the year under review, with emphasis being placed on improving skill, competence and knowledge through regular training and in-house/external professional development programmes. The relation between the employees and the management of your Company remained harmonious during the year. Your Company has a consultative and participative management style, which has facilitated achievement of its corporate goals. The morale of employees remained high during the year, contributing positively to the progress of your Company.

Employees Stock Option Scheme (ESOS)

Your Company has implemented the Employee Stock Option Scheme 2006 ("the Scheme") in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and in conformity with the resolutions passed by the Shareholders at the Annual General Meetings of the Company held on June 12, 2006, July 29, 2008, and August 12, 2011. Pursuant to the resolution passed by the Shareholders at the Annual General Meeting held on June 12, 2006 for the grant of Options, 9,06,000 Equity Shares amounting to 9.06% of the Equity Share Capital of your Company have been issued to the ICRA Employees Welfare Trust for grant of Options to the eligible Optionees. Accordingly, the Stock Options have been granted to the eligible Optionees from the said pool of 9,06,000 Equity Shares in two tranches so far. The first tranche was granted during 2006-07 and the second during 2010-11. The details of the Stock Options granted under the Scheme are annexed to the Directors' Report (*Annexure I*), and so is the Certificate from the Statutory Auditors of your Company certifying that the scheme has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and in accordance with the resolutions passed in the said Annual General Meetings of the Company (*Annexure II*). The Scheme is administered by the ESOS Compensation Committee of the Board of your Company and the ICRA Employees Welfare Trust.

Particulars of Employees

The information on employees receiving remuneration of Rs. 60 lakh per financial year or Rs. 5 lakh per month, or more, is required to be given as annexure to the Directors' Report under Section 217 (2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Amendment Rules, 2011. However, in terms of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all Shareholders of your Company without this annexure. Any Shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of your Company.

Corporate Governance

The report of the Board of Directors of your Company on Corporate Governance is presented as a separate section (*Annexure III*) titled "Corporate Governance Report", which forms a part of the Annual Report. The Composition of the Board, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee and other Committees of the Board, number of meetings of the Board, Committees of the Board and other matters are presented in the Corporate Governance Report.

Directors' Report

The Certificate of the Statutory Auditors of your Company regarding compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the stock exchanges concerned is annexed to the Directors' Report.

Management Discussion & Analysis

The Management Discussion and Analysis is annexed to the Directors' Report (*Annexure IV*).

Insider Trading Regulations

Based on the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Code of Conduct for prevention of insider trading is in force in your Company.

Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Expenditure

As your Company is not engaged in any manufacturing activity, the particulars relating to conservation of energy and technology absorption, as mentioned in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable to it. However, emphasis is placed on employing techniques that result in the conservation of energy. Details on the foreign exchange earnings and expenditure of your Company appear in the Notes to Accounts.

Directors

During 2013-14, Mr. Pranab Kumar Choudhury was reappointed Whole-time Director (Chairman & Group CEO) of your Company by the Shareholders at the 22nd Annual General Meeting held on August 2, 2013.

Further, Dr. Min Ye and Mr. Simon Richard Hastilow have been appointed Directors of your Company by the Shareholders at the 22nd Annual General Meeting held on August 2, 2013.

During 2013-14, Ms. Jennifer Ann Elliott and Mr. Frederic Walter Jacques Drevon ceased to be Directors of your Company following their resignation from the Board on May 24, 2013. The Board places on record its deep appreciation of the valuable advice and guidance provided by them throughout their tenure with your Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of your Company, Dr. Min Ye retires by rotation, and being eligible, offers himself for reappointment.

The Board of Directors of your Company has considered the provision of Section 149(10) of the Companies Act, 2013, which states that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on the passing of a special resolution by the Company and the disclosure of such appointment in the Board's report. The Board has also considered the provision of Section 149(11) which states that no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re-appointment after the expiration of three years from the date s/he ceased to be an Independent Director.

Directors' Report

Further, the Board of Directors of your Company has considered the provision of Section 149(13) of the Companies Act, 2013, which states that the provision of sub-sections (6) and (7) of Section 152 in respect of retirement of Directors by rotation shall not apply to the appointment of Independent Directors.

The Board of Directors of your Company felt that it would be important to re-appoint the existing Independent Directors of your Company in accordance with the provisions of sub-sections (4), (10), (11) of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

Pursuant to the provisions of sub-sections (4), (10), (11) of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the re-appointment of Dr. Uddesh Kohli, Prof. Deepak Nayyar, Mr. Piyush Gunwantrao Mankad and Mr. Amal Ganguli, for a period of five consecutive years with effect from August 13, 2014 to the Shareholders of your Company at the ensuing Annual General Meeting.

Proposals for the above re-appointments are part of the Agenda for the forthcoming Annual General Meeting and the respective resolutions are recommended for your approval.

The profiles of these Directors are presented in the Notice of the 23rd Annual General Meeting, as required under the Companies Act, 2013, and Clause 49 of the Listing Agreement.

Directors' Responsibility Statement

As required under the provisions contained in Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2014, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

Auditors

Messrs Vipin Aggarwal & Associates, Chartered Accountants, Statutory Auditors of your Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility for reappointment under the provisions of Section 139 of the Companies Act, 2013.

The Notes to Accounts referred to in the Auditors' Report are self explanatory and do not call for any further comments.

Directors' Report

Transfer to Reserves

Your Company proposes to transfer Rs. 5.88 crore (10% of the Net Profit for the year) to the General Reserve. An amount of Rs. 153.43 crore is proposed to be retained in the Statement of Profit & Loss.

Dividend

The Board of Directors recommends for approval of the Shareholders at the forthcoming Annual General Meeting, payment of dividend of Rs. 23 per Equity Share for the financial year ended March 31, 2014. If the Shareholders approve the dividend at the forthcoming Annual General Meeting, the dividend shall be paid to: (i) all those Members whose names appear in the Register of Members as on August 7, 2014; and (ii) all those Members whose names appear on that date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

Transfer to Investor Education and Protection Fund

The Company sends reminder letters to all Shareholders whose dividends are unclaimed so as to ensure that they receive their rightful dues. Your Company has also uploaded on its website, www.icra.in, information regarding unpaid/unclaimed dividend amounts lying with your Company.

During 2013-14, none of the unclaimed dividend/Initial Public Offer application amounts were due for transfer to the Investor Education and Protection Fund. However, pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, your Company has transferred to the Investor Education and Protection Fund established by the Central Government, Rs. 18,800 on April 19, 2014 towards the application money received for the allotment of securities and due for refund. The said amount remained unclaimed for a period of seven years, despite reminder letters having been sent to each of the Investors concerned.

Acknowledgements

Your Directors acknowledge the cooperation and assistance received from various institutions, Government agencies, Shareholders and professionals from different disciplines.

Your Directors also wish to place on record their appreciation of the contribution made by the members of staff of your Company.

For and on behalf of the Board of Directors

(Pranab Kumar Choudhury)
Chairman & Group CEO
DIN: 00015470

Place : New Delhi
Date : May 14, 2014

Annexure I

Annexures to the Directors' Report

Disclosure in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

| Description | Tranche 1 (As on March 31, 2014) | Tranche 2 (As on March 31, 2014) |
|---|--|--|
| (a) Options Granted during the year (Tranche 1 Granted on March 24, 2007: 6,15,763) (Tranche 2 Granted on November 9, 2010: 2,72,500) | Nil | Nil |
| (b) The Pricing Formula | IPO Issue Price | IPO Issue Price |
| (c) Options Vested | 5,44,859 | 2,45,753 |
| (d) Options Exercised | 5,08,463 | 1,78,123 |
| (e) Total Number of Shares arising as a result of Exercise of Options | 5,08,463 equity shares (face value of Rs. 10/- each) | 1,78,123 equity shares (face value of Rs. 10/- each) |
| (f) Options Lapsed | 73,853 | 28,371 |
| (g) Variation of Terms of Options | Nil | Nil |
| (h) Money Realised by Exercise of Options | Rs. 16,77,92,790 | Rs. 5,87,80,590 |
| (i) Total Number of Options in Force | 33,447 | 66,006 |
| (j) Employee-wise details of Options granted under Tranche 2 (i) The options that vested annually to Senior Managerial Personnel of your Company are as under: | | |

| Name of Employee | Designation | November 9, 2011 | November 9, 2012 | November 9, 2013 |
|--|---|------------------|------------------|------------------|
| Mr. Pranab Kumar Choudhury | Chairman & Group CEO | 4,800 | 3,600 | 3,600 |
| Mr. Naresh Takkar | Managing Director & CEO | 4,800 | 3,600 | 3,600 |
| Mr. L. Shivakumar | Senior Group Vice-President | 3,240 | 2,430 | 2,430 |
| Mr. Vivek Mathur | Senior Group Vice-President | 3,240 | 2,430 | 2,430 |
| Mr. Anjan Deb Ghosh | Senior Group Vice-President & Chief Rating Officer | 3,240 | 2,430 | 2,430 |
| Mr. Jayanta Chatterjee | Senior Group Vice-President | 3,240 | 2,430 | 2,430 |
| Mr. Subrata Ray | Senior Group Vice-President | 2,988 | 2,241 | 2,241 |
| Mr. Vijay Wadhwa | CFO & Co. Secretary | 3,240 | 2,430 | 2,430 |
| Mr. Rohit Dattatray Inamdar | Senior Vice-President | 4,976 | 3,732 | 3,732 |
| Mr. K. Ravichandran | Senior Vice-President | 2,700 | 2,025 | 2,025 |
| Mr. Kalpesh Gada | Senior Vice-President | 2,700 | 2,025 | 2,025 |
| Ms. Vibha Batra | Senior Vice-President | 2,700 | 2,025 | 2,025 |
| Mr. Karthik Srinivasan | Senior Vice-President | 2,700 | 2,025 | 2,025 |
| Mr. Jayanta Roy | Senior Vice-President | 2,249 | 1,688 | 1,688 |
| Mr. Sabyasachi Majumdar | Senior Vice-President | 2,100 | 1,575 | 1,575 |
| (ii) any other employee who receives a grant in any one year of options amounting to 5% or more of Option granted during the year | | | | None |
| (iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | | | | None |

Annexures to the Directors' Report

(k) Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standards (AS)-20 Rs. 58.73

(l) Where the Company has calculated the employee compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options. The impact of this difference on profits and on Earning Per Share of the Company

Had the Company followed fair value method for accounting the Stock Option compensation expense the amortisation would have been higher by Rs. 7.92 lakh. Consequently profit after tax would have been lower by Rs. 5.23 lakh and the basic and diluted EPS of the Company would have been Rs. 58.68

(m) Weighted average exercise price of the Options and Weighted average fair values of Options on the grant date are as under:-

| Stock option granted on | Exercise Price (in Rs.) | Fair Values of options (in Rs.) Face value Rs. 10 | Closing market price at BSE/NSE (in Rs.) |
|-------------------------|-------------------------|--|--|
| March 24, 2007 | 330.00 | 138.00 | Shares of ICRA Limited were not listed on grant date |
| November 9, 2010 | 330.00 | 1,153.00 | Rs. 1,423.85 on November 8, 2010 (NSE) |

(n) Black Scholes Option Valuation method has been adopted for estimating the fair value of the Options. The Fair Value of the Stock Options has been calculated assuming the following:

Stock Option granted on March 24, 2007

- (1) Risk free interest rate: 7.7-7.8%
- (2) Expected life: 3-5 years
- (3) Expected volatility: 47.6%
- (4) Expected dividends: Rs. 5 per share per annum
- (5) The shares were not listed at the time of grant of Options. However, the market price of each share as on the Grant Date was taken as Rs. 330 (i.e. the IPO Issue Price)

Stock Option granted on November 9, 2010

- (1) Risk free interest rate: 7.32-7.78%
- (2) Expected life: 3-5 years
- (3) Expected volatility: 58.4%
- (4) Expected dividends: Rs. 13 per share per annum
- (5) Price of the underlying share in market at the time of option grant: Rs. 1,423.85 (NSE)

Annexure II

Auditors' Certificate

In our opinion and according to the information and explanations given to us, we hereby certify that ICRA Limited ("the Company") has implemented Employees Stock Option Scheme, 2006 ("the Scheme") in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in conformity with the resolutions passed by the shareholders in the Annual General Meetings of the Company held on June 12, 2006, July 29, 2008 and August 12, 2011.

For Vipin Aggarwal & Associates
Chartered Accountants
(Registration No. 014454N)

Place : New Delhi
Date : May 14, 2014

(Vipin Aggarwal)
Membership No. 016544

Annexure III

Corporate Governance Report

A. Company's Philosophy on Corporate Governance

Good governance encompasses conduct of the Company's business in an ethical, transparent, fair and equitable manner with due regard to the interests of the various stakeholders, and exercising proper control over the Company's assets and transactions.

B. Board of Directors

(i) Board Membership Criteria

The Members of the Board of Directors of your Company are expected to possess the required expertise, skill, and experience to effectively manage and direct your Company so that it can attain its organisational goals. They are expected to be persons with vision, leadership qualities, a strategic bent of mind, proven competence, and integrity.

Each Member of the Board of Directors of your Company is expected to ensure that his/her personal interest does not run in conflict with your Company's interests. Moreover, each Member is expected to use his/her professional judgement to maintain both the substance and appearance of independence and objectivity.

(ii) Composition of the Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced structure. The Board has eight Directors, two of whom are Executive Directors. Of the six Non-Executive Directors, four are Independent Directors. The Chairman of the Board is an Executive Director. The number of Independent Directors is half the total numbers of Directors. The number of Non-Executive Directors is more than 50% of the total number of Directors.

| Particulars | Composition of the Board | | Minimum Requirement as per Clause 49 of the Listing Agreement (%) | Minimum Requirement as per Section 149 of the Companies Act, 2013 |
|---------------------------|--------------------------|----------------------|---|---|
| | No. of Directors | % of Total Directors | | |
| Non-Executive Directors | 6 | 75 | 50 | 3 |
| Executive Directors | 2 | 25 | N.A. | |
| Total | 8 | 100 | | |
| Independent Directors | 4 | 50 | 50 | 33.33% |
| Non-Independent Directors | 4 | 50 | N.A. | N.A. |
| Total | 8 | 100 | | |

N.A.: Not Applicable

Corporate Governance Report

None of the Directors on the Board of your Company is a Member of more than 10 committees or Chairman of more than five committees (in compliance with Clause 49 of the Listing Agreement), considering all the companies in which they are Directors. One of the Independent Directors of your Company is a Director on the Board of Directors of "ICRA Techno Analytics Limited" (ICTEAS), a material non-listed Indian subsidiary company of your Company.

The composition of the Board and the other directorships held by each of the Directors are set out below:

| Name of Director ¹ | Position | Relationship with Other Directors | Directorship in Other Companies ² | No. of Board Committee(s) of which he/she is a Member ³ | No. of Board Committee(s) of which he/she is Chairman ³ |
|--|---|-----------------------------------|--|--|--|
| Mr. Pranab Kumar Choudhury DIN: 00015470 | Chairman Executive Non-Independent Director | None | 11 | 5 | None |
| Mr. Naresh Takkar DIN: 00253288 | Executive Non-Independent Director | None | 5 | 2 | 1 |
| Dr. Uddesh Kohli DIN: 00183409 | Non-Executive Independent Director | None | 5 | 6 | 2 |
| Prof. Deepak Nayyar DIN: 00348529 | Non-Executive Independent Director | None | 2 | 2 | None |
| Mr. Piyush Gunwantrao Mankad DIN: 00005001 | Non-Executive Independent Director | None | 9 | 7 | 2 |
| Mr. Amal Ganguli DIN: 00013808 | Non-Executive Independent Director | None | 13 | 5 | 5 |
| Dr. Min Ye ⁴ DIN: 06552282 | Non-Executive Non-Independent Director | None | 18 | 1 | None |
| Mr. Simon Richard Hastilow ⁴ DIN: 06573596 | Non-Executive Non-Independent Director | None | None | 1 | None |
| Ms. Jennifer Ann Elliott ⁵ DIN: 01612385 | Non-Executive Non-Independent Director | None | | | |
| Mr. Frederic Walter Jacques Drevon ⁶ DIN: 02114133 | Non-Executive Non-Independent Director | None | | | |

¹Except Mr. Pranab Kumar Choudhury and Mr. Naresh Takkar, none of the Directors of your Company was holding any shares of your Company as on March 31, 2014.

²Including Private Companies and Foreign Companies.

³Includes membership/Chairmanship only of the Audit Committee(s) and Shareholders'/Investors' Grievance Committee(s) in all companies (Public Limited Companies and Private Limited Companies), including ICRA Limited.

⁴Appointed Additional Director on ICRA's Board with effect from May 24, 2013 and further appointed Director at the Annual General Meeting of the Company held on August 2, 2013.

⁵Ms. Jennifer Ann Elliott has ceased to be Director following her resignation from the Board with effect from May 24, 2013.

⁶Mr. Frederic Walter Jacques Drevon has ceased to be Director following his resignation from the Board with effect from May 24, 2013.

Corporate Governance Report

| Name of Director | Directorship in Other Companies |
|------------------------------|--|
| Mr. Pranab Kumar Choudhury | <ul style="list-style-type: none"> • ICRA Online Limited • ICRA Management Consulting Services Limited • ICRA Techno Analytics Limited • Peerless Securities Limited • ICRA Sapphire Inc. • PT ICRA Indonesia • The Peerless General Finance & Investment Company Limited • ICRA Lanka Limited • ICRA Nepal Limited • BPA Technologies Inc. • Peerless Financial Services Limited |
| Mr. Naresh Takkar | <ul style="list-style-type: none"> • ICRA Techno Analytics Limited • ICRA Online Limited • ICRA Nepal Limited • ICRA Lanka Limited • PT ICRA Indonesia |
| Dr. Uddesh Kohli | <ul style="list-style-type: none"> • ALSTOM India Limited • Lanco Infratech Limited • PTC India Financial Services Limited • National Energy Trading and Services Limited • ICRA Techno Analytics Limited |
| Prof. Deepak Nayyar | <ul style="list-style-type: none"> • Birla Corporation Limited • Oil and Natural Gas Corporation Limited |
| Mr. Piyush Gunwantrai Mankad | <ul style="list-style-type: none"> • Tata South East Asia Limited • Tata International Limited • Tata Elxsi Limited • DSP BlackRock Investment Managers Private Limited • Noida Toll Bridge Company Limited • HeidelbergCement India Limited • The Tata Power Company Limited • Mahindra and Mahindra Financial Services Limited • Hindustan Media Ventures Limited |

Corporate Governance Report

| Name of Director | Directorship in Other Companies |
|---|---|
| Mr. Amal Ganguli | <ul style="list-style-type: none"> • ML Infomap Private Limited • HCL Technologies Limited • New Delhi Television Limited • Century Textile and Industries Limited • AVTEC Limited • Hughes Communications India Limited • Maruti Suzuki India Limited • Tata Communications Limited • Aricent Technologies (Holdings) Limited • Laurus Labs Private Limited • Tata Teleservices (Maharashtra) Limited • Triveni Turbine Limited • Mangalam Cement Limited |
| Dr. Min Ye ¹ | <ul style="list-style-type: none"> • Moody's Group Australia Pty Limited • Moody's Investors Service Pty Limited • Moody's China (B.V.I.) Limited • Moody's Asia Pacific Limited • Moody's Company Hong Kong Limited • Moody's Investors Service Hong Kong Limited • Moody's (Japan) K.K. • Moody's SF Japan K.K. • Korea Investors Service Inc. • Moody's Investors Service (Korea) Inc. • China Chengxin International Credit Rating Co., Limited • Moody's Investors Service (Beijing), Limited • Moody's Singapore Pte Limited • Moody's Investment Company India Private Limited • Moody's Shared Services India Private Limited • Asia Securities Industry and Financial Markets Association Limited • Moody's Investors Service India Private Limited • Moody's Investors Service Singapore Pte Ltd. |
| Mr. Simon Richard Hastilow ¹ | None |

¹ Appointed Additional Director on ICRA's Board with effect from May 24, 2013 and further appointed Director at the Annual General Meeting of the Company held on August 2, 2013.

Corporate Governance Report

(iii) Board Meetings/Annual General Meeting

During the year 2013-14, the Board of Directors of your Company met five times: on May 24, 2013; August 2, 2013; November 12, 2013; January 25, 2014; and February 25, 2014. The agenda papers along with the explanatory notes for Board Meetings are sent in advance to the Directors. In some instances, documents are tabled at the meeting and presentations are also made by the respective executives on matters related to them at the meeting.

The previous Annual General Meeting was held on August 2, 2013. Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2013-14 are presented in the following table.

| Director | No. of Board Meetings Held | No. of Board Meetings Attended | Whether Last Annual General Meeting Attended |
|---|----------------------------|--------------------------------|--|
| Mr. Pranab Kumar Choudhury | 5 | 4 | Yes |
| Mr. Naresh Takkar | 5 | 5 | Yes |
| Dr. Uddesh Kohli | 5 | 5 | Yes |
| Prof. Deepak Nayyar | 5 | 5 | Yes |
| Mr. Piyush Gunwantrao Mankad | 5 | 4* | Yes |
| Mr. Amal Ganguli | 5 | 5 | Yes |
| Ms. Jennifer Ann Elliott ¹ | 5 | 0 | N.A. |
| Mr. Frederic Walter Jacques Drevon ² | 5 | 0 | N.A. |
| Dr. Min Ye ³ | 5 | 2** | No |
| Mr. Simon Richard Hastilow ³ | 5 | 3 | No |

* One through audio conferencing.

** One through audio conferencing.

¹ Ms. Jennifer Ann Elliott has ceased to be Director following her resignation from the Board with effect from May 24, 2013.

² Mr. Frederic Walter Jacques Drevon has ceased to be Director following his resignation from the Board with effect from May 24, 2013.

³ Appointed Additional Director on ICRA's Board with effect from May 24, 2013 and further appointed Director at the Annual General Meeting of the Company held on August 2, 2013.

N.A.: Not Applicable

The necessary quorum was present for all the meetings.

(iv) Membership Term and Retirement Policy

According to the Articles of Association of your Company, at every Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Director on the same day, those who are to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

(v) Code of Conduct

The Board of Directors has prescribed a Code of Conduct for all Members of the Board and the Senior Management of your Company. The Code of Conduct is available on your Company's website www.icra.in.

Corporate Governance Report

All the Members of the Board and the Senior Management personnel of your Company have confirmed their compliance with the Code of Conduct for the year ended March 31, 2014.

C. Board Committees

In compliance with both the mandatory and non-mandatory requirements under the Listing Agreement, and the applicable laws, the Board has constituted the following committees:

- (i) Audit Committee
- (ii) Remuneration Committee*
- (iii) Shareholders' and Investors' Grievance Committee#
- (iv) ESOS [Employee Stock Option Scheme] Compensation Committee
- (v) Strategy Committee
- (vi) Corporate Social Responsibility Committee
- (vii) Committee of the Independent Directors

*Name of the Committee changed to "Nomination and Remuneration Committee" at the Board Meeting held on May 14, 2014.

#Name of the Committee changed to "Stakeholders Relationship Committee" at the Board Meeting held on May 14, 2014.

The Chairman of the Board, in consultation with the Company Secretary and the respective chairmen of these committees, determines the frequency of the meetings of these committees. The recommendations of the committees are submitted to the Board for noting/approval.

(i) Audit Committee

The terms of reference of the Audit Committee include:

- (a) Oversight of the Company's financial reporting process, and disclosure of financial information, so as to ensure accuracy of information.
- (b) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors and the fixing of audit fees.
- (c) Approval of payment to statutory auditors for any other service rendered.
- (d) Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' responsibility statement that is a part of the Directors' Report under Section 217 (2AA) of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and the reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by the Management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related-party transactions; and
 - Qualifications in the draft audit report.
- (e) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval, performance of the statutory and internal auditors, and adequacy of internal control.
- (f) Reviewing the functioning of the Whistle Blower mechanism.
- (g) Mandatorily reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related-party transactions;
 - Management letters/letters of internal control weakness issued by the statutory auditors;
 - Internal audit report relating to internal control weakness; and
 - Appointment, removal and terms of remuneration of the internal auditor(s).

Corporate Governance Report

The Audit Committee consists of six Non-Executive Directors, of whom four are Independent Directors. The Chairman of the committee, Mr. Amal Ganguli, is a Non-Executive Independent Director.

The Audit Committee consists of:

1. Mr. Amal Ganguli, Chairman¹,
2. Dr. Uddesh Kohli,
3. Prof. Deepak Nayyar,
4. Dr. Min Ye²,
5. Mr. Simon Richard Hastilow², and
6. Mr. Piyush Gunwantra Mankad³.

¹ Mr. Amal Ganguli has been elevated from member to Chairman of the Audit Committee with effect from May 24, 2013.

² Dr. Min Ye and Mr. Simon Richard Hastilow have been appointed members of the Audit Committee with effect from May 24, 2013.

³ Mr. Piyush Gunwantra Mankad has been appointed member of the Audit Committee with effect from August 2, 2013.

The Company Secretary of your Company is the secretary to the Audit Committee.

The Statutory and Internal Auditors of the Company are invitees to the Audit Committee.

The previous Annual General Meeting of the Company was held on August 2, 2013, and it was attended by Mr. Amal Ganguli, the Chairman of the committee.

The Audit Committee met four times during the year 2013-14: on May 24, 2013; August 2, 2013; November 12, 2013; and January 25, 2014. The following table presents the details of attendance at the Audit Committee meetings held during the year 2013-14.

| Director | No. of Meetings Held | No. of Meetings Attended |
|---|----------------------|--------------------------|
| Mr. Amal Ganguli, Chairman ¹ | 4 | 4 |
| Dr. Uddesh Kohli | 4 | 4 |
| Prof. Deepak Nayyar | 4 | 4 |
| Ms. Jennifer Ann Elliott ² | 4 | 0 |
| Dr. Min Ye | 4 | 1* |
| Mr. Simon Richard Hastilow | 4 | 2 |
| Mr. Piyush Gunwantra Mankad | 4 | 1** |

¹ Mr. Amal Ganguli has been elevated from member to Chairman of the Audit Committee with effect from May 24, 2013.

² Ms. Jennifer Ann Elliott has ceased to be a member of the Audit Committee following her resignation from the Board with effect from May 24, 2013.

* Through audio conferencing.

** Through audio conferencing.

(ii) Nomination and Remuneration Committee (erstwhile Remuneration Committee)

Your Company has renamed the Remuneration Committee as the "Nomination and Remuneration Committee" ("the Committee") to comply with the requirement under Section 178 (1) of the Companies Act, 2013.

The Committee consists of:

1. Prof. Deepak Nayyar, Chairman¹
2. Dr. Uddesh Kohli²,
3. Mr. Amal Ganguli², and
4. Dr. Min Ye².

¹ Prof. Deepak Nayyar has been elevated from member to Chairman of the Remuneration Committee with effect from May 24, 2013.

² Dr. Uddesh Kohli, Mr. Amal Ganguli and Dr. Min Ye have been appointed members of the Remuneration Committee with effect from May 24, 2013.

Corporate Governance Report

Mr. Piyush Gunwantrao Mankad has ceased to be a member of the Committee with effect from May 24, 2013 following its reconstitution, while Mr. Frederic Walter Jacques Drevon has ceased to be a member of the Committee following his resignation from the Board with effect from May 24, 2013.

During the year 2013-14, one meeting of the Committee was held on August 2, 2013.

The following table presents the details of attendance at the Committee meeting held during the year 2013-14.

| Director | No. of Meetings Held | No. of Meetings Attended |
|--|----------------------|--------------------------|
| Prof. Deepak Nayyar, Chairman ¹ | 1 | 1 |
| Dr. Uddesh Kohli ² | 1 | 1 |
| Mr. Amal Ganguli ² | 1 | 1 |
| Dr. Min Ye ² | 1 | 0 |

¹ Prof. Deepak Nayyar has been elevated from member to Chairman of the Remuneration Committee with effect from May 24, 2013.

² Dr. Uddesh Kohli, Mr. Amal Ganguli and Dr. Min Ye have been appointed members of the Remuneration Committee with effect from May 24, 2013.

The Company Secretary of your Company is the Secretary to the Committee.

Remuneration Policy

Executive Directors

During the year 2013-14, your Company paid remuneration to its Executive Directors within the limits envisaged under the applicable provisions of the Companies Act, 1956. The remuneration paid to the Executive Directors was approved by the Board and the Nomination and Remuneration Committee within the limits approved by the Shareholders. The Nomination and Remuneration Committee determines your Company's policy on specific remuneration packages for the Executive Directors.

Remuneration of the Executive Directors

The remuneration structure for the Executive Directors of your Company has four components:

- (a) **Fixed Pay:** This consists of various heads of pay, such as Basic Salary, House Rent Allowance, Conveyance Allowance and City Compensatory Allowance, and other perquisites;
- (b) **Deferred Pay:** This is paid in the form of Deferred Incentive;
- (c) **Share of Profit:** This is paid in the form of Commission; and
- (d) **Stock Options:** These are granted by the ESOS Compensation Committee under the Employees Stock Option Scheme.

The compensation package of an individual Member of Staff is linked to skills and capabilities, standard of performance, and responsibilities handled.

Corporate Governance Report

Remuneration Paid/Payable to Executive Directors for the year ended March 31, 2014

(Amounts in Rupees)

| Name | Mr. Pranab Kumar Choudhury | Mr. Naresh Takkar |
|--|----------------------------|-------------------------|
| Designation | Chairman & Group CEO | Managing Director & CEO |
| Salary | 58,40,000 | 54,00,000 |
| Allowances | 72,53,840 | 72,24,976 |
| Perquisites | 3,96,177 | 9,36,365 |
| Commission | 72,02,000 | 72,02,000 |
| Provident Fund Contribution | 7,00,800 | 6,98,400 |
| Total Remuneration [#] | 2,13,92,817 | 2,14,61,741 |
| Appointment Valid Till | January 31, 2016 | June 30, 2016 |
| Notice Period | 3 months | 3 months |
| No. of Stock Options Granted During the Year | Nil | Nil |

[#] The remuneration does not include amortisation of Deferred Employees Compensation.

Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees of Rs. 20,000 for each meeting attended of the Board or a Board committee.

Sitting Fees Paid to Non-Executive Directors during the year 2013-14

(Amounts in Rupees)

| S. No. | Name of the Director | Sitting Fee Paid |
|--------|---|------------------|
| 1. | Dr. Uddesh Kohli | 2,80,000 |
| 2. | Prof. Deepak Nayyar | 2,60,000 |
| 3. | Mr. Piyush Gunwantrao Mankad | 1,80,000 |
| 4. | Mr. Amal Ganguli | 2,40,000 |
| 5. | Ms. Jennifer Ann Elliott ¹ | Nil |
| 6. | Mr. Frederic Walter Jacques Drevon ² | Nil |
| 7. | Dr. Min Ye | 1,20,000 |
| 8. | Mr. Simon Richard Hastilow | 1,20,000 |

¹ Ms. Jennifer Ann Elliott has ceased to be Director following her resignation from the Board with effect from May 24, 2013.

² Mr. Frederic Walter Jacques Drevon has ceased to be Director following his resignation from the Board with effect from May 24, 2013.

The Non-Executive Directors are also paid remuneration by way of Commission, as approved by the Shareholders at their meeting held on July 29, 2008 and on August 3, 2012, of an aggregate amount not exceeding 1% of the net profits of the Company, for each financial year or part thereof computed in the manner specified under Section 198 (1) of the Companies Act, 1956/Companies Act, 2013. This approval was initially granted by the Shareholders for a period of five financial years with effect from 2007-08 and subsequently reaffirmed for another five financial years with effect from 2012-13 by the Shareholders at their meeting held on August 3, 2012; the approval is valid up to the financial year 2016-17.

Corporate Governance Report

Commission Payable to Non-Executive Directors for the year 2013-14

(Amounts in Rupees)

| S. No. | Name of the Director | Commission |
|--------|------------------------------|------------|
| 1. | Dr. Uddesh Kohli | 6,50,000 |
| 2. | Prof. Deepak Nayyar | 6,50,000 |
| 3. | Mr. Piyush Gunwantrao Mankad | 6,50,000 |
| 4. | Mr. Amal Ganguli | 6,50,000 |
| 5. | Dr. Min Ye | 6,50,000 |
| 6. | Mr. Simon Richard Hastilow | 6,50,000 |

Except for your Company's Executive Directors, who are entitled to statutory benefits upon cessation of their employment with your Company, no other Director is entitled to any benefit upon cessation of his/her association with your Company.

(iii) Stakeholders Relationship Committee (erstwhile Shareholders'/Investors' Grievance Committee)

Your Company has renamed the Shareholders'/Investors' Grievance Committee as the "Stakeholders Relationship Committee" ("the Committee") in order to comply with the requirement under Section 178 (5) of the Companies Act, 2013.

The Committee consists of:

1. Dr. Uddesh Kohli, Chairman,
2. Mr. Pranab Kumar Choudhury, and
3. Mr. Naresh Takkar¹.

¹Mr. Naresh Takkar has been appointed member of the Shareholders'/Investors' Grievance Committee with effect from May 24, 2013.

Prof. Deepak Nayyar has ceased to be member of the Committee with effect from May 24, 2013 following the reconstitution of the Committee.

The Company Secretary of your Company is the Compliance Officer.

During the year 2013-14, a meeting of the Committee was held on January 25, 2014.

The following table presents the details of attendance at the Committee meeting held during the year 2013-14.

| Director | No. of Meetings Held | No. of Meetings Attended |
|----------------------------|----------------------|--------------------------|
| Dr. Uddesh Kohli, Chairman | 1 | 1 |
| Mr. Pranab Kumar Choudhury | 1 | 1 |
| Mr. Naresh Takkar | 1 | 1 |

Corporate Governance Report

The Committee oversees redressal of Shareholder and Investor complaints on matters such as transfer of shares, non-receipt of share certificates, and non-receipt of declared dividends, and ensures expeditious transfer of shares, issue of duplicate share certificates and sub-division/transmission of shares.

Your Company received 37 complaints from Shareholders/Investors during the financial year 2013-14 all of which were redressed to the satisfaction of the Shareholders/Investors concerned.

The details of the complaints received and resolved during the financial year 2013-14 are as follows:

| S. No. | Complaint relating to | Pending as on April 1, 2013 | Received during the year | Resolved during the year | Pending as on March 31, 2014 |
|--------|--|-----------------------------|--------------------------|--------------------------|------------------------------|
| 1. | Transfer/Transmission/Split/Duplicate Share Certificates | Nil | Nil | Nil | Nil |
| 2. | Non-receipt of Dividend | Nil | 25 | 25 | Nil |
| 3. | Dematerialisation/Rematerialisation of Shares | Nil | Nil | Nil | Nil |
| 4. | Complaint received from: | | | | |
| | (a) Securities and Exchange Board of India | Nil | Nil | Nil | Nil |
| | (b) Stock Exchanges: | | | | |
| | (i) BSE Limited (BSE) | Nil | Nil | Nil | Nil |
| | (ii) National Stock Exchange of India Limited (NSE) | Nil | Nil | Nil | Nil |
| | (c) Registrar of Companies (ROC) | Nil | Nil | Nil | Nil |
| 5. | Legal | Nil | Nil | Nil | Nil |
| 6. | Non-receipt of Refund Order | Nil | Nil | Nil | Nil |
| 7. | Non-receipt of Electronic Credits | Nil | Nil | Nil | Nil |
| 8. | Non-receipt of Annual Report | Nil | 12 | 12 | Nil |
| | Total | Nil | 37 | 37 | Nil |

The Securities and Exchange Board of India (SEBI) has commenced processing of investor complaints in a centralised web-based complaints redress system named "SCORES". The salient features of this system are as follows:

- Centralised database of all complaints,
- Online movement of complaints to the listed companies concerned,
- Online upload of Action Taken Reports (ATRs) by the companies concerned, and
- Online viewing by investors of actions taken on the complaint and its current status.

All complaints pertaining to companies are to be electronically sent through SCORES at www.scores.gov.in. The companies are required to view the complaints pending against them and submit ATRs along with supporting documents electronically in SCORES. Failure on the part of the company concerned to update the ATR in SCORES will be treated as non-redressal of investor complaints by the company.

Corporate Governance Report

Your Company has registered itself on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit since the receipt of the complaint. During the year 2013-14, the Company has not received any investor complaints through SCORES.

(iv) ESOS Compensation Committee

The ESOS Compensation Committee of the Board of Directors of your Company is headed by a Non-Executive Independent Director. The committee consists of:

1. Mr. Piyush Gunwantrai Mankad, Chairman¹,
2. Mr. Amal Ganguli²,
3. Dr. Uddesh Kohli², and
4. Mr. Simon Richard Hastilow².

¹ Mr. Piyush Gunwantrai Mankad was appointed Chairman of the ESOS Compensation Committee with effect from May 24, 2013.

² Mr. Amal Ganguli, Dr. Uddesh Kohli and Mr. Simon Richard Hastilow have been appointed members of the ESOS Compensation Committee with effect from May 24, 2013.

Mr. Frederic Walter Jacques Drevon has ceased to be a member of the ESOS Compensation Committee following his resignation from the Board with effect from May 24, 2013. Prof. Deepak Nayyar has ceased to be a member of the ESOS Compensation Committee with effect from May 24, 2013 following the reconstitution of the ESOS Compensation Committee. Mr. Piyush Gunwantrai Mankad has ceased to be a member of the ESOS Compensation Committee with effect from May 14, 2014.

During 2013-14, no meeting of the ESOS Compensation Committee was held.

(v) Strategy Committee

The Strategy Committee is headed by a Non-Executive Independent Director. This committee considers issues related to competitive strategies, business plans, product development, brand enhancement and visibility, and major challenges in the areas of business, human resource, investors' relationship, etc. The committee consists of:

1. Prof. Deepak Nayyar, Chairman¹,
2. Dr. Uddesh Kohli²,
3. Dr. Min Ye²,
4. Mr. Simon Richard Hastilow²,
5. Mr. Pranab Kumar Choudhury, and
6. Mr. Naresh Takkar².

¹ Prof. Deepak Nayyar has been appointed Chairman of the Strategy Committee with effect from May 24, 2013.

² Dr. Uddesh Kohli, Dr. Min Ye, Mr. Simon Richard Hastilow and Mr. Naresh Takkar have been appointed members of the Strategy Committee with effect from May 24, 2013.

Mr. Piyush Gunwantrai Mankad has ceased to be a member of the Strategy Committee with effect from May 24, 2013 following the reconstitution of the Strategy Committee and Ms. Jennifer Ann Elliott has ceased to be a member of the Strategy Committee following her resignation from the Board with effect from May 24, 2013.

The Company Secretary of your Company is the Secretary to the Strategy Committee.

Corporate Governance Report

During the year 2013-14, a meeting of the Strategy Committee was held on November 13, 2013. The following table presents the details of attendance at the Strategy Committee meeting held during the year 2013-14.

| Director | No. of Meetings Held | No. of Meetings Attended |
|-------------------------------|----------------------|--------------------------|
| Prof. Deepak Nayyar, Chairman | 1 | 1 |
| Mr. Pranab Kumar Choudhury | 1 | 0 |
| Dr. Uddesh Kohli | 1 | 1 |
| Dr. Min Ye | 1 | 1 |
| Mr. Simon Richard Hastilow | 1 | 1 |
| Mr. Naresh Takkar | 1 | 1 |

(vi) Corporate Social Responsibility Committee

Your Company has constituted the Corporate Social Responsibility Committee ("CSR Committee") in order to comply with the requirement under Section 135 (1) of the Companies Act, 2013. The CSR Committee is headed by a Non-Executive Independent Director. The Composition of the Committee is as under:

| Particulars | Composition of the CSR Committee | | Minimum Requirement as per Section 135 of the Companies Act, 2013 |
|-----------------------------|----------------------------------|--------------------|---|
| | No. of Members | % of Total Members | |
| Non-Executive Director(s) | 3 | 75 | 3 |
| Executive Director(s) | 1 | 25 | |
| Total | 4 | 100 | |
| Independent Director(s) | 3 | 75 | 1 |
| Non-Independent Director(s) | 1 | 25 | N.A. |
| Total | 4 | 100 | |

N.A.: Not Applicable

The CSR Committee consists of:

1. Mr. Piyush Ganwantrai Mankad, Chairman,
2. Prof. Deepak Nayyar,
3. Dr. Uddesh Kohli, and
4. Mr. Naresh Takkar.

The Company Secretary of your Company is the Secretary to the CSR Committee.

The terms of reference of the CSR Committee include:

- (a) Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- (b) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitoring of the Corporate Social Responsibility Policy of the Company from time to time.

During the year 2013-14, no meeting of the CSR Committee was held.

Corporate Governance Report

(vii) Committee of Independent Directors

The Board of Directors of your Company formed the Committee of Independent Directors of the Company on February 25, 2014 in terms of the requirements of Regulation 26(6) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations, 2011"). The committee consists of:

1. Prof. Deepak Nayyar, Chairman,
2. Dr. Uddesh Kohli,
3. Mr. Piyush Gunwantrao Mankad, and
4. Mr. Amal Ganguli.

The Committee of Independent Directors was constituted to provide reasoned recommendations under Regulation 26(7) of the SEBI (SAST) Regulations, 2011 to the shareholders of your Company on the Conditional Open Offer made by Moody's Singapore Pte Ltd along with Moody's Investment Company India Private Limited and Moody's Corporation.

During the year 2013-14, two meetings of the Committee of Independent Directors were held, the first on February 28, 2014 and the second on March 14, 2014. Necessary quorum was present for both the meetings.

The following table presents the details of attendance at the meeting of the Committee of Independent Directors held during the year 2013-14.

| Director | No. of Meetings Held | No. of Meetings Attended |
|-------------------------------|----------------------|--------------------------|
| Prof. Deepak Nayyar, Chairman | 2 | 2 |
| Dr. Uddesh Kohli | 2 | 2 |
| Mr. Piyush Ganwantrao Mankad | 2 | 1 |
| Mr. Amal Ganguli | 2 | 2 |

The Company Secretary of your Company is the Secretary to the Committee of Independent Directors.

D. Subsidiary Companies Monitoring Framework

All subsidiary companies of your Company are Board-managed, with their respective Boards of Directors having the rights and obligations to manage the companies concerned in the best interest of their stakeholders. The Company monitors the performance of its subsidiary companies using, *inter alia*, the following means:

- (a) Financial Statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- (b) Minutes of all the Board meetings of the unlisted subsidiary companies are placed regularly before the Board of Directors at the Board Meetings of the Company.
- (c) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed regularly before the Board of Directors at the Board Meetings of the Company.

Among all the subsidiaries, ICRA Techno Analytics Limited is a material non-listed Indian subsidiary company of your Company, as defined under Clause 49 III of the Listing Agreement.

Corporate Governance Report

E. General Body Meeting

Select details of the last three **Annual General Meetings** of your Company are presented in the following table.

| Nature of Meeting | Date and Time | Venue |
|--------------------------------------|--------------------------------|---|
| Twentieth Annual General Meeting | August 12, 2011 at 15:00 hours | Air Force Auditorium, Subroto Park; New Delhi 110 010 |
| Twenty-First Annual General Meeting | August 3, 2012 at 15:00 hours | Air Force Auditorium, Subroto Park; New Delhi 110 010 |
| Twenty-Second Annual General Meeting | August 2, 2013 at 15:00 hours | Air Force Auditorium, Subroto Park; New Delhi 110 010 |

The following Special Resolutions were passed by the Members during the last three Annual General Meetings:

Twentieth Annual General Meeting held on August 12, 2011

- To reappoint M/s. Vipin Aggarwal & Associates, Chartered Accountants, as Auditors of your Company for the year 2011-12.
- To modify the ICRA Employees Stock Option Scheme, 2006.

Twenty-First Annual General Meeting held on August 3, 2012

- To reappoint M/s. Vipin Aggarwal & Associates, Chartered Accountants, as Auditors of your Company for the year 2012-13.
- To approve payment of remuneration to Non-Executive Directors of the Company by way of Commission for a period of five financial years with effect from 2012-13.

Twenty-Second Annual General Meeting held on August 2, 2013

- To reappoint M/s. Vipin Aggarwal & Associates, Chartered Accountants, as Auditors of your Company for the year 2013-14.

Postal Ballot

During 2013-14, no Resolution was passed through Postal Ballot as required under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a Special Resolution through Postal Ballot.

F. Disclosures

(i) Related-Party Transactions

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, the Management, subsidiary companies or related parties that may have a potential conflict with the interest of the Company. Other related-party transactions are disclosed in the financial statements for the year ended March 31, 2014.

(ii) Details of Non-Compliance

There has been no instance of non-compliance of any legal requirements. Further, no strictures have been imposed by any Stock Exchange or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

Corporate Governance Report

(iii) Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report to the management, concerns about unethical behaviour or actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. Further, no Member of Staff has been denied access to the Audit Committee.

(iv) Adoption of Mandatory and Non-Mandatory Requirements

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the non-mandatory requirements relating to the constitution of the Remuneration Committee and adoption of a whistle blower policy.

(v) Management Discussion and Analysis Report

The Management Discussion and Analysis Report is annexed and forms a part of the Directors' Report.

G. Means of Communication

1. Your Company's corporate website www.icra.in has an "Investors" section, which provides comprehensive information to Shareholders. The annual reports and other related information are available there.
2. The quarterly and annual financial results of the Company are published in English and Hindi daily newspapers, viz. *The Financial Express* and *Jansatta*, in addition to some other newspapers. The results are also available on your Company's website www.icra.in.
3. The Annual Report of the Company for the financial year 2013-14 has been emailed to the Members whose email IDs are available with the depositories or have been obtained directly from the Members, in accordance with the Circulars on the subject "Green Initiative" of the Ministry of Corporate Affairs, Government of India, dated April 21, 2011 and April 29, 2011. For other Members, that is, those who have not registered their email IDs or those who opted for physical copies of the Annual Report, the Annual Report has been sent at their registered address. If any Member requests a hard copy of the Annual Report, the Company, on receiving such request, will send the same free of cost to the Member concerned. The Annual Report is also available on the Company's website www.icra.in.
4. The shareholding pattern, updated every quarter, is displayed on the Company's website www.icra.in.
5. The press releases issued by the Company are also displayed on the website www.icra.in.
6. Your Company sends reminders for unpaid dividend/Initial Public Offer (IPO) refund to such Shareholders/IPO investors who, according to the records with the Company, have not claimed the same.

H. Auditors' Certificate on Corporate Governance

The Auditors' certificate with respect to compliance with Clause 49 of the Listing Agreement relating to Corporate Governance has been annexed to the Directors' Report and will be sent to the Stock Exchanges at the time of filing of the Annual Report.

I. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement, the CEO/CFO certificate has been annexed to the Directors' Report.

J. Reconciliation of Share Capital Audit

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an independent practising Company Secretary on a quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode, and the status of the Register of Members.

Corporate Governance Report

K. General Shareholders' Information

| | | |
|----|---|---|
| 1. | Annual General Meeting Date Time Venue | August 13, 2014 15:00 hours Air Force Auditorium, Subroto Park; New Delhi 110 010 |
| 2. | Financial Year Quarterly results will be declared as per the following tentative schedule: <ul style="list-style-type: none"> Financial reporting for the quarter ending June 30, 2014 Financial reporting for the half year ending September 30, 2014 Financial reporting for the quarter ending December 31, 2014 Financial reporting for the year ending March 31, 2015 | Financial Year is April 1 to March 31 First fortnight of August 2014 First fortnight of November 2014 First fortnight of February 2015 Second fortnight of May 2015 |
| 3. | Dates of Book Closure | August 8, 2014 to August 12, 2014 (both days inclusive) |
| 4. | Proposed Dividend | The Board of Directors has recommended a dividend of Rs. 23 per equity share of the face value of Rs. 10 each for the financial year ended March 31, 2014 |
| 5. | Dividend Payment Date | Dividend on equity shares for the year ended March 31, 2014, as recommended by the Directors and approved by the Shareholders at the Annual General Meeting, will be paid/despatched on August 20, 2014 |
| 6. | Listing on Stock Exchanges | The shares of your Company are listed on: <ul style="list-style-type: none"> BSE Limited P.J. Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 Your Company has paid the annual listing fee for the financial year 2014-15 to both the Exchanges |
| 7. | Stock Code | BSE Limited: 532835 National Stock Exchange of India Limited: ICRA ISIN: INE725G01011 CIN: L74999DL1991PLC042749 |
| 8. | Registrar and Share Transfer Agent | M/s. Link Intime India Private Limited (Formerly M/s. Intime Spectrum Registry Limited) 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi—110028 Tel: +91 11 4141 0592 Fax: +91 11 4141 0591 Email Id: delhi@linkintime.co.in |

Corporate Governance Report

| | | |
|-----|--|---|
| 9. | Share Transfer System | The Board of Directors has delegated the power of share transfer to the Registrar and Share Transfer Agent, Link Intime India Private Limited (address mentioned above). A summary report on the transfer/transmission of shares of the Company is placed at every meeting of the Board of Directors. Every half year, the Company obtains from a practising Company Secretary a certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchanges, and files a copy of the certificate with the Stock Exchanges. |
| 10. | Compliance Officer | Mr. Vijay Wadhwa C.F.O. & Company Secretary ICRA Limited Building No. 8, 2nd Floor, Tower A DLF Cyber City, Phase-II Gurgaon 122 002, Haryana Tel: +91 124 4545300 Fax: +91 124 4050424 Email: investors@icraindia.com |
| 11. | Dematerialisation of Shares and Liquidity | 99.99% shares of your Company are held in the electronic mode |
| 12. | National Electronic Clearing Service (NECS) | Pursuant to Section 123(5) of the Companies Act, 2013, and the SEBI's Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 regarding usage of electronic payment modes for making payments to the investors, your Company has provided electronic payment mode. In order to enable us use the electronic payment mode, <u>Members are requested to update their bank account and latest address details with their respective Depository Participants</u> (for shares held in the electronic form) or <u>submit duly completed NECS mandate forms</u> (available on the Company's website) along with a photocopy of their cheques to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of the same for payment of dividend. Your Company provides NECS for payment of Dividend. Through NECS, Members can receive their dividend electronically by way of direct credit to their bank accounts. This obviates problems like loss/fraudulent interception of dividend warrants during postal transit while also expediting payment. It is strongly recommended that Members opt for NECS, if not done already. Members may please note that NECS details are downloaded from the Depositories (for shares held in the electronic form) and from the Company's Registrar and Share Transfer Agent (for shares held in the physical form) and used for payment of dividend. |

Corporate Governance Report

| | | |
|-----|---|---|
| 13. | Green Initiative | Pursuant to Section 20 of the Companies Act, 2013, read with Rule 35 of the Companies (Incorporation) Rules, 2014, companies are allowed to send to their Members notices/ documents in the electronic form. To enable the Company send its Annual Report, Notice of AGM, and other documents for the financial year ended March 31, 2014 electronically, Members are requested to update (in case of change)/register their email IDs with their Depository Participants/the Registrar and Share Transfer Agent at the earliest. Your Company will continue to send the said documents in the physical form to such Members whose email IDs it does not have and to those who request delivery of the said documents in the physical form. |
| 14. | Investor Complaints to be addressed to | Registrar and Share Transfer Agent, or to Mr. Vijay Wadhwa, Compliance Officer, at the relevant address, as mentioned earlier. |

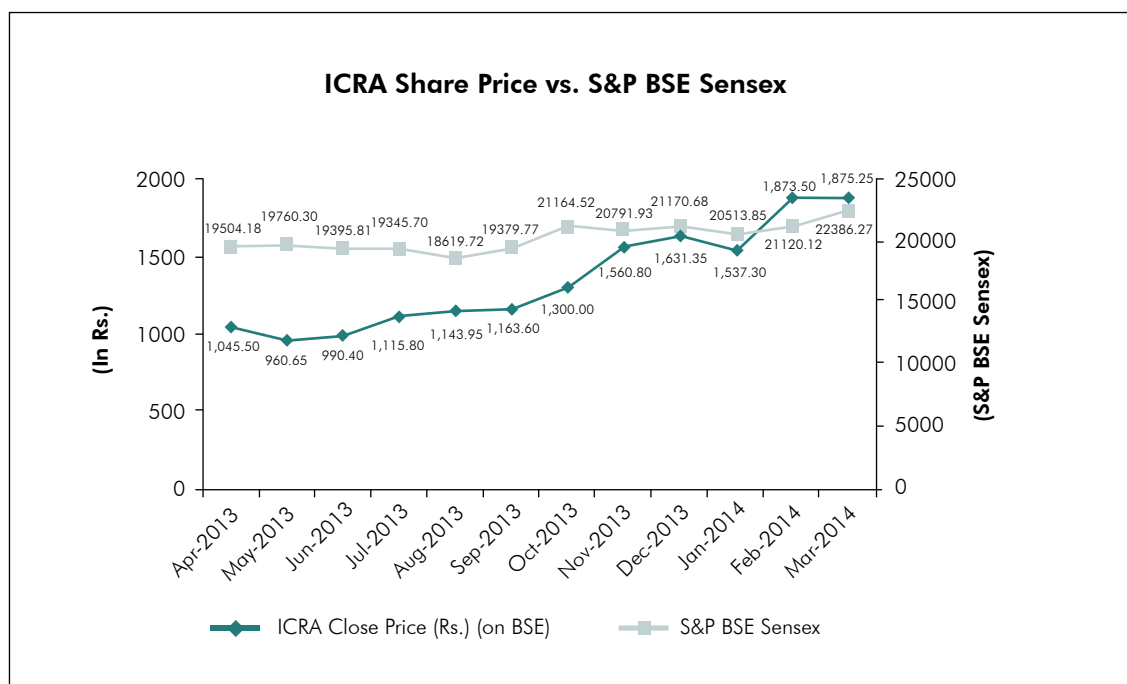
15. Market Price Data for the year 2013-14

The high and low market price and the volume of ICRA's shares traded on the BSE and the National Stock Exchange (NSE) during the period from April 1, 2013 to March 31, 2014 are presented in the following table.

| Month | BSE | | | NSE | | | Total Volume on BSE and NSE |
|----------------|-------------------|----------|--------|-------------------|----------|--------|--------------------------------------|
| | Share Price (Rs.) | | Volume | Share Price (Rs.) | | Volume | |
| | High | Low | | High | Low | | |
| April 2013 | 1,135.00 | 1,001.10 | 13090 | 1,130.15 | 1,000.00 | 259057 | 272147 |
| May 2013 | 1,150.00 | 938.10 | 44552 | 1,157.95 | 925.50 | 642300 | 686852 |
| June 2013 | 1,136.55 | 944.05 | 184494 | 1,145.00 | 945.05 | 553005 | 737499 |
| July 2013 | 1,174.00 | 940.00 | 25114 | 1,175.00 | 982.45 | 357708 | 382822 |
| August 2013 | 1,244.90 | 1,072.10 | 21807 | 1,249.40 | 1,075.00 | 131783 | 153590 |
| September 2013 | 1,216.00 | 1,101.00 | 8653 | 1,214.45 | 1,085.05 | 199942 | 208595 |
| October 2013 | 1,319.00 | 1,142.65 | 68428 | 1,322.95 | 1,145.50 | 136640 | 205068 |
| November 2013 | 1,694.00 | 1,290.05 | 163438 | 1,694.00 | 1,280.05 | 655014 | 818452 |
| December 2013 | 1,652.95 | 1,489.45 | 25179 | 1,655.00 | 1,489.90 | 155036 | 180215 |
| January 2014 | 1,645.75 | 1,503.00 | 42544 | 1,649.90 | 1,500.05 | 113110 | 155654 |
| February 2014 | 1,975.00 | 1,499.10 | 58534 | 1,972.00 | 1,492.05 | 218413 | 276947 |
| March 2014 | 1,897.95 | 1,830.00 | 15203 | 1,921.00 | 1,844.00 | 79967 | 95170 |

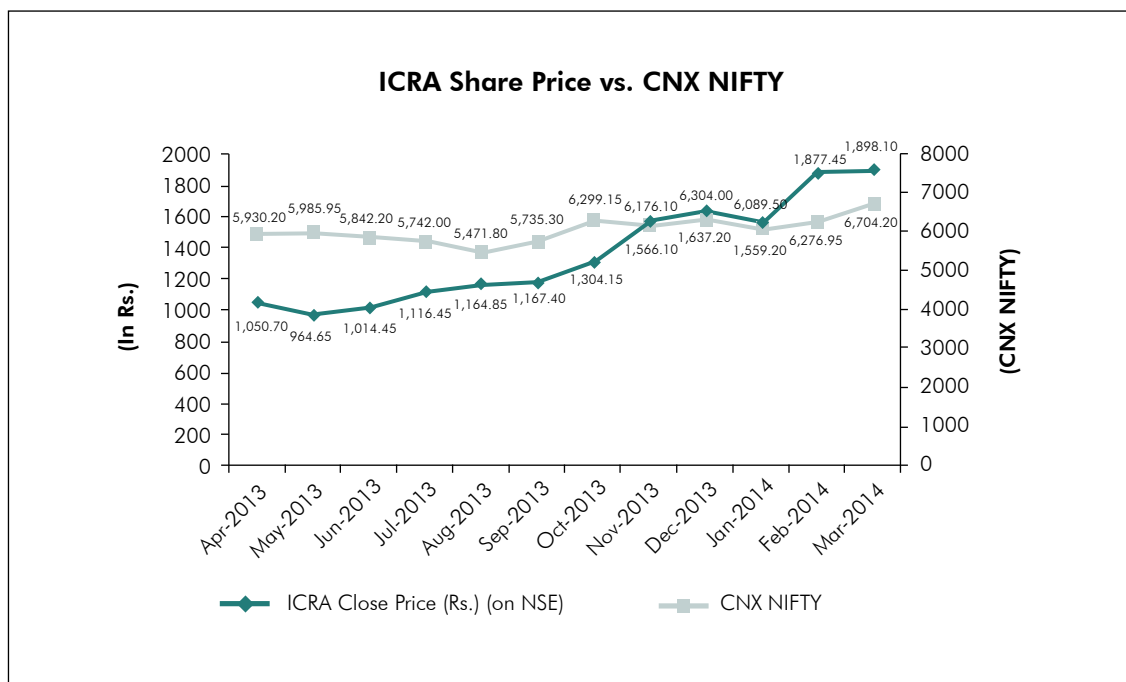
Corporate Governance Report

16. Performance in Comparison with Broad-based Indices



| Month | ICRA Close Price (Rs.) (on BSE) | S&P BSE Sensex |
|----------------|---------------------------------|----------------|
| April 2013 | 1,045.50 | 19504.18 |
| May 2013 | 960.65 | 19760.30 |
| June 2013 | 990.40 | 19395.81 |
| July 2013 | 1,115.80 | 19345.70 |
| August 2013 | 1,143.95 | 18619.72 |
| September 2013 | 1,163.60 | 19379.77 |
| October 2013 | 1,300.00 | 21164.52 |
| November 2013 | 1,560.80 | 20791.93 |
| December 2013 | 1,631.35 | 21170.68 |
| January 2014 | 1,537.30 | 20513.85 |
| February 2014 | 1,873.50 | 21120.12 |
| March 2014 | 1,875.25 | 22386.27 |

Corporate Governance Report



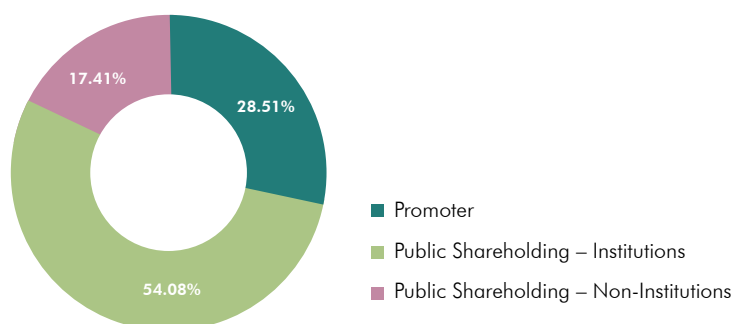
| Month | ICRA Close Price (Rs.) (On NSE) | CNX NIFTY |
|----------------|---------------------------------|-----------|
| April 2013 | 1,050.70 | 5,930.20 |
| May 2013 | 964.65 | 5,985.95 |
| June 2013 | 1,014.45 | 5,842.20 |
| July 2013 | 1,116.45 | 5,742.00 |
| August 2013 | 1,164.85 | 5,471.80 |
| September 2013 | 1,167.40 | 5,735.30 |
| October 2013 | 1,304.15 | 6,299.15 |
| November 2013 | 1,566.10 | 6,176.10 |
| December 2013 | 1,637.20 | 6,304.00 |
| January 2014 | 1,559.20 | 6,089.50 |
| February 2014 | 1,877.45 | 6,276.95 |
| March 2014 | 1,898.10 | 6,704.20 |

Corporate Governance Report

17. Distribution of Shareholding as on March 31, 2014

| No. of Equity Shares | No. of Shareholders | % | No. of Shares | | | | % |
|----------------------|---------------------|----------------|---------------|----------------|----------------|-----------------|----------------|
| | | | Physical | NSDL | CDSL | Total | |
| Up to 500 | 15735 | 97.80% | 560 | 378629 | 104615 | 483804 | 4.84% |
| 501 - 1000 | 146 | 0.91% | - | 92296 | 18879 | 111175 | 1.11% |
| 1001 - 2000 | 75 | 0.47% | - | 100329 | 10834 | 111163 | 1.11% |
| 2001 - 3000 | 29 | 0.18% | - | 65522 | 8219 | 73741 | 0.74% |
| 3001 - 4000 | 13 | 0.08% | - | 42912 | 4000 | 46912 | 0.47% |
| 4001 - 5000 | 11 | 0.07% | - | 52044 | - | 52044 | 0.52% |
| 5001 - 10000 | 23 | 0.14% | - | 143553 | 14187 | 157740 | 1.58% |
| 10001 & Above | 57 | 0.35% | - | 8035921 | 927500 | 8963421 | 89.63% |
| Total | 16089 | 100.00% | 560 | 8911206 | 1088234 | 10000000 | 100.00% |

18. Shareholding Pattern as on March 31, 2014



| Shareholding Pattern (As on March 31, 2014) | % |
|---|---------------|
| Promoter | 28.51 |
| Public Shareholding–Institutions | 54.08 |
| Public Shareholding–Non-Institutions | 17.41 |
| Total | 100.00 |

Statement Showing Shareholding Pattern

Name of the Company : ICRA LIMITED

Scrip Code:BSE - 532835; NSE - ICRAEQ

| Partly paid-up shares | No. of partly paid-up shares | As a % of total no. of partly paid-up shares | As a % of total no. of shares of the Company |
|------------------------------------|-------------------------------|---|---|
| Held by promoter/promoter group | NIL | NIL | NIL |
| Held by public | NIL | NIL | NIL |
| Total | NIL | NIL | NIL |
| Outstanding convertible securities | No. of outstanding securities | As a % of total no. of outstanding convertible securities | As a % of total no of shares of the Company, assuming full conversion of the convertible securities |
| Held by promoter/promoter group | NIL | NIL | NIL |
| Held by public | NIL | NIL | NIL |
| Total | NIL | NIL | NIL |

Corporate Governance Report

| Warrants | No. of warrants | As a % of total no. of warrants | As a % of total no. of shares of the Company assuming full conversion of warrants |
|--|-----------------|---------------------------------|---|
| Held by promoter/promoter group | NIL | NIL | NIL |
| Held by public | NIL | NIL | NIL |
| Total | NIL | NIL | NIL |
| Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities | 10000000 | NIL | NIL |

| Category code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|---|------------------------|------------------------|--|--|----------------------------|--|----------------------|
| | | | | | As a percentage of (A+B) ¹ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX)=(VIII)/(IV)*100 |
| (A) | Promoter and Promoter Group² | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/Hindu Undivided Family | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (b) | Central Government/ State Government(s) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (c) | Bodies Corporate | 1 | 2,850,900 | 2,850,900 | 28.51 | 28.51 | 0 | 0.00 |
| (d) | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (e) | Any Others(Specify) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total(A)(1) | 1 | 2,850,900 | 2,850,900 | 28.51 | 28.51 | 0 | 0.00 |
| 2 | Foreign | | | | | | | |
| (a) | Individuals (Non-Residents Individuals/Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (b) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (d) | Any Others(Specify) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total(A)(2) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 1 | 2,850,900 | 2,850,900 | 28.51 | 28.51 | 0 | 0.00 |
| (B) | Public shareholding³ | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | 25 | 1,566,531 | 1,566,531 | 15.67 | 15.67 | NA | NA |
| (b) | Financial Institutions / Banks | 10 | 1,421,214 | 1,421,214 | 14.21 | 14.21 | NA | NA |
| (c) | Central Government/ State Government(s) | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (e) | Insurance Companies | 1 | 522,999 | 522,999 | 5.23 | 5.23 | NA | NA |
| (f) | Foreign Institutional Investors | 23 | 1,897,199 | 1,897,199 | 18.97 | 18.97 | NA | NA |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (h) | Any Other (specify) | | | | 0.00 | 0.00 | NA | NA |
| (h-i) | Qualified Foreign Investor-Individuals | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (h-ii) | Qualified Foreign Investor-Corporate | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| | Sub-Total (B)(1) | 59 | 5,407,943 | 5,407,943 | 54.08 | 54.08 | NA | NA |

Corporate Governance Report

| Category code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|---|------------------------|------------------------|--|--|----------------------------|--|------------------------|
| | | | | | As a percentage of (A+B) ¹ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) = (VIII)/(IV)*100 |
| (B) 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 287 | 493,180 | 493,180 | 4.93 | 4.93 | NA | NA |
| (b) | Individuals | | | | 0 | 0 | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh | 15,396 | 796,365 | 795,805 | 7.96 | 7.96 | NA | NA |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 6 | 142,134 | 142,134 | 1.42 | 1.42 | NA | NA |
| (c) | Any Other (Specify) | | | | | | | |
| (c-i) | Clearing Members | 76 | 7,212 | 7,212 | 0.07 | 0.07 | NA | NA |
| (c-ii) | Non-Resident Indians (Repat) | 155 | 33,326 | 33,326 | 0.33 | 0.33 | NA | NA |
| (c-iii) | Non-Resident Indians (Non Repat) | 101 | 25,343 | 25,343 | 0.25 | 0.25 | NA | NA |
| (c-iv) | Trusts | 6 | 222,497 | 222,497 | 2.22 | 2.22 | NA | NA |
| (c-v) | Qualified Foreign Investor-Individuals | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (c-vi) | Qualified Foreign Investor-Corporate | 0 | 0 | 0 | 0.00 | 0.00 | NA | NA |
| (c-vii) | Directors/Relatives | 2 | 21,100 | 21,100 | 0.21 | 0.21 | NA | NA |
| | Sub-Total (B)(2) | 16,029 | 1,741,157 | 1,740,597 | 17.41 | 17.41 | NA | NA |
| (B) | Total Public Shareholding (B) = (B)(1) + (B)(2) | 16,088 | 7,149,100 | 7,148,540 | 71.49 | 71.49 | NA | NA |
| | TOTAL (A) + (B) | 16,089 | 10,000,000 | 9,999,440 | 100.00 | 100.00 | 0.00 | 0.00 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| | | 0 | 0 | 0 | NA | 0.00 | NA | NA |
| (i) | Promoter and Promoter Group | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| (ii) | Public | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| | TOTAL (C) = C1 + C2 | 0 | 0 | 0 | 0 | NA | 0.00 | NA |
| | GRAND TOTAL (A) + (B) + (C) | 16,089 | 10,000,000 | 9,999,440 | 100.00 | 100.00 | 0.00 | 0.00 |

¹ For determining public shareholding for the purpose of Clause 40A of the Listing Agreement.

² For definitions of "Promoter" and "Promoter Group", refer to Clause 40A of the Listing Agreement.

³ For definition of "Public Shareholding", refer to Clause 40A of the Listing Agreement.

NA - Not Applicable

Corporate Governance Report

19. Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" as on March 31, 2014

| Sr. No. | Name of the Shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|---------|--|------------------------|---------------------------------------|-----------------------|--------------------------|--|-------------------------|---|---------------------------------------|---|--|
| | | No. of Shares held | As a % of grand total (A) + (B) + (C) | No. | As a percentage | As a % of grand total (A) + (B) + (C) of sub-clause (I)(a) (VII) | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | As a % total number of convertible securities of the same class | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (V) / (III) * 100 | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) |
| 1. | Moody's Investment Company India Private Limited | 2850900 | 28.51 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 2850900 | 28.51 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(*) The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

Corporate Governance Report

20. Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares as on March 31, 2014

| Sr. No. | Name of the Shareholder | Number of shares held | Shares as a percentage of total number of shares {i.e., Grand Total (A) + (B) + (C) indicated in Statement at para (I)(a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|---------|---|-----------------------|--|-------------------------|---|---------------------------------------|---|--|
| | | | | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t. total number of convertible securities of the same class | |
| 1. | Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Tax Relief 96 | 881382 | 8.814 | 0 | 0 | 0 | 0 | |
| 2. | Life Insurance Corporation of India | 668741 | 6.687 | 0 | 0 | 0 | 0 | |
| 3. | General Insurance Corporation of India | 522999 | 5.230 | 0 | 0 | 0 | 0 | |
| 4. | Punjab National Bank | 501146 | 5.011 | 0 | 0 | 0 | 0 | |
| 5. | Franklin Templeton Mutual Fund A/C Franklin India Prima Plus | 474213 | 4.742 | 0 | 0 | 0 | 0 | |
| 6. | Smallcap World Fund, Inc | 400000 | 4.000 | 0 | 0 | 0 | 0 | |
| 7. | Retail Employees Superannuation Pty. Limited as Trustee for Retail Employees Superannuation Trust | 362021 | 3.620 | 0 | 0 | 0 | 0 | |
| 8. | M3 Investment Private Limited | 291913 | 2.919 | 0 | 0 | 0 | 0 | |
| 9. | ICRA Employees Welfare Trust | 219414 | 2.194 | 0 | 0 | 0 | 0 | |
| 10. | Hostplus Superannuation Fund Paradise Investment Management Pty Limited | 166417 | 1.664 | 0 | 0 | 0 | 0 | |
| 11. | Central Bank of India | 158159 | 1.582 | 0 | 0 | 0 | 0 | |
| 12. | Acacia Institutional Partners, LP | 147600 | 1.476 | 0 | 0 | 0 | 0 | |
| 13. | Mondrian Emerging Markets Small Cap Equity Fund, L.P. | 144257 | 1.443 | 0 | 0 | 0 | 0 | |
| 14. | Acacia Partners, L.P. | 130157 | 1.302 | 0 | 0 | 0 | 0 | |
| 15. | PPFAS Long Term Value Fund | 125386 | 1.254 | | | | | |
| | TOTAL | 5193805 | 51.938 | 0 | 0 | 0 | 0 | |

Corporate Governance Report

21. Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the Company as on March 31, 2014

| Sr. No. | Name(s) of the Shareholder(s) and the Persons Acting in Concert (PAC) with them | Number of shares | Shares as a percentage of total number of shares {i.e., Grand Total (A) + (B) + (C) indicated in Statement at para (I)(a) above} | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|---------|---|------------------|--|-------------------------|---|---------------------------------------|---|--|
| | | | | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | % w.r.t. total number of convertible securities of the same class | |
| 1. | Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Tax Relief 96 | 881382 | 8.814 | 0 | 0 | 0 | 0 | |
| 2. | Life Insurance Corporation of India | 668741 | 6.687 | 0 | 0 | 0 | 0 | |
| 3. | General Insurance Corporation of India | 522999 | 5.230 | 0 | 0 | 0 | 0 | |
| 4. | Punjab National Bank | 501146 | 5.011 | 0 | 0 | 0 | 0 | |
| | TOTAL | 2574268 | 25.742 | | | | | |

On behalf of the Board of Directors

Place : New Delhi
Date : May 14, 2014

(Pranab Kumar Choudhury)
Chairman & Group CEO
DIN: 00015470

Auditors' Certificate on Corporate Governance

To the Members of ICRA Limited

We have examined the compliance with conditions of Corporate Governance by ICRA Limited ("the Company") for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges concerned in India.

The compliance with conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Vipin Aggarwal & Associates
Chartered Accountants
(Registration No. 014454N)

Place : New Delhi
Date : May 14, 2014

(Vipin Aggarwal)
Membership No. 016544

Certificate by Chief Executive Officer and Chief Financial Officer (Pursuant to Clause No. 49(V) of the Listing Agreement)

We, Naresh Takkar, Managing Director & CEO, and Vijay Wadhwa, Chief Financial Officer, of ICRA Limited, certify that:-

- (a) We have reviewed financial statements and the cash flow statement for the year ending March 31, 2014 and that to the best of our knowledge and belief:-
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
 - (i) there were no significant changes in internal control over financial reporting during the year;
 - (ii) there were no significant changes in the accounting policies during the year; and
 - (iii) there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi
Date : May 14, 2014

(Naresh Takkar)
Managing Director & CEO
DIN: 00253288

(Vijay Wadhwa)
C.F.O. & Company Secretary



Declaration Regarding Compliance by Board Members and Senior Management Personnel with Company's Code of Conduct (Pursuant to Clause No. 49(I)(D)(ii) of the Listing Agreement)

The Board of Directors of ICRA Limited adopted Code of Conduct to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Company are listed.

As provided under Clause No. 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges all Board Members and Senior Management Personnel have affirmed the compliance with the code of conduct for the year 2013-14.

Place : New Delhi
Date : May 14, 2014

(Naresh Takkur)
Managing Director & CEO
DIN: 00253288

Annexure IV

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

A. Business and Industry Overview

The year under review continued to be a challenging one with subdued growth, high interest rates and dip in both consumer and investment demand affecting most sectors. Despite several steps taken by the Government of India (GoI) to revive stalled projects, especially during the second half of the year, the investment cycle was yet to show any meaningful recovery. Further, with the banking system facing increasing challenges both on asset quality and capital adequacy, most banks adopted a cautious approach to funding new projects. As a result, growth in bank credit remained subdued. Domestic bond issuances also declined considerably.

While growth in the corporate ratings business remained sluggish during the year under review, ratings in the financial sector benefited from increasing public issuance of debt (including tax-free bonds) by non-banking financial companies (NBFCs) and institutions, and from the higher issuance of debt capital by banks, with many raising Basel III compliant Tier II bonds to meet regulatory capital requirements. There were also a few instances of higher rated corporate entities getting their existing debt refinanced. In the small and medium enterprises (SMEs) segment, your Company was able to scale up its ratings business significantly during the year under review, drawing on a combination of factors like greater reach and higher awareness about the benefits that SME ratings provide to borrowers. As for securitisation, while the overall market volumes dipped marginally during the year, your Company achieved significant growth over the previous fiscal. One of the activities contributing strongly to the growth in this area was estimation of credit loss on bilateral assignment of loan pools.

Looking ahead, with some of the macroeconomic indicators showing signs of stability and economic growth expected to improve mildly to 5.0-5.5% in 2014-15 from the below 5% levels reported during the last two years, the operating environment is likely to be less challenging in the current fiscal than in the just-concluded one. This, combined with a gradual revival of the investment cycle, would influence growth in the ratings business positively. However, growth in bank loan ratings is expected to remain sluggish with the universe of rated entities tilting increasingly towards smaller entities. Debt market issuances, on the other hand, would depend on the extent of revival in the investment cycle and moderation in the interest rates.

(An overview of the market for rating services, including discussions on the various segments that comprise this market, is presented in the section titled "Review of Operations" in the Directors' Report.)

B. Discussion on Financial Performance and Operations

The key features of the Company's financial performance for the year ended March 31, 2014 are presented in the accompanying financial statements, which have been prepared in accordance with the requirements of the Companies Act, 1956/2013, the Generally Accepted Accounting Principles (GAAP), and the Accounting Standards prevailing in India. ICRA's Management accepts responsibility for the integrity and objectivity of these financial statements.

(1) Results of Operation

The Financial Performance of the Company is summarised as under:

(a) Incomes

(in Rs. crore)

| Particulars | For the Year ended on 31.03.2013 | For the Year ended on 31.03.2014 | Growth (%) |
|--|-------------------------------------|-------------------------------------|---------------|
| Operating Income (consisting of Rating Services, Grading Services and Information Services Income) | 148.59 | 162.90 | 10% |
| Non-Operating Income | 16.24 | 17.29 | 6% |
| Total Income | 164.83 | 180.19 | 9% |

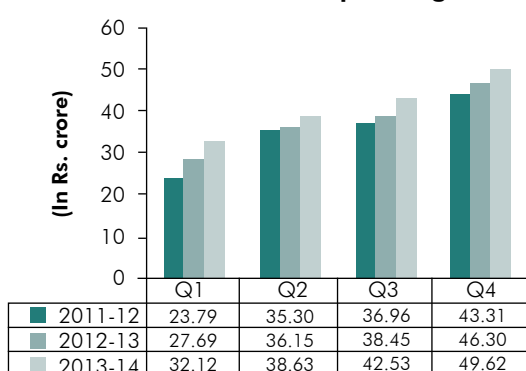
Management Discussion and Analysis Report

(Annexure to the Directors' Report)

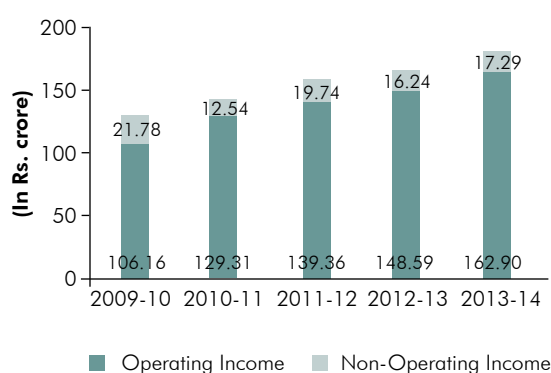
The growth in **Rating Services Income** during 2013-14 is attributable largely to Bank loan ratings and Debt ratings, while NSIC/SME¹ business ratings also reported healthy growth during the year. Bank loan ratings accounted for 43% of the overall rating revenues for 2013-14. Other than rating of debt issuances and bank loans of existing issuers, the Company was able to add new issuers and borrowers to its list of rating clients during the year under review.

Trend in Financial Performance

Quarter-on-Quarter Operating Income

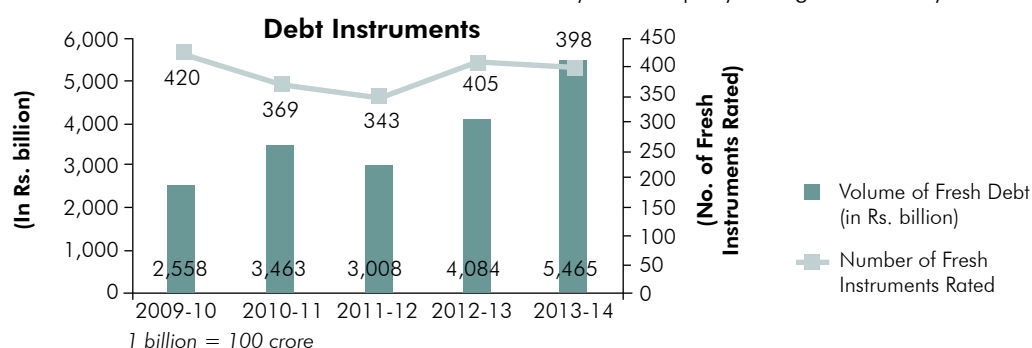


Year-on-Year Total Income



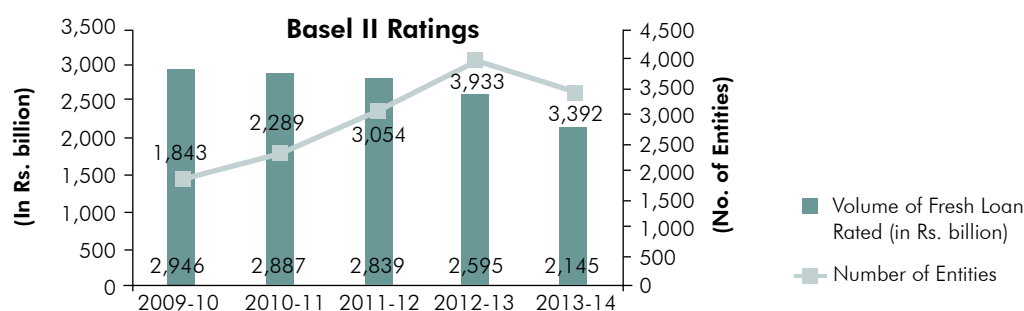
Debt Instruments

The number of instruments and the volume of debt rated by the Company during the last five years are as under:



Basel II Ratings

The number of entities and the volume of fresh loan rated by the Company as part of Basel II ratings during the last five years are as under:



¹NSIC: National Small Industries Corporation; SME: Small and Medium Enterprise.

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

Non-Operating Income

Non-Operating Income mainly comprises interest received on deposits with banks, dividend from mutual funds and gain on sale or redemption of investments. The details of the Company's Non-Operating Income during the last two years are as follows:

(in Rs. crore)

| Particulars | 2012-13 | 2013-14 | Growth (%) |
|--|--------------|--------------|------------|
| Interest Income | 1.24 | 1.52 | 23% |
| Dividend on Investments | 0.51 | 0.16 | -69% |
| Profit on Sale/Redemption of Investments (Net) | 13.16 | 14.39 | 9% |
| Rental Income | 0.76 | 0.81 | 7% |
| Other Non-Operating Income | 0.57 | 0.41 | -28% |
| Total | 16.24 | 17.29 | 6% |

Interest Income increased by 23% during 2013-14 over the previous fiscal mainly because of the accrual of interest on the Fixed Deposits that were made out of the proceeds from the redemption of mutual fund units and the deployment of surplus funds of the Company.

Dividend Income declined by 69% during 2013-14 over the previous fiscal because of redemption of mutual fund units under balanced schemes on which dividend was received in the previous year. The redemption proceeds of balanced schemes of mutual funds were reinvested in fixed maturity plans (FMPs) of mutual funds, the capital gains on which will be booked only on redemption/maturity of the FMPs concerned.

Profit on Sale/Redemption of Investments grew by 9% during 2013-14 over the previous fiscal because of higher return on redemption of mutual funds units under various schemes including FMP as compared with 2012-13.

Rental Income increased by 7% during 2013-14 over the previous fiscal because of the normal annual increase in rent for office space provided to ICRA Management Consulting Services Limited, a wholly-owned subsidiary of the Company, at different locations.

Other Non-operating Income declined by 28% during 2013-14 over the previous fiscal on account of higher reversal of provision for expenses during 2012-13 as compared with 2013-14.

(b) Expenses

(in Rs. crore)

| Particulars | 2012-13 | 2013-14 | Growth (%) |
|--|---------------|---------------|------------|
| Employee Benefit Expenses | 64.13 | 68.66 | 7% |
| Administrative Expenses | 10.04 | 10.96 | 9% |
| Depreciation | 2.11 | 2.45 | 16% |
| Other Expenses | 15.68 | 16.20 | 3% |
| Total Expenses | 91.96 | 98.27 | 7% |
| PBT | 72.88 | 81.92 | 12% |
| Profit & Loss Statement—Some Indicators (%) | | | |
| Total Revenue | 164.83 | 180.19 | 9% |
| PBT/Total Revenue | 44% | 46% | |
| Employee Benefit Expenses/Total Revenue | 39% | 38% | |
| Administrative Expenses/Total Revenue | 6% | 6% | |
| Depreciation/Total Revenue | 1% | 1% | |
| Other Expenses/Total Revenue | 10% | 9% | |
| Total Expenses/Total Revenue | 56% | 54% | |

PBT: Profit before Taxes

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

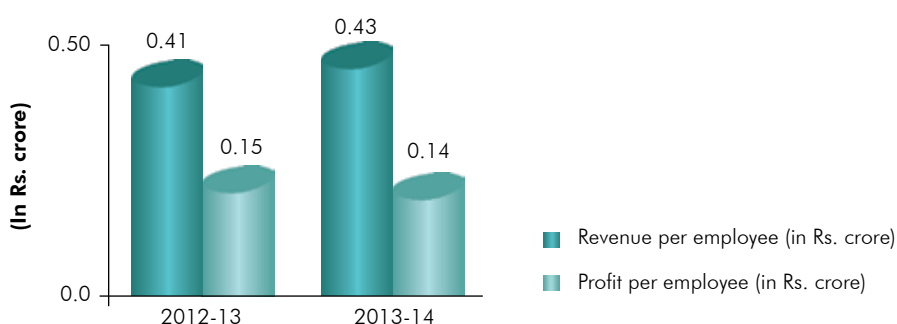
Employee Benefit Expenses increased 7% to Rs. 68.66 crore in 2013-14 from Rs. 64.13 crore in 2012-13. The Company amortised Rs. 1.46 crore during 2013-14 (Rs. 4.81 crore during 2012-13) as "Deferred Employees Compensation" for the options granted to eligible employees in accordance with the applicable guidelines of the Securities and Exchange Board of India (SEBI) and the Guidance Note of The Institute of Chartered Accountants of India (ICAI). If the figures for the amortisation of Deferred Employees Compensation were excluded, the increase in Employee Benefit Expenses in 2013-14 over the previous fiscal would be 13%. The increase in Employee Benefit Expenses is primarily on account of:

- (a) increase in the number of employees from a total of 400 at the end of the fiscal year 2012-13 to 421 at the end of the fiscal year 2013-14 (5% increase); and
- (b) increase in the average cost per employee because of annual increments, and promotions given to the existing members of staff during the year under review.

Employee Benefit Expenses as a percentage of Total Revenue decreased from 39% during 2012-13 to 38% during 2013-14.

The revenues and profit per employee of the Company for the last two years are as under:

Revenues and Profit per Employee



| (in Rs. crore) | | |
|-------------------------------------|---------|---------|
| Particulars | 2012-13 | 2013-14 |
| Number of employees as at year end | 400 | 421 |
| Revenue per employee (in Rs. crore) | 0.41 | 0.43 |
| Profit per employee (in Rs. crore) | 0.15 | 0.14 |

Administrative Expenses increased 9% during 2013-14 over the previous fiscal mainly because of the additional office space taken on lease at Mumbai, Kolkata, Chennai and Pune to accommodate new employees who have joined the Company recently. However, at 6%, there was no change in Administrative Expenses as a percentage of Total Revenue during the year under review as compared with the previous fiscal.

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

Depreciation increased 16% during 2013-14 over the previous fiscal mainly because of acquisition of assets on which higher depreciation was chargeable in the Books of Accounts under the provisions of the Companies Act, 1956.

Other Expenses increased 3% during 2013-14 over the previous fiscal mainly because of the increase in legal and professional charges and travelling and conveyance expenses. Other Expenses as a percentage of Total Revenue decreased from 10% in 2012-13 to 9% during 2013-14.

(2) Fixed Assets

At the end of fiscal 2013-14, the Fixed Assets of the Company were as under:

(in Rs. crore)

| Particulars | As on 31/03/2013 | As on 31/03/2014 | Growth (%) |
|--|---------------------|---------------------|------------|
| Tangible Assets | 32.76 | 35.57 | 9% |
| Intangible Assets | 1.98 | 2.04 | 3% |
| Gross Value | 34.74 | 37.61 | 8% |
| Less: Accumulated Depreciation | (18.70) | (20.79) | 11% |
| Net Carrying Value | 16.04 | 16.82 | 5% |
| Accumulated Depreciation as % of Gross Value | 54% | 55% | 2% |

The Company purchased assets for Rs. 3.33 crore and disposed of surplus/ obsolete assets costing Rs. 0.46 crore during fiscal 2013-14.

(3) Non-Current and Current Investments

(in Rs. crore)

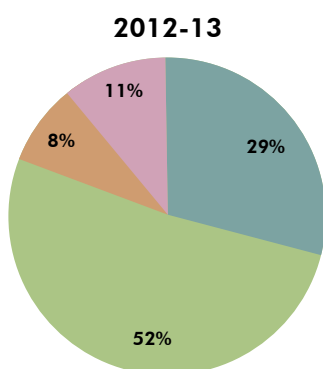
| Particulars | As on 31/03/2013 | % of Total | As on 31/03/2014 | % of Total | Growth (%) |
|--|---------------------|---------------|---------------------|---------------|---------------|
| Non-Current Investments: | | | | | |
| (A) Investments in Equity Instruments | | | | | |
| In Equity Shares of Subsidiaries and Others | 92.74 | 29% | 95.98 | 26% | 3% |
| (B) Investments in Mutual Funds | | | | | |
| In Fixed Maturity Plans | 167.00 | 52% | 256.51 | 69% | 54% |
| In Debt and Other Plans | 25.27 | 8% | 7.50 | 2% | -70% |
| Sub Total (B) | 192.27 | 60% | 264.01 | 71% | 37% |
| (C) Total Non-Current Investments (A+B) | 285.01 | 89% | 359.99 | 97% | 26% |
| Current Investments: | | | | | |
| (D) Total Current Investments in Mutual Funds | | | | | |
| In Liquid Schemes | 36.27 | 11% | 12.00 | 3% | -67% |
| Total Investments (C+D) | 321.28 | 100% | 371.99 | 100% | 16% |

The Company deploys its internal accruals and surplus funds primarily in mutual funds and bank fixed deposits, subject to the limit specified by the Board of Directors on investments in a single entity.

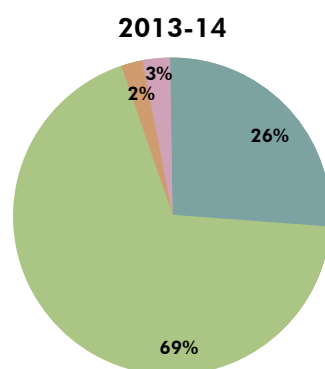
Management Discussion and Analysis Report

(Annexure to the Directors' Report)

Investment Profile



- Non-Current Investments-Equity Shares
- Non-Current Investments-Fixed Maturity Plans of Mutual Funds
- Non-Current Investments-Other Plans of Mutual Funds
- Current Investments-Liquid Schemes of Mutual Funds



- Non-Current Investments-Equity Shares
- Non-Current Investments-Fixed Maturity Plans of Mutual Funds
- Non-Current Investments-Other Plans of Mutual Funds
- Current Investments-Liquid Schemes of Mutual Funds

(4) Current Assets, Loans and Advances

(in Rs. crore)

| Particulars | As on 31/03/2013 | As on 31/03/2014 | Growth (%) |
|--|---------------------|---------------------|---------------|
| (a) Trade Receivables | | | |
| • Total Receivables | 13.50 | 12.90 | -4% |
| • Provision for Doubtful Trade Receivables | (1.49) | (1.19) | -20% |
| Net Trade Receivables | 12.01 | 11.71 | -2% |
| Trade Receivables as % of Operating Income | 8% | 7% | |
| (b) Cash and Bank Balances | 21.23 | 17.45 | -18% |
| (c) Other Current Assets | 0.20 | 0.26 | 30% |
| (d) Long-Term Loans and Advances | | | |
| • Loan to ICRA Employees' Welfare Trust | 6.40 | 1.17 | -82% |
| • Others | 3.67 | 4.35 | 19% |
| Total Long-Term Loans and Advances | 10.07 | 5.52 | -45% |
| Provision for Doubtful Long-Term Loans and Advances | 0.00 | 0.00 | |
| Net Long-Term Loans and Advances | 10.07 | 5.52 | -45% |
| (e) Short-Term Loans and Advances | | | |
| • Loans and Advances to Related Parties | 3.50 | 3.15 | -10% |
| • Others | 18.74 | 17.63 | -6% |
| Total Short-Term Loans and Advances | 22.24 | 20.78 | -7% |
| Provision for Doubtful Short-Term Loans and Advances | (0.14) | (0.10) | -29% |
| Net Short-Term Loans and Advances | 22.10 | 20.68 | -6% |

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

Trade Receivables decreased 2% during 2013-14 over the previous fiscal. Trade Receivables as a percentage of Operating Income decreased from 8% during 2012-13 to 7% during 2013-14.

Cash and Bank Balances as on March 31, 2014 mainly consisted of Rs. 13.68 crore in bank deposits and Rs. 3.29 crore in current accounts with banks. The fixed deposits have been created with the surplus funds generated from the internal accruals of the Company.

Long-Term Loans and Advances declined 45% at the end of fiscal 2013-14 primarily because of loan repayment by ICRA Employees Welfare Trust to the Company on the exercise of stock options by some Optionees.

Short-Term Loans and Advances declined 6% at the end of fiscal 2013-14 over the previous fiscal primarily because Prepaid Taxes (net of provisions) were 0.48 crore as on March 31, 2014, as against Rs. 4.15 crore as on March 31, 2013.

(5) Non-Current Liabilities and Current Liabilities

Other Current Liabilities increased from Rs. 32.35 crore as on March 31, 2013 to Rs. 36.87 crore as on March 31, 2014. This is attributable mainly to the increase in unearned revenue and advances received from clients. Unearned revenue corresponds to advance billing for which services are yet to be rendered.

Long-Term and Short-Term Provisions for employee benefits rose during 2013-14 over the previous fiscal primarily because of increase in employee strength.

C. Outlook

The long-term outlook for the ratings business remains positive in the opinion of the Management. In the short-medium term, if interest rates were to soften and there is some positive movement on the policy front, there is a possibility that the investment cycle would revive, which in turn would benefit the ratings business. The Company continues to take initiatives to retain its competitive edge and is confident of meeting the challenges posed inevitably by changing business requirements.

D. Opportunities and Threats

Opportunities

Opportunities in the ratings business are a function of the interplay of several factors and developments, some of which arise from the initiatives taken by a rating agency and its strengths, while the others emanate from the environment that it operates in. Some of the environmental, or external, factors that ICRA sees as offering opportunities for growth of its business are pick-up in the economy, leading to increase in overall resource mobilisation; expansion of bank credit; and continued implementation of Basel II norms. In the longer run, opportunities are expected to arise from governmental initiative in developing the domestic debt market, and greater market penetration by players such as insurance companies and pension funds.

ICRA is well placed to exploit the opportunities arising from each of the factors stated, given its competitive strengths and strategic initiatives. We believe that our competitive strengths primarily

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

include the rich database and research support for our products and services; our proven ability to make product and service innovations; the demonstrated track record of our ratings; our experienced and strong management team and pool of high-quality employee talent; and our close association with the Moody's Group, besides our technical services agreement with Moody's Investors Service.

These strengths apart, ICRA continues to undertake several initiatives that it believes will enable the Company take advantage of the opportunities forthcoming. Instances of such initiatives include our efforts to: expand our business by using our brand name, core competencies and strategic relationship with the Moody's Group; expand our service offerings; and attract, train and retain employees.

Threats

The threats confronting our business have their foundation in such risks and concerns as are discussed in the following section.

E. Risks and Concerns

(1) Business Risk

Changes in the volume of bank credit or debt securities issued in the domestic capital markets and any economic slowdown in India may have an adverse impact on our business and revenues, as our Company is engaged primarily in the business of providing rating and grading services.

In India, banks and financial institutions dominate the financial markets. Continued reliance on bank credit by domestic borrowers could negatively impact issuance in the domestic debt market. Further, investors' preference in the domestic debt market is skewed towards higher-category ratings. This may continue to constrain the volume of issuance in the Indian debt market.

Currently, accessing overseas debt markets by certain Indian borrowers/issuers is regulated, and any change in the prevailing regulatory regime liberalising access to overseas markets for the raising of debt funds may adversely impact issuance of debt instruments in the domestic market.

Rating of bank loans is a growing business in India. This business is highly regulated. Changes in regulations or slowdown in bank credit could impact our revenues.

Our revenues and financial condition are linked primarily to our ability to render services in the domestic financial market. Our services such as credit ratings and mutual funds related services are dependent on the condition of the financial markets in India.

Any increase in interest rates and credit spreads, volatility in the corporate bonds market or the interest rate environment, foreign exchange fluctuations, defaults by significant issuers/borrowers, and other market and economic factors, both domestic and global, may negatively impact the issuance of credit-sensitive products and other financial services. A sustained period of volatility or weakness or downturn in the financial markets domestically or internationally could have a materially adverse effect on our business and financial results.

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

Further, our market share or profitability may be affected by competition, which is getting increasingly intense. In the event that our competitors come up with newer products and services, better anticipate customer requirements using more sophisticated technology, and offer innovative solutions to our clients or offer more competitive prices, we may not be able to maintain our market share, which may adversely affect our results of operations and financial condition.

Additionally, our business is largely dependent on the recognition of our brand and our reputation. In this regard, prominent investment-grade defaults or failure to assess the creditworthiness of instruments rated by us could negatively affect our brand recognition and reputation. This in turn may adversely affect our business, operations, and financial condition.

Risk mitigation

- To mitigate business risks arising from changes in economic and market conditions and in regulations that influence the volume of debt issuance, the Company constantly monitors developments on these fronts and adjusts its business strategies accordingly.
- The Company evaluates itself periodically against its peers to mitigate competition-related risks. To prevent brand dilution, the Company remains focused on maintaining the robustness of its ratings while at the same time promoting brand ICRA through seminars, publication of research reports, conferences and awards.
- The Company keeps a close watch on key regulatory developments in order to anticipate changes and their potential impact on its business.
- The Company both unilaterally and through its participation in industry forums, responds to consultation papers and discussions initiated by the Regulators, Government and other policymakers on any key regulatory changes that have an impact on its business.

(2) Liquidity Risk/Financial Risk

The extent of liquidity/financial risk is influenced by various factors such as maturity of liabilities and degree of reliance on secured sources of funding.

Risk mitigation

- The Company has remained debt-free ever since it was incorporated, and has always sought to finance all its expansion and diversification plans with internal accruals.
- A sound liquidity position makes it possible for the Company to discharge all its payables within the stipulated time.

(3) Investment Risk

The Company has made, and intends to continue making, investments in bonds, debentures, mutual funds, and other marketable securities, the returns on which would be impacted by changes in interest rates and volatility in the financial markets. Besides, the Company has made investments in subsidiaries, the return from which depend on their individual performance.

Risk mitigation

- The Company has set up an investment committee, which periodically reviews the performance of its investment portfolio. Besides, an investment advisor has been appointed to suggest investment strategies within the limits of the prudential norms advised by the Board of Directors.

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

- The Company makes provision for diminution in the carrying value of investments if the diminution in the fair market value of any long-term investment is considered permanent, and regularly evaluates changes in the financial markets.

(4) Legal and Statutory Risk

The Company complies with all the applicable laws, rules and regulations, and makes business decisions on the basis of comprehensive advice provided both by its own officials and by acknowledged external specialists. Legal risks arise because of changes in corporate laws, regulations, accounting standards, tax laws, or the application of any of these.

Risk mitigation

- The Company has put in place a comprehensive compliance framework to manage compliance-related issues. Detailed checklists are available with the Company Secretary and other compliance officers to ensure compliance with the legal requirements applicable.
- The Company Secretary and other compliance officers of the Company endeavour to keep themselves abreast of all amendments in various applicable laws.
- The Company also makes provisions in the balance sheet when required and regularly evaluates the adequacy of such provisions for legal risks relating to past events.
- The Board of Directors is informed periodically about compliance with various laws and rules in force.
- A secretarial audit is conducted by a practising company secretary every quarter to ensure compliance with the relevant provisions of the corporate laws and the listing agreement with the exchanges.
- The Company obtains legal advisory services and seeks legal advice wherever necessary to avoid any non-compliance with the applicable laws, rules and regulations.

(5) Operational Risk/Technology Related Risk

The Company has to rely on clients/third parties for the adequacy and accuracy of information (relating to such clients), which may not always be independently verifiable. While we do have a systematic feedback method using which we gather this information, even so, we have to depend largely on clients and third party sources to obtain information relating to them. We may also rely on representations as to the accuracy and adequacy of the information obtained. Inadequacy or inaccuracy of information may expose us to the risk of assigning an inappropriate rating or grading. This may in turn affect our business, reputation and operations.

With the complexity of our business increasing, sound information system controls are needed, and we have established these in our organisation. The risks involved here are of systems failures, loss of data, and other internal organisational risks.

Risk mitigation

- To mitigate such risks and thereby the losses arising from business disruptions because of electrical or telecommunications failure, the Company has established appropriate backup facilities.
- The security policies and effective functioning of all major systems are monitored regularly by the Systems Analyst, in coordination with the information technology coordination team.

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

(6) Policy Risk

Material changes in the regulations that govern us or our businesses could affect the results of our operations. Most of the revenues of the Company come from rating services, which are influenced by regulatory requirements. In the event that there are changes in the regulatory requirements of compulsory rating for certain instruments or for certain investors to invest in rated instruments, or there are such changes in regulations that negatively impact the level of issuance of debt instruments in the domestic market, there may be a decrease in the demand for rating. This in turn may affect our business, revenues and financial condition.

(7) Political Risk

Political instability could adversely affect general economic conditions in India, which in turn could impact our financial results and prospects, as could adverse changes in specific laws and policies pertaining to banking and finance companies, foreign investment and other matters affecting investment in securities. Additionally, any adverse change in the economic liberalisation policies—a major factor encouraging private participation in infrastructure—could have a significant impact on infrastructure development, business and economic conditions in India, and this in turn may affect our financial results and prospects.

(8) Attrition Risk

Our performance and success depend largely on our ability to nurture and retain the continued service of our management team and skilled personnel. We also face a continuing challenge to recruit and retain a sufficient number of suitably skilled persons, particularly as we continue to grow. There is significant competition for management and other skilled persons in the financial services industry. Further, our competitors and other financial services entities may offer better compensation and incentives. If we are unable to attract talented persons, experience high attrition or are unable to motivate our existing employees, our business and operations may be affected.

Risk mitigation

- We are committed to providing the best possible work environment and facilities to employees at all levels. To attract, motivate and retain our valuable talent we have also implemented an Employee Stock Option Scheme, in which eligible employees of our Company and our subsidiaries can participate.
- We continually benchmark the compensation package we offer against those that the industry and competition offer. Our compensation package is so structured as to be stable while also providing incentives for continuous improvement in performance.

F. Internal Control Systems and their Adequacy

The Management is responsible for establishing and maintaining disclosure controls and procedures and internal controls for the Company following review by the Audit Committee and the Board of Directors. Accordingly, the Management has designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, as to ensure

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

that material information relating to the Company, including its subsidiaries, is made known to them by others within those entities; and designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, as to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the requirements of the Companies Act, 1956/2013, the Generally Accepted Accounting Principles (GAAP), and the Accounting Standards prevailing in India.

G. Material Developments in Human Resources/Industrial Relations, including Number of People Employed

The Company, with a total employee strength of 421 as of year-end 2013-14, continues to accord high priority to human resource development, with emphasis being placed on improving skill, competence and knowledge through regular training and in-house/external professional development programmes. Besides, the Company has a consultative and participative management style, and is committed to providing the best possible work environment and facilities to employees at all levels. As a result, the relation between the employees and the Management of your Company has remained harmonious till date. To attract, motivate and retain valuable talent, the Company has also implemented an Employee Stock Option Scheme in which eligible employees of the Company and its subsidiaries can participate. Besides, performance incentives and deferred incentives are provided to eligible employees of the Company so as to encourage and reward superior performance. Further, the Company continually benchmarks the compensation package it offers to employees against those that the industry and competition offer. The compensation package is so structured as to be stable while also providing incentives for continuous improvement in performance.

On behalf of the Board of Directors

(Pranab Kumar Choudhury)
Chairman & Group CEO
DIN: 00015470

Place : New Delhi
Date : May 14, 2014

Forward-Looking Statements May Prove Inaccurate

This Annual Report contains certain forward-looking statements that may be identified by words, phrases, or expressions such as "expected", "will", "would", "continue", "intend to", "in future", 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 "Risks and Concerns", which is a part of the "Management Discussion and Analysis Report". 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.

Independent Auditors' Report

To The Members of **ICRA Limited**

Report on the Financial Statements

1. We have audited the accompanying financial statements of ICRA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September, 2013). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 which as per a clarification issued by the Ministry of Corporate Affairs continue to apply under section 133 of the Companies Act, 2013 (which has superseded section 211(3C) of the Companies Act, 1956 w.e.f. 12 September, 2013);
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, provision of cess is created but not paid by the Company.

FOR VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(FRN – 014454N)

(Vipin Aggarwal)
(Partner)

Place : New Delhi
Dated : May 14, 2014

Membership No. 016544

Annexure referred to in paragraph [3] of our report of even date to the members of ICRA LIMITED on the accounts of the company for the year ended 31st March 2014

In our Opinion and according to the information and explanation given to us, we report that:

1. In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As informed to us, most of the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification as per explanation and information given to us.
 - (c) In our opinion, there was no substantial disposal of fixed assets during the year, which affects the going concern status of the company.
2. In respect of its inventory:

Since the Company does not have any inventories, Clause (ii) of paragraph 4 of the said Order is not applicable.
3. In regards to Loans and Advances:
 - (a) The Company during the year has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register, maintained under section 301 of the Companies Act, 1956. As the company has not granted any loans, clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 4 of the said Order are not applicable.
 - (b) The Company during the year has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register, maintained under section 301 of the Companies Act, 1956. As the company has not taken any loans, clauses (iii)(e), (iii)(f) and (iii)(g) of paragraph 4 of the said Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls in these areas.
5. (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been recorded in the register.
 - (b) In our opinion and according to the information and explanation given to us, the transactions exceeding rupees five lakh in respect of any party during the year, have been made at prices that are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956. Hence, clause (vi) of the Order is not applicable.

7. In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of any cost records under section 209(1)(d) of the Companies Act, 1956. Hence, Clause no. (viii) of the said Order is not applicable.
9. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, cess and other statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise Duty.
- (b) In our opinion and according to the information and explanations given to us and the records of the Company verified by us, there are no undisputed amounts payable in respect of such statutory dues except dues of Income Tax & Service Tax mentioned below that have remained outstanding, as at March 31, 2014, for a period exceeding six months from the date they became payable.

| Name of the statute | Nature of dues | Amount (in Rs.) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|-----------------|------------------------------------|--|
| Income Tax Act, 1961 | Income Tax | 18,10,123.00 | A.Y. 2001-02 | The Assessing Officer |
| Income Tax Act, 1961 | Income Tax | 44,465.00 | A.Y. 2003-04 | The Assessing Officer |
| Income Tax Act, 1961 | Income Tax | 2,00,013.00 | A.Y. 2004-05 | The Assessing Officer |
| Income Tax Act, 1961 | Income Tax | 37,86,234.00 | A.Y. 2004-05 | The High Court of Delhi |
| Income Tax Act, 1961 | Income Tax | 1,81,90,095.00 | A.Y. 2006-07 | The Deputy Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 8,25,730.00 | A.Y. 2009-10 | Income Tax Appellate Tribunal |
| Income Tax Act, 1961 | Income Tax | 2,32,52,110.00 | A.Y. 2011-12 | The Deputy Commissioner of Income Tax (Appeals) |
| Finance Act | Service Tax | 1,99,100.00 | F.Y. 2001-2002 | Asst. Comm. of Central Excise |
| Finance Act | Service Tax | 8,60,507.00 | F.Y. 1998-1999 to 2005-2006 | Appellate Tribunal (Customs, Excise and Service Tax) |
| Finance Act | Service Tax | 11,40,099.00 | F.Y. 1999-2000 to 2001-2002 | Commissioner of Central Excise |

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. According to the information given to us and as per the books and records examined by us, the Company has not taken any loans during the year. Therefore, there is no default in repayment of dues to any financial institution or bank or debenture holders.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of any Special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. According to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of investing in shares and units of Mutual Funds, and timely entries have been made therein. All the investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any term loans during the year under audit.
17. The Company has not raised any funds on short-term basis and clause (xvii) of the said Order is not applicable.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. Since no debentures have been issued by the Company, the requirements of para 4 (xix) are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud, in or by the Company, has been noticed or reported during the year.

For and on behalf of
VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(FRN – 014454N)

(Vipin Aggarwal)
(Partner)
Membership No. 016544

Place : New Delhi
Dated : May 14, 2014

Balance Sheet

| Balance Sheet as at March 31, 2014 | | | |
|------------------------------------|----------|--------------------------|--------------------------|
| (Rupees in lakh) | | | |
| Particulars | Note No. | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | (2) | 1,000.00 | 1,000.00 |
| (b) Reserves and surplus | (3) | 34,565.46 | 31,236.74 |
| 2 Non-Current liabilities | (4) | | |
| (a) Long-term liabilities | | 34.88 | 32.22 |
| (b) Long-term provisions | | 571.15 | 512.20 |
| 3 Current liabilities | (5) | | |
| (a) Trade payables | | 100.16 | 93.40 |
| (b) Other current liabilities | | 3,687.39 | 3,234.56 |
| (c) Short-term provisions | | 4,641.42 | 4,339.69 |
| Total | | 44,600.46 | 40,448.81 |
| II. ASSETS | | | |
| 1 Non-current assets | (6) | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | | 1,639.19 | 1,539.60 |
| (ii) Intangible assets | | 42.45 | 64.71 |
| (b) Non-current investments | (7) | 35,999.35 | 28,501.36 |
| (c) Deferred tax assets (net) | | 157.86 | 154.54 |
| (d) Long-term loans and advances | (8) | 551.58 | 1,007.41 |
| 2 Current assets | | | |
| (a) Current investments | (9) | 1,200.00 | 3,627.34 |
| (b) Trade receivables | (10) | 1,171.43 | 1,200.96 |
| (c) Cash and bank balances | (11) | 1,744.79 | 2,122.93 |
| (d) Short-term loans and advances | (12) | 2,068.20 | 2,209.91 |
| (e) Other current assets | (13) | 25.61 | 20.05 |
| Total | | 44,600.46 | 40,448.81 |

See accompanying notes to the financial statements

As per our report of even date attached
for VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(Registration No. 014454N)

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

(P.K. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

Place : New Delhi
Dated : May 14, 2014

For and on behalf of the Board

(VIJAY WADHWA)
C.F.O. & CO. SECRETARY

Statement of Profit and Loss

| Statement of Profit and Loss for the year ended March 31, 2014 | | | |
|---|----------|-------------------|----------------|
| (Rupees in lakh) | | | |
| Particulars | Note No. | 2013-14 Rs. | 2012-13 Rs. |
| I. Revenue from operations | (14) | 16,289.93 | 14,859.41 |
| II. Other income | (15) | 1,728.71 | 1,624.12 |
| III. Total revenue | | 18,018.64 | 16,483.53 |
| IV. Expenses | | | |
| Employee benefits expenses | (16) | 6,866.18 | 6,412.52 |
| Depreciation and amortisation | (6) | 245.20 | 210.74 |
| Other expenses | (17) | 2,715.45 | 2,572.41 |
| Total expenses | | 9,826.83 | 9,195.67 |
| V. Profit before tax | | 8,191.81 | 7,287.86 |
| VI. Tax expense: | (26) | | |
| (1) Current tax | | (2,321.98) | (1,322.99) |
| (2) Deferred tax | | 3.32 | 73.46 |
| VII. Profit after tax | | 5,873.15 | 6,038.33 |
| VIII. Earnings per equity share: | (25) | | |
| Basic earnings per share (Rs.) (face value Rs. 10 per share) | | 58.73 | 60.38 |
| Diluted earnings per share (Rs.) (face value Rs. 10 per share) | | 58.73 | 60.38 |

See accompanying notes to the financial statements

As per our report of even date attached
for VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(Registration No. 014454N)

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

Place : New Delhi
Dated : May 14, 2014

For and on behalf of the Board

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

(P.K. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

(VIJAY WADHWA)
C.F.O. & CO. SECRETARY

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES:-

a) Basis of Preparation:- The financial statements have been prepared to comply in all material aspects with the Companies (Accounting Standards) Rules 2006 (as amended), Revised Schedule VI and the relevant provisions of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs). The financial statements have been prepared under the historical cost convention, on a going concern basis and following the accrual accounting concept, unless otherwise stated.

b) Revenue Recognition:-

- i) Income from rating/grading services is recognised when the ratings/gradings are assigned by the Rating/Grading Committee of the Company.
- ii) The Company charges surveillance fees for 12 months at a time on accepted ratings and such fees commence 1 year after the date of assigning of a rating and continue annually thereafter. Such income is recognised on the basis of time elapsed (ignoring fractions of months). Surveillance fees on the rating assignments of commercial paper, line of credit (Basel II), liquefied petroleum gas, superior kerosene oil, collective investment schemes and grading assignments become due and are recognised on completion of the surveillance exercise.
- iii) The dividend income from Investments in shares/units is recognised in the year in which the right to receive it crystallises. Interest income is recognised in the year it accrues.

c) Fixed Assets:- Fixed assets are stated at cost which consists of purchase price, duties and any directly attributable cost of bringing the asset to its working condition for intended use.

d) Depreciation:- Depreciation is provided on the written down value of assets at rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 (the "Act") except for leasehold improvements. The leasehold improvements are depreciated on the straight line method over the primary period of the lease. The primary lease period for this purpose includes any lease period extendable at the discretion of the lessee. Individual assets whose cost does not exceed Rs 5,000 are depreciated in full in the year of acquisition. In all other cases, depreciation is provided on a pro-rata basis on assets acquired, sold or discarded during the year.

e) Impairment of Assets:- At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, an impairment loss, i.e. the amount by which the carrying amount of assets exceeds its recoverable amount, is provided in the books of account. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods is no longer required or has decreased.

f) Investments:- Investments which are readily realisable and intended to be held for not more than one year from the date of which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost and fair market value determined on an individual investment basis. Long term investments are stated at cost. Provision for diminution in value in the case of long term investments is made if the decline in value is other than temporary in nature.

- g) Employees' Benefits:-** Employees' benefits are provided by way of contributions to separate provident fund and pension schemes and accounting provisions for leave encashment and gratuity. Contribution to the provident fund scheme is deposited in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Liabilities for gratuity and leave encashment are provided on the basis of actuarial valuations at the year end and by management estimates for interim periods keeping in view the last actuarial valuation.
- h) Employees Stock Option Scheme (ESOS):-** The accounting value of stock options is determined on the basis of "intrinsic value" representing the excess of the market price on the date of grant over the exercise price of the options granted under the ESOS of the Company. Accounting value is amortised as "deferred employees' compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note No.18 "Share Based Payments" issued by the ICAI.
- i) Assets on Lease:-**
- i) Owned assets given under operating leases are included in fixed assets. Depreciation in respect of these assets is recognised as an expense and related income as credits in the statement of profit and loss.
 - ii) The assets taken on operating leases are not capitalised in the books of the Company and lease payments are charged to the statement of profit and loss. Lease income on sharing of such assets with other companies is recognised in the statement of profit and loss.
- j) Taxes on Income:-** Provision for taxation for the year is ascertained on the basis of estimated assessable profits computed in accordance with the provisions of the Income Tax Act, 1961 at rates enacted or substantially enacted. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one year and is capable of reversal in one or more subsequent years.
- k) Foreign Currency Transactions:-** Transactions in foreign currencies are accounted for at the rates of exchange prevailing on the dates of the transactions. The gains or losses arising out of subsequent fluctuations on the date of the balance sheet or settlement before that date are charged to the statement of profit and loss.

| (Rupees in lakh) | | | |
|--|--------------------------------|--------------------------------|---------|
| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. | |
| 2. SHARE CAPITAL | | | |
| AUTHORISED | | | |
| 15,000,000 (previous year 15,000,000) equity shares of Rs. 10/- each | 1,500.00 | 1,500.00 | |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | | |
| 10,000,000 (previous year 10,000,000) equity shares of Rs. 10/- each fully paid up | | | |
| (Of the above, 906,000 shares of Rs. 10 each have been issued to the Employees Welfare Trust pursuant to an Employees Stock Options Scheme) | 1,000.00 | 1,000.00 | |
| (A) Reconciliation of number of shares | | | |
| Equity Shares | | | |
| Opening balance (no. of shares) | 10,000,000 | 10,000,000 | |
| Changes during the year (no. of shares) | 0 | 0 | |
| Closing balance (no. of shares) | 10,000,000 | 10,000,000 | |
| (B) Reconciliation of shares capital | | | |
| Equity Shares | | | |
| Opening balance | 1,000.00 | 1,000.00 | |
| Changes during the year | 0.00 | 0.00 | |
| Closing balance | 1,000.00 | 1,000.00 | |
| (C) Rights, preferences and restrictions attached to shares | | | |
| Equity Shares | | | |
| The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | | |
| (D) Shares held by holding company/ultimate holding company/by subsidiaries or associates of the holding company/ultimate holding company | 0 | 0 | |
| (E) Shares held by each shareholder holding more than 5 per cent shares | | | |
| Name of the Shareholder | No. of Shares | | |
| | As at March 31, 2014 | | |
| | (As at March 31, 2013) | | |
| i) Moody's Investment Company India Private Limited | 2,850,900 | 285.09 | 285.09 |
| | (2,850,900) | 28.509% | 28.509% |
| ii) Birla Sun Life Trustee Company Private Limited | 881,382 | 88.14 | 63.74 |
| A/c Birla Sun Life Tax Relief 96 | (637,357) | 8.814% | 6.374% |
| iii) Life Insurance Corporation of India | 668,741 | 66.87 | 66.87 |
| | (668,741) | 6.687% | 6.687% |
| iv) General Insurance Corporation of India | 522,999 | 52.30 | 52.30 |
| | (522,999) | 5.230% | 5.230% |
| v) Punjab National Bank | 501,146 | 50.11 | 50.16 |
| | (501,646) | 5.011% | 5.016% |
| vi) Franklin Templeton Mutual Fund | 474,213 | 47.42 | 56.12 |
| A/c Franklin India Prima Plus | (561,223) | 4.742% | 5.612% |
| vii) State Bank of India | 0 | 0.00 | 97.31 |
| | (973,101) | 0.000% | 9.731% |

| (Rupees in lakh) | | |
|---|---|---|
| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
| 3. RESERVES AND SURPLUS | | |
| a) Securities Premium Account | | |
| - Opening balance | 7,680.85 | 6,939.37 |
| - Add: Amount of exercise of employee stock options during the year | 778.78 | 741.48 |
| | 8,459.63 | 7,680.85 |
| b) General Reserve | | |
| - Opening balance | 9,452.58 | 8,848.58 |
| - Add: Transferred from statement of profit and loss | 588.00 | 604.00 |
| | 10,040.58 | 9,452.58 |
| c) Employees Stock Options Outstanding | | |
| - Opening balance | 1,513.25 | 2,349.53 |
| - Options granted during the year | 0.00 | 0.00 |
| - Options exercised during the year | (778.78) | (741.48) |
| - Options lapsed during the year | (12.47) | (94.80) |
| | 722.00 | 1,513.25 |
| Less: Deferred Employees Compensation | | |
| - Opening balance | (158.93) | (734.38) |
| - Options granted during the year | 0.00 | 0.00 |
| - Options lapsed during the year | 12.47 | 94.80 |
| - Amortisation of deferred employees compensation | 146.46 | 480.65 |
| | 0.00 | (158.93) |
| | 722.00 | 1,354.32 |
| d) Surplus | | |
| - Opening balance | 12,748.99 | 9,888.55 |
| - Transferred from statement of profit and loss | 5,873.15 | 6,038.33 |
| - Proposed dividend | (2,300.00) | (2,200.00) |
| - Corporate tax on proposed dividend | (390.89) | (373.89) |
| - Transferred to general reserve | (588.00) | (604.00) |
| | 15,343.25 | 12,748.99 |
| | 34,565.46 | 31,236.74 |

| (Rupees in lakh) | | |
|--|--------------------------------|--------------------------------|
| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
| 4. Non-current liabilities | | |
| (a) Long-term liabilities | | |
| Other than trade payables | 34.88 | 32.22 |
| | 34.88 | 32.22 |
| (b) Long-term provisions | | |
| Provision for employees benefits | 543.78 | 485.73 |
| Others | 27.37 | 26.47 |
| | 571.15 | 512.20 |
| 5. Current liabilities | | |
| (a) Trade payables | | |
| (a) total outstanding dues of micro enterprises and small enterprises | 0.00 | 0.60 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 100.16 | 92.80 |
| | 100.16 | 93.40 |
| (b) Other current liabilities | | |
| Advance received from clients | 1,178.40 | 950.45 |
| Loans and advances from related parties | 5.00 | 29.14 |
| Unearned revenue | 1,998.96 | 1,755.01 |
| Unpaid dividend | 8.17 | 7.17 |
| Refund due to public offer applicants | 0.39 | 0.39 |
| Statutory dues | 201.42 | 237.93 |
| Other liabilities | 295.05 | 254.47 |
| | 3,687.39 | 3,234.56 |
| (c) Short-term provisions | | |
| Provision for wealth tax | 0.88 | 0.95 |
| Proposed dividend | 2,300.00 | 2,200.00 |
| Provision for corporate tax on proposed dividend | 390.89 | 373.89 |
| Provision for employees benefits | 1,931.80 | 1,748.69 |
| Others | 17.85 | 16.16 |
| | 4,641.42 | 4,339.69 |

Non-current assets

6. Fixed assets

(Rupees in lakh)

| S. No. | Particulars | Gross | | | | Depreciation | | | | Net Carrying Value | |
|--------|---------------------------|-------------------------|---------------|----------------------------|--------------------------|--------------------------|------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| | | As at April 1, 2013 Rs. | Additions Rs. | Disposals/ Adjustments Rs. | As at March 31, 2014 Rs. | Up to March 31, 2013 Rs. | For the year Rs. | Disposals/ Adjustments Rs. | Up to March 31, 2014 Rs. | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
| (i) | Tangible Assets | | | | | | | | | | |
| 1 | Buildings | 1,956.03 | 0.00 | 0.00 | 1,956.03 | 922.34 | 51.69 | 0.00 | 974.03 | 982.00 | 1,033.69 |
| 2 | Data Processing Equipment | 401.46 | 41.55 | (7.78) | 435.23 | 305.53 | 47.82 | (6.01) | 347.34 | 87.89 | 95.93 |
| 3 | Furniture and Fixtures | 262.95 | 79.62 | (14.33) | 328.24 | 187.86 | 24.41 | (12.44) | 199.83 | 128.41 | 75.09 |
| 4 | Office Equipment | 191.42 | 35.83 | (3.30) | 223.95 | 112.17 | 15.42 | (2.00) | 125.59 | 98.36 | 79.25 |
| 5 | Air Conditioners | 44.37 | 11.14 | (4.55) | 50.96 | 25.93 | 3.33 | (3.58) | 25.68 | 25.28 | 18.44 |
| 6 | Electrical Fittings | 41.08 | 16.04 | (2.36) | 54.76 | 27.81 | 2.64 | (1.90) | 28.55 | 26.21 | 13.27 |
| 7 | Vehicles | 110.50 | 24.81 | (13.97) | 121.34 | 29.85 | 26.05 | (9.79) | 46.11 | 75.23 | 80.65 |
| 8 | Leasehold Improvements | 267.99 | 118.07 | 0.00 | 386.06 | 124.71 | 45.54 | 0.00 | 170.25 | 215.81 | 143.28 |
| | Sub-Total | 3,275.80 | 327.06 | (46.29) | 3,556.57 | 1,736.20 | 216.90 | (35.72) | 1,917.38 | 1,639.19 | 1,539.60 |
| (ii) | Intangible Assets | | | | | | | | | | |
| 1 | Computer Softwares | 198.31 | 6.04 | 0.00 | 204.35 | 133.60 | 28.30 | 0.00 | 161.90 | 42.45 | 64.71 |
| | Total | 3,474.11 | 333.10 | (46.29) | 3,760.92 | 1,869.80 | 245.20 | (35.72) | 2,079.28 | 1,681.64 | 1,604.31 |
| | Previous Year | 3,320.71 | 230.74 | (77.34) | 3,474.11 | 1,720.05 | 210.74 | (60.99) | 1,869.80 | 1,604.31 | |

7. Non-current Investments (At Cost)

| Particulars | Face Value (Rupees) | Quantity As at March 31, 2014 (Numbers) | Quantity As at March 31, 2013 (Numbers) | Amount As at March 31, 2014 (Rupees in lakh) | Amount As at March 31, 2013 (Rupees in lakh) |
|---|---------------------|---|---|--|--|
| Other Investments | | | | | |
| a) In Equity Instruments-Unquoted, Fully Paid Up | | | | | |
| - In Subsidiaries | | | | | |
| i Equity shares of ICRA Online Limited | 10 | 8,951,458 | 8,951,458 | 871.76 | 871.76 |
| ii Equity shares of ICRA Management Consulting Services Limited | 10 | 15,000,000 | 15,000,000 | 1,500.00 | 1,500.00 |
| iii Equity shares of ICRA Techno Analytics Limited | 10 | 21,453,351 | 21,453,351 | 6,016.61 | 6,016.61 |
| iv Equity shares of PT ICRA Indonesia | IDR 10000 | 1,617,394 | 1,210,078 | 889.32 | 656.64 |
| v Equity shares of ICRA Lanka Limited | LKR 10 | 5,948,900 | 3,848,900 | 256.58 | 165.09 |
| vi Equity shares of ICRA Nepal Limited | NPR 100 | 102,000 | 102,000 | 63.75 | 63.75 |
| Sub-total (in Subsidiaries) | | | | 9,598.02 | 9,273.85 |
| - Others-Quoted, Fully Paid Up | | | | | |
| i Equity shares of CRISIL Limited | 1 | 3,000 | 3,000 | 0.15 | 0.15 |
| Sub-total (others) | | | | 0.15 | 0.15 |
| Total (a) | | | | 9,598.17 | 9,274.00 |
| b) Mutual Funds-Quoted | | | | | |
| - In Fixed Maturity Plans | | | | | |
| i Axis Fixed Term Plan - Series 21 (394 Days) - Growth | 10 | 0.000 | 6,000,000.000 | 0.00 | 600.00 |
| ii Birla Sun Life Fixed Term Plan Series ES-Growth | 10 | 0.000 | 6,000,000.000 | 0.00 | 600.00 |
| iii DWS Fixed Maturity Plan Series 6 Growth Plan | 10 | 0.000 | 6,000,000.000 | 0.00 | 600.00 |
| iv HDFC FMP 400D February 2012 (1) - Growth Series XXI | 10 | 0.000 | 10,000,000.000 | 0.00 | 1,000.00 |
| v Kotak FMP Series 80 - Growth | 10 | 0.000 | 10,000,000.000 | 0.00 | 1,000.00 |
| vi ICICI Prudential FMP-Series 63-378 Days Plan I Cumulative | 10 | 0.000 | 9,999,990.000 | 0.00 | 1,000.00 |
| vii DSP BlackRock FMP Series 38-12.5M-Growth | 10 | 0.000 | 12,000,000.000 | 0.00 | 1,200.00 |
| viii JP Morgan India Fixed Maturity Plan Series 6 Growth | 10 | 0.000 | 15,000,000.000 | 0.00 | 1,500.00 |
| ix HDFC FMP 372D January 2013(2) Series 23 - Direct - Growth | 10 | 0.000 | 12,000,000.000 | 0.00 | 1,200.00 |
| x JP Morgan India Fixed Maturity Plan Series 12 - Direct - Growth | 10 | 10,000,000.000 | 10,000,000.000 | 1,000.00 | 1,000.00 |
| xi JP Morgan India Fixed Maturity Plan Series 16 - Direct - Growth | 10 | 6,000,000.000 | 6,000,000.000 | 600.00 | 600.00 |
| xii L & T FMP- VII (January 507 D A) Direct Plan - Growth | 10 | 12,000,000.000 | 12,000,000.000 | 1,200.00 | 1,200.00 |
| xiii Reliance Fixed Horizon Fund - XXIII- Series 4- Direct Plan - Growth Plan | 10 | 6,000,000.000 | 6,000,000.000 | 600.00 | 600.00 |
| xiv Religare Invesco FMP-Series XVII-Plan F (392 days) Direct Plan | 10 | 6,000,000.000 | 6,000,000.000 | 600.00 | 600.00 |
| xv Sundaram Fixed Term Plan - DC 15 Months Direct Growth | 10 | 12,000,000.000 | 12,000,000.000 | 1,200.00 | 1,200.00 |
| xvi Sundaram Fixed Term Plan - DH 378 Days Direct Growth | 10 | 8,000,000.000 | 8,000,000.000 | 800.00 | 800.00 |
| xvii Tata Fixed Maturity Plan Series 42 Scheme G Direct Plan - Growth | 10 | 10,000,000.000 | 10,000,000.000 | 1,000.00 | 1,000.00 |
| xviii Taurus Fixed Maturity Plan 369 Days Series - X - Direct Plan Growth | 10 | 0.000 | 10,000,000.000 | 0.00 | 1,000.00 |
| xix DSP Black Rock FMP Series 95-12M - Direct -Growth | 10 | 23,000,000.000 | 0.000 | 2,300.00 | 0.00 |
| xx HDFC FMP 366D April 2013 (1) Series 26 - Direct - Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxi L & T FMP- Series 8 - Plan A - Direct Growth | 10 | 6,000,000.000 | 0.000 | 600.00 | 0.00 |
| xxii Birla Sun Life Fixed Term Plan Series HK | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxiii Birla Sun Life Fixed Term Plan- Series HB | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxiv Birla Sun Life Fixed Term Plan-Series HM-Growth | 10 | 8,000,000.000 | 0.000 | 800.00 | 0.00 |
| xxv JP Morgan India Annual Interval Fund-Direct-Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxvi Reliance Fixed Horizon Fund - XXIV-Series 9-Direct Plan Growth Plan | 10 | 9,000,000.000 | 0.000 | 900.00 | 0.00 |

Non-current Investments (At Cost)

| Particulars | | Face Value (Rupees) | Quantity As at March 31, 2014 (Numbers) | Quantity As at March 31, 2013 (Numbers) | Amount As at March 31, 2014 (Rupees in lakh) | Amount As at March 31, 2013 (Rupees in lakh) |
|---|--|------------------------|--|--|---|---|
| xxvii | Religare Invesco FMP-Series XX (369 Days) - Direct Plan - Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxviii | Sundaram Fixed Term Plan DQ 366 Days Direct Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxix | Principal PNB Fixed Maturity Plan - Series B-10-476 Days - Direct Plan Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxx | Religare Invesco FMP Sr. XXI Plan E (370 Days) - Direct Plan Growth | 10 | 4,500,000.000 | 0.000 | 450.00 | 0.00 |
| xxxi | Axis Fixed Term Plan - Series 52 | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxxii | Birla Sun Life FTP Series KD (367 Days) | 10 | 9,000,000.000 | 0.000 | 900.00 | 0.00 |
| xxxiii | DWS Fixed Maturity Plan - Series - 62 | 10 | 7,000,000.000 | 0.000 | 700.00 | 0.00 |
| xxxiv | DWS Fixed Maturity Plan - Series 45 | 10 | 15,000,000.000 | 0.000 | 1,500.00 | 0.00 |
| xxxv | J P Morgan Fixed Maturity Plan Series 31 | 10 | 10,000,000.000 | 0.000 | 1,000.00 | 0.00 |
| xxxvi | Principal PNB Fixed Maturity Plan - Series B12 | 10 | 5,000,000.000 | 0.000 | 500.00 | 0.00 |
| xxxvii | Religare Invesco FMP Series 22 Plan L (14 Months) | 10 | 4,500,000.000 | 0.000 | 450.00 | 0.00 |
| xxxviii | Sundaram Fixed Term Plan EW 366 Days | 10 | 5,511,724.000 | 0.000 | 551.18 | 0.00 |
| Sub-total (Fixed Maturity Plans) | | | | | 25,651.18 | 16,700.00 |
| - In Other Plans | | | | | | |
| i | Templeton Floating Rate Income Fund Institutional Option - Dividend Reinvestment | 10 | 0.000 | 6,858,593.420 | 0.00 | 709.35 |
| ii | Templeton Floating Rate Income Fund Retail Option - Dividend Reinvestment | 10 | 0.000 | 166,581.868 | 0.00 | 18.17 |
| iii | Religare Invesco Active Income Fund - Direct Plan Growth | 1,000 | 0.000 | 43,135.366 | 0.00 | 600.00 |
| iv | Reliance Yearly Interval Fund Series 1 - Direct Plan-Growth Plan | 10 | 0.000 | 12,000,000.000 | 0.00 | 1,200.00 |
| v | Reliance Yearly Interval Fund Series 9 - Direct Plan Growth Plan | 10 | 7,500,000.000 | 0.000 | 750.00 | 0.00 |
| Sub-total (Other Plans) | | | | | 750.00 | 2,527.52 |
| Total (b) | | | | | 26,401.18 | 19,227.52 |
| Diminution due to change in carrying value of investments | | | | | 0.00 | (0.16) |
| Net investments (b) | | | | | 26,401.18 | 19,227.36 |
| Aggregate amount of unquoted investments | | | | | 9,598.02 | 9,273.85 |
| Aggregate amount of quoted investments | | | | | 26,401.33 | 19,227.51 |
| Total (Non-current investments) | | | | | 35,999.35 | 28,501.36 |
| Aggregate market value of quoted investments | | | | | 28,095.78 | 20,196.99 |

Note:- IDR denotes Indonesian Rupiah, LKR denotes Sri Lankan Rupee and NPR denotes Nepalese Rupee

(Rupees in lakh)

| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
|---|--------------------------------|--------------------------------|
| 8. Long-term loans and advances | | |
| Loans to staff (secured, considered good) | 142.64 | 116.17 |
| Loan to ICRA Employees Welfare Trust (unsecured, considered good) | 117.13 | 640.47 |
| Security Deposits | | |
| - Unsecured, considered good | 276.33 | 239.47 |
| Others (unsecured, considered good) | 15.48 | 11.30 |
| | 551.58 | 1,007.41 |

| 9. Current Investments (At Cost) | | | | | |
|---|---------------------|---|---|--|--|
| Particulars | Face Value (Rupees) | Quantity As at March 31, 2014 (Numbers) | Quantity As at March 31, 2013 (Numbers) | Amount As at March 31, 2014 (Rupees in lakh) | Amount As at March 31, 2013 (Rupees in lakh) |
| Mutual Funds-Quoted | | | | | |
| - In Other Plans | | | | | |
| i Reliance Money Manager Fund - Growth Plan - Growth Option | 1,000 | 0.000 | 55,539.080 | 0.00 | 822.34 |
| ii SBI Ultra Short Term Debt Fund - Regular Plan-Growth | 1,000 | 0.000 | 74,365.477 | 0.00 | 1,000.00 |
| iii Sundaram Ultra ST Fund Retail Growth | 10 | 0.000 | 37,167.813 | 0.00 | 5.00 |
| iv Religare Invesco Short Term Fund-Direct Plan Growth | 1,000 | 0.000 | 38,186.158 | 0.00 | 600.00 |
| v Religare Invesco Ultra Short Term Fund - Growth | 1,000 | 78,851.222 | 78,851.222 | 1,200.00 | 1,200.00 |
| Total (Mutual Fund Investments) | | | | 1,200.00 | 3,627.34 |
| Aggregate amount of unquoted investments | | | | 0.00 | 0.00 |
| Aggregate amount of quoted investments | | | | 1,200.00 | 3,627.34 |
| Total (current investments) | | | | 1,200.00 | 3,627.34 |
| Aggregate market value of mutual fund (quoted) investments | | | | 1,396.08 | 3,902.53 |

| (Rupees in lakh) | | |
|---|--------------------------|--------------------------|
| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
| 10. Trade receivables (Unsecured) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| - considered good due from companies under the same management | 0.00 | 0.00 |
| - considered good due from others | 415.36 | 350.45 |
| - considered doubtful | 115.40 | 137.73 |
| | 530.76 | 488.18 |
| Others | | |
| - considered good due from companies under the same management | 1.28 | 21.11 |
| - considered good due from others | 754.79 | 829.40 |
| - considered doubtful | 3.23 | 11.56 |
| | 759.30 | 862.07 |
| Total | 1,290.06 | 1,350.25 |
| Less: provision for doubtful trade receivables | (118.63) | (149.29) |
| | 1,171.43 | 1,200.96 |

| (Rupees in lakh) | | |
|--|--------------------------------|--------------------------------|
| Particulars | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
| 11. Cash and bank balances | | |
| a) Cash and cash equivalents | | |
| Current accounts | 329.18 | 720.26 |
| Cash on hand | 4.19 | 3.06 |
| Unpaid dividend | 8.17 | 7.17 |
| Balance with bank payable to public offer applicants | 0.39 | 0.39 |
| b) Other bank balances | | |
| Bank deposits | 1,367.96 | 1,359.92 |
| Margin money | 34.90 | 32.13 |
| | 1,744.79 | 2,122.93 |
| 12. Short-term loans and advances | | |
| Loans to staff (secured, considered good) | 29.07 | 19.27 |
| Loans and advances to related parties (unsecured, considered good) | 315.26 | 349.72 |
| With others | | |
| - unsecured, considered good | 1,675.48 | 1,425.90 |
| - unsecured, considered doubtful | 9.99 | 14.01 |
| Prepaid taxes (net of provision) | 48.39 | 415.02 |
| | 2,078.19 | 2,223.92 |
| Less: provision for doubtful short-term loans and advances | (9.99) | (14.01) |
| | 2,068.20 | 2,209.91 |
| 13. Other current assets | | |
| Interest accrued but not due on investments and deposits | 25.61 | 20.05 |
| | 25.61 | 20.05 |

| (Rupees in lakh) | | |
|---|------------------|------------------|
| Particulars | 2013-14 Rs. | 2012-13 Rs. |
| 14. Revenue from Operations | | |
| Rating, research and other services fees | 16,289.93 | 14,859.41 |
| | 16,289.93 | 14,859.41 |
| 15. Other Income | | |
| Interest income | 151.85 | 124.28 |
| Dividend income | 16.10 | 50.57 |
| Profit on sale/redemption of investments (net) | 1,439.00 | 1,316.08 |
| Foreign exchange gain | 0.10 | 0.05 |
| Technical services income | 0.90 | 3.84 |
| Rental income | 80.43 | 76.16 |
| Reversal in diminution in carrying value of investments | 0.16 | 0.00 |
| Other non-operating income | 40.17 | 53.14 |
| | 1,728.71 | 1,624.12 |

| (Rupees in lakh) | | |
|--|-----------------|-----------------|
| Particulars | 2013-14 Rs. | 2012-13 Rs. |
| 16. Employee benefit expenses | | |
| Salaries and allowances | 4,835.30 | 4,150.43 |
| Profit sharing | 1,218.62 | 1,119.28 |
| Contribution to provident fund | 233.35 | 210.28 |
| Amortisation of deferred employees compensation | 146.46 | 480.65 |
| Staff welfare expenses | 413.23 | 407.84 |
| Training expenses | 19.22 | 44.04 |
| | 6,866.18 | 6,412.52 |
| 17. Other expenses | | |
| (a) Administrative expenses | | |
| Rent | 392.64 | 283.28 |
| Rates and taxes | 26.27 | 91.24 |
| Repairs and maintenance - building | 0.62 | 0.44 |
| Repairs and maintenance - others | 218.09 | 170.08 |
| Communication expenses | 167.80 | 147.22 |
| Electricity and water | 112.51 | 85.81 |
| Printing and stationery | 127.82 | 184.87 |
| Insurance charges | 5.72 | 4.48 |
| Books and periodicals | 44.54 | 36.98 |
| | 1,096.01 | 1,004.40 |
| (b) Others | | |
| Travelling and conveyance | 445.22 | 435.67 |
| Directors' sitting fees | 12.00 | 9.60 |
| Legal and professional charges | 860.40 | 795.69 |
| Conference and meeting expenses | 54.77 | 52.97 |
| Advertisement expenses | 10.09 | 16.85 |
| Auditors' remuneration and expenses | 6.39 | 6.04 |
| Technical services | 33.49 | 29.71 |
| Bad debts/advances written off (net of provisions) | 80.75 | 110.18 |
| Fees and subscription | 14.14 | 18.03 |
| Remuneration to non executive directors | 39.00 | 41.00 |
| Recruitment expenses | 22.21 | 28.31 |
| Miscellaneous expenses | 40.98 | 23.96 |
| | 1,619.44 | 1,568.01 |
| Total (Other expenses) | 2,715.45 | 2,572.41 |

18. Contingent Liabilities and Commitments (to the extent not provided for):-**(1) Contingent Liabilities:-**

| | As at March 31, 2014 (Rupees in lakh) | As at March 31, 2013 (Rupees in lakh) |
|---|--|---|
| Guarantees given by Banks against counter guarantees of the Company | 11.26 | 21.71 |
| Disputed income tax demands | 432.22 | 191.44 |
| Total | 443.48 | 213.15 |

The Company has taken the necessary steps to protect its position in respect of all disputed claims and has received competent legal advice to the effect that the Company has strong positions in respect of disputed amounts claimed and accordingly considers that no provisions are required against these claims. The guarantees have been given in the ordinary course of business and are not likely to result in any liability.

(2) Other commitments:-

Estimated amount of contracts remaining to be executed on capital account and not provided for (advance given Rs. 92.21 lakh (previous year Rs. 133.27 lakh))

| | |
|---------------|---------------|
| 159.70 | 270.97 |
| Total | 159.70 |

- 19.** As required under the Micro, Small and Medium Enterprises Development Act, 2006, the disclosure related to Trade Payable (under Note - 5 of "Current Liabilities") is based on the information received from the Suppliers to the Company. Payable to MSME at the end of the year is nil (previous year Rs. 0.60 lakh).
- 20.** Pursuant to the resolution passed by the shareholders at the annual general meeting held on June 12, 2006 for the grant of options, 906,000 equity shares amounting to 9.06% of the equity share capital of the Company have been issued to the ICRA Employees Welfare Trust for grant of options to the eligible employees. Accordingly, the ICRA Employees Welfare Trust has granted stock options to those eligible employees from the pool of 906,000 equity shares in two tranches so far. The first tranche was granted during 2006-07 and the second during 2010-11. 549,640 options were exercised till March 31, 2013 and 136,946 options were exercised during the year under review.

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|--|-----------------------------|-----------------------------|
| 21. Remuneration to Auditors:- | | |
| Audit fees | 3.74 | 3.40 |
| Taxation matters | 0.56 | 0.51 |
| Other services | 0.97 | 0.68 |
| Reimbursement of expenses | 1.12 | 1.45 |
| Total | 6.39 | 6.04 |
| 22. Expenditure in foreign currency:- | | |
| Technical services | 25.79 | 22.89 |
| Professional charges | 10.09 | 18.28 |
| Foreign travel | 20.50 | 10.62 |
| Others | 13.84 | 4.13 |
| Total | 70.22 | 55.92 |
| 23. Earnings in foreign currency:- | | |
| Professional fees | 2.46 | 9.93 |
| Total | 2.46 | 9.93 |
| 24. Segment reporting:- | | |
| <u>Segmentwise revenues and results</u> | | |
| Segment revenues | | |
| Rating, research and other services | 16,289.93 | 14,859.41 |
| Segment results | | |
| Rating, research and other services | 7,499.66 | 6,662.94 |
| Information services | (66.54) | (67.46) |
| Total of all segments | 7,433.12 | 6,595.48 |
| Non-operating income over expenses | 1,003.89 | 903.12 |
| Depreciation | (245.20) | (210.74) |
| Profit before tax | 8,191.81 | 7,287.86 |
| Provision for tax | (2,318.66) | (1,249.53) |
| Profit after tax | 5,873.15 | 6,038.33 |

Note : Fixed assets used in the Company's business or liabilities contracted have not been identified to the reportable segments as the fixed assets and services are used interchangeably.

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|---|-----------------------------|-----------------------------|
| 25. Earning Per Share:- | | |
| Profit after tax | 5,873.15 | 6,038.33 |
| Number of shares outstanding at the end of the year (face value Rs. 10 per share) | 10,000,000 | 10,000,000 |
| Basic earnings per share (Rs.) (face value Rs. 10 per share) | 58.73 | 60.38 |
| Diluted earnings per share (Rs.) (face value Rs. 10 per share) | 58.73 | 60.38 |
| Cash earnings per share (Rs.) (face value Rs. 10 per share) | 62.65 | 67.30 |
| (The earnings per share have been calculated on the weighted average basis) | | |
| (Cash EPS is computed after considering depreciation and amortisation of deferred employees' compensation) | | |
| 26. Provision for taxes has been arrived at as follows:- | | |
| Current Taxes | | |
| Current income tax | 2,330.84 | 2,014.48 |
| Wealth tax | 0.87 | 0.95 |
| Taxes for previous years* | (9.73) | (692.44) |
| | 2,321.98 | 1,322.99 |
| Deferred tax | (3.32) | (73.46) |
| | 2,318.66 | 1,249.53 |

*The Company reversed Income Tax provision of Rs. 668.75 lakh in 2012-13 related to financial years 2010-11 and 2011-12 consequent to amortisation of deferred employees compensation taken as allowable expenditure following the rationale of judgements passed by High Court of Madras and the Income Tax Appellate Tribunal, Chandigarh, on identical facts.

27. The Deferred Tax Liability/(Asset) represents the income tax effect of the following:-

| Particulars | As at March 31, 2014 (Rupees in lakh) | As at March 31, 2013 (Rupees in lakh) |
|---|---|---|
| Depreciation | 150.77 | 154.00 |
| Provision for gratuity | (146.32) | (113.87) |
| Provision for leave encashment | (76.22) | (66.99) |
| Provision for leave travel allowance | (30.05) | (24.61) |
| Provision for medical | (14.85) | (11.98) |
| Provision for doubtful debts | (36.18) | (43.88) |
| Provision for doubtful out of pocket expenses | (3.06) | (4.12) |
| Diminution due to change in carrying value of investments | 0.00 | (0.05) |
| Disallowance under the Income Tax Act, 1961 | (1.95) | (43.04) |
| | (157.86) | (154.54) |

28. The disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" are given below:-

a) Gratuity Plan

The present value of the obligation is determined based on an actuarial valuation using the projected unit credit method.

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|--|-----------------------------|-----------------------------|
| Table showing changes in the present value of the obligation during the year | | |
| Present value of obligation at beginning of the year | 357.02 | 269.97 |
| Acquisition adjustment | - | - |
| Interest cost | 28.05 | 23.22 |
| Past service cost | - | - |
| Current service cost | 56.37 | 62.37 |
| Benefit paid | (12.78) | (9.86) |
| Actuarial (gain)/loss | 1.83 | 11.32 |
| Present value of obligation at the year end | 430.49 | 357.02 |
| Table showing changes in the fair value of plan assets during the year | | |
| Fair value of plan assets at beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Contribution | - | - |
| Benefit paid | - | - |
| Actuarial (gain)/loss | - | - |
| Fair value of plan assets at the end of the year | - | - |
| Table showing fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | - | - |
| Actual return on plan assets | - | - |
| Contribution | - | - |
| Benefit paid | - | - |
| Fair value of plan assets at the end of the year | - | - |
| Fund status | (430.49) | (357.02) |
| Excess of actual over expected return of plan assets | - | - |
| Actuarial gain /loss recognised for the year | | |
| Actuarial gain /(loss) recognised for the year- obligation | (1.83) | (11.32) |
| Actuarial (gain)/loss for the year - plan assets | - | - |
| Total (gain) / loss for the year | 1.83 | 11.32 |
| Actuarial (gain) / loss recognised in the year | 1.83 | 11.32 |
| Unrecognised actuarial (gains) / losses at the end of year | - | - |
| Amount to be recognised in the balance sheet and statement of profit and loss | | |
| Present value of obligation as at the end of the year | 430.49 | 357.02 |
| Fair value of plan assets as at the end of the year | - | - |
| Funded status | (430.49) | (357.02) |
| Unrecognised actuarial (gains) / losses | - | - |
| Unrecognised past service cost (non vested benefits) | - | - |
| Net liability recognised in balance sheet | 430.49 | 357.02 |

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|--|-----------------------------|-----------------------------|
| Expenses recognised during the year | | |
| Current service cost | 56.37 | 62.37 |
| Past service cost | - | - |
| Interest cost | 28.05 | 23.22 |
| Expected return on plan assets | - | - |
| Curtailment cost / (credit) | - | - |
| Settlement cost / (credit) | - | - |
| Actuarial (gain)/loss | 1.83 | 11.32 |
| Expenses recognised in the statement of profit and loss | 86.25 | 96.91 |
| Amount for the current year | | |
| Present value of obligation | 430.49 | 357.02 |
| Plan assets | - | - |
| Surplus (deficit) | (430.49) | (357.02) |
| Experience adjustments on plan liabilities - (loss)/gain | 9.83 | 6.75 |
| Experience adjustments on plan assets - (loss)/gain | - | - |
| Reconciliation statement of expense in the statement of profit and loss | | |
| Present value of obligation as at the end of the year | 430.49 | 357.02 |
| Present value of obligation as at the beginning of the year | (357.02) | (269.97) |
| Benefits paid | | |
| i) Directly paid by the enterprise | 12.78 | 9.86 |
| ii) Payments made out of the fund | - | - |
| Actual return on plan assets | - | - |
| Expenses recognised in the statement of profit and loss | 86.25 | 96.91 |
| Movement in the liability recognised in balance sheet | | |
| Opening net liability | 357.02 | 269.97 |
| Expenses as above | 86.25 | 96.91 |
| Benefits directly paid by Company | (12.78) | (9.86) |
| Contributions paid into the fund | - | - |
| Closing net liability | 430.49 | 357.02 |
| Actuarial assumptions | | |
| Discount rate (per annum) | 9.00% | 8.00% |
| Expected rate of return on plan assets (per annum) | NA | NA |
| Rate of increase in compensation levels: | 11.00% | 10.00% |

b) Leave Encashment Plan

The present value of the obligation is determined based on an actuarial valuation using the projected unit credit method.

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|--|-----------------------------|-----------------------------|
| Table showing changes in the present value of obligation during the year | | |
| Present value of the obligation at beginning of the year | 216.37 | 273.63 |
| Acquisition adjustment | - | - |
| Interest cost | 15.97 | 23.53 |
| Past service cost | - | - |
| Current service cost | - | 37.71 |
| Benefit paid | (33.47) | (27.87) |
| Actuarial (gain)/loss | 25.37 | (90.63) |
| Present value of the obligation at the year end | 224.24 | 216.37 |
| Table showing changes in the fair value of plan assets during the year | | |
| Fair value of plan assets at beginning of the year | - | - |
| Expected return on plan assets | - | - |
| Contributions | - | - |
| Benefit paid | - | - |
| Actuarial (gain)/loss | - | - |
| Fair value of plan assets at the end of the year | - | - |
| Table showing fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | - | - |
| Actual return on plan assets | - | - |
| Contributions | - | - |
| Benefit paid | - | - |
| Fair value of plan assets at the end of the year | - | - |
| Fund status | (224.24) | (216.37) |
| Excess of actual over expected return on plan assets | - | - |
| Actuarial gain /loss recognised for the year | | |
| Actuarial gain /(loss) recognised for the year- obligation | (25.37) | 90.63 |
| Actuarial (gain)/loss for the year - plan assets | - | - |
| Total (gain) / loss for the year | 25.37 | (90.63) |
| Actuarial (gain) / loss recognised in the year | 25.37 | (90.63) |
| Unrecognised actuarial (gains) / losses at the end of year | - | - |
| Amount to be recognised in the balance sheet and statement of profit and loss | | |
| Present value of obligation as at the end of the year | 224.24 | 216.37 |
| Fair value of plan assets as at the end of the year | - | - |
| Fund status | (224.24) | (216.37) |
| Unrecognised actuarial (gains) / losses | - | - |
| Unrecognised past service cost (non vested benefits) | - | - |
| Net liability recognised in the balance sheet | 224.24 | 216.37 |

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|--|-----------------------------|-----------------------------|
| Expenses recognised during the year | | |
| Current service cost | - | 37.71 |
| Past service cost | - | - |
| Interest cost | 15.97 | 23.53 |
| Expected return on plan assets | - | - |
| Curtailment cost / (credit) | - | - |
| Settlement cost / (credit) | - | - |
| Actuarial (gain)/loss | 25.37 | (90.63) |
| Expenses recognised in the statement of profit and loss | 41.34 | (29.39) |
| Amount for the current year | | |
| Present value of obligation | 224.24 | 216.37 |
| Plan assets | - | - |
| Surplus (deficit) | (224.24) | (216.37) |
| Experience adjustments on plan liabilities - (loss)/gain | (51.84) | (10.75) |
| Experience adjustments on plan assets - (loss)/gain | - | - |
| Reconciliation statement of expense in the statement of profit and loss | | |
| Present value of obligation as at the end of the year | 224.24 | 216.37 |
| Present value of obligation as at the beginning of the year | (216.37) | (273.63) |
| Benefits paid | | |
| i) Directly paid by the enterprise | 33.47 | 27.87 |
| ii) Payments out of the fund | - | - |
| Actual return on plan assets | - | - |
| Expenses recognised in the statement of profit and loss | 41.34 | (29.39) |
| Movement in the liability recognised in the balance sheet | | |
| Opening net liability | 216.37 | 273.63 |
| Expenses as above | 41.34 | (29.39) |
| Benefits directly paid by the Company | (33.47) | (27.87) |
| Contribution paid into the fund | - | - |
| Closing net liability | 224.24 | 216.37 |
| Actuarial Assumptions | | |
| Discount rate (per annum) | 9.00% | 8.00% |
| Expected rate of return on plan assets (per annum) | NA | NA |
| Rate of increase in compensation levels: | 11.00% | 10.00% |

29. Related Party Disclosure:-

| Name | Relationship | Name of Transactions | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|---|------------------------------------|---|---|--|
| ICRA Management Consulting Services Limited | Subsidiary | Professional services used Rent recovered Directors' sitting fees received Reimbursement of expenses received/receivable Reimbursement of expenses paid/payable Amount receivable | 29.00 78.84 0.30 31.68 14.21 21.31 | 11.06 73.24 0.39 117.99 4.01 114.47 |
| ICRA Techno Analytics Limited | Subsidiary | Professional services used Directors' sitting fees received Interest received Loan given during the year Loan repaid by ICRA Techno Analytics Ltd. during the year (Maximum loan amount during the year Rs. 950 lakh (previous year Rs. 2500 lakh)) Investment made in shares Reimbursement of expenses received/receivable Reimbursement of expenses paid/payable Amount receivable Amount payable | 6.15 0.17 36.19 950.00 800.00 0.00 0.00 0.00 154.02 0.00 | 12.80 0.02 4.79 2,500.00 2,500.00 4,792.74 6.71 0.48 0.00 6.96 |
| ICRA Online Limited | Subsidiary | Professional services used Professional services provided Asset Hire Charges paid Directors' sitting fees received Interest received Technical services fees received Loan given during the year Loan repaid by ICRA Online Ltd. during the year (Maximum loan amount during the year Rs. 950 lakh (previous year nil)) Reimbursement of expenses received/receivable Reimbursement of expenses paid/payable Purchase of fixed assets Advance received in form of equity shares under technical services agreement Amount receivable Amount payable | 17.17 8.75 1.30 0.00 22.03 0.90 950.00 950.00 4.04 49.00 0.00 0.00 0.00 5.00 | 118.79 32.44 2.10 0.10 0.00 3.84 0.00 0.00 17.28 46.79 28.65 1.01 21.11 22.18 |
| PT ICRA Indonesia | Subsidiary | Investment made in shares Advance given for Investment in shares Reimbursement of expenses received/receivable Amount receivable | 232.68 139.34 0.00 139.34 | 179.09 232.68 0.37 233.05 |
| ICRA Lanka Limited | Subsidiary | Investment made in shares Reimbursement of expenses received/receivable Amount receivable | 91.49 0.49 0.17 | 0.00 0.27 2.20 |
| ICRA Nepal Limited | Subsidiary | Balance payment for Investment in shares Professional services provided Directors' sitting fees received Reimbursement of expenses received/receivable Reimbursement of expenses paid/payable Amount receivable | 0.00 1.96 0.00 1.83 0.18 2.98 | 0.51 0.00 0.02 0.00 0.00 0.00 |
| Moody's Investment Company India Private Limited | Associate Company | Rent recovered Dividend Paid Reimbursement of expenses paid/payable Amount receivable | 0.00 627.20 12.95 3.50 | 1.31 570.18 15.70 0.00 |
| Moody's Investors Service | Associate Company | Professional services used Amount payable | 26.73 3.30 | 23.77 2.94 |
| MIS Quality Management Corp | Associate Company | Professional services used Amount payable | 6.76 0.83 | 5.94 0.74 |
| Mr. P.K. Choudhury | Chairman & Group CEO | Managerial remuneration | 213.93 | 202.46 |
| Mr. Naresh Takkar | Managing Director & CEO | Managerial remuneration Loan outstanding | 214.62 21.66 | 196.41 0.00 |

30. Operating Leases:-

The Company has taken certain premises under operating leases. The Company shares leased and owned premises with other companies from whom it receives rent in accordance with mutually agreed arrangements.

a) Details of payments and future commitments are as under:-

| | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|---|---|-----------------------------|
| Lease payments recognised in the statement of profit and loss | 505.59 | 326.91 |

Future minimum lease payments:-

| | As at March 31, 2014 (Rupees in lakh) | As at March 31, 2013 (Rupees in lakh) |
|--|--|---|
| Not later than one year | 456.65 | 398.31 |
| Later than one year but not later than 5 years | 1,339.46 | 1,556.40 |
| Later than 5 years | 101.99 | 101.76 |
| | 1,898.10 | 2,056.47 |

b) Details of sub-lease receipts are as under:-

| | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|---|---|-----------------------------|
| Sub-lease receipts recognised in the statement of profit and loss | 78.84 | 74.55 |

Future minimum sub-lease receipts:-

| | As at March 31, 2014 (Rupees in lakh) | As at March 31, 2013 (Rupees in lakh) |
|--|--|---|
| Not later than one year | 86.28 | 72.30 |
| Later than one year but not later than 5 years | 1.52 | 75.61 |
| Later than 5 years | 0.00 | 0.00 |
| | 87.80 | 147.91 |

31. Figures are expressed in lakhs of rupees.

32. The previous year figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached
for VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(Registration No. 014454N)

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO.: 016544

Place : New Delhi
Dated : May 14, 2014

For and on behalf of the Board

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

(P.K. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

(VIJAY WADHWA)
C.F.O. & CO. SECRETARY

CASH FLOW STATEMENT FOR 2013-14

(Rupees in lakh)

| Particulars | 2013-14 Increase/(Decrease) | 2012-13 Increase/(Decrease) |
|---|--------------------------------|--------------------------------|
| A. Cash Flow from Operating Activities | | |
| Profit Before Taxation from ordinary activities | 8,191.81 | 7,287.86 |
| Adjustments for: | | |
| Depreciation and amortisation | 245.20 | 210.74 |
| Provision for employee benefits | 241.16 | 241.04 |
| (Profit)/loss on sale of fixed assets (net) | 2.33 | 2.41 |
| (Profit)/loss on sale of investments (net) | (1,439.00) | (1,316.08) |
| Interest received on deposits and securities | (93.63) | (119.10) |
| Interest received on loans | (58.22) | (5.18) |
| Dividend income | (16.10) | (50.57) |
| Non-operating income (other than interest and dividend) | (121.60) | (133.19) |
| Income accrued but not due | (5.56) | 21.04 |
| Reversal in diminution in carrying value of investments | (0.16) | - |
| Provision for diminution in carrying value of investments | - | 0.16 |
| Amortisation of deferred employees compensation | 146.46 | 480.65 |
| Adjustment for securities premium for options exercised during the year | (778.78) | (741.48) |
| Operating Profit before Working Capital changes | 6,313.91 | 5,878.30 |
| Adjustments for: | | |
| Trade receivables | 29.53 | 407.96 |
| Loans & advances | (290.03) | (1,037.55) |
| Sundry deposits | (36.86) | (96.22) |
| Trade payables | 6.76 | 24.93 |
| Advances | 227.95 | 56.24 |
| Other liabilities | 253.27 | 449.54 |
| Paid to public offer applicants | - | (0.06) |
| Cash generated from/(used in) operations | 6,504.53 | 5,683.14 |
| Taxes paid (net) | (1,955.42) | (1,596.33) |
| Net cash generated from/(used in) operating activities (A) | 4,549.11 | 4,086.81 |

Contd...

(Rupees in lakh)

| Particulars | 2013-14 Increase/(Decrease) | 2012-13 Increase/(Decrease) |
|---|--|--|
| B. Cash Flow from Investing Activities: | | |
| Purchase of fixed assets | (333.10) | (230.74) |
| Sale proceeds from fixed assets | 8.24 | 13.94 |
| Investments made during the year | (24,166.89) | (18,548.14) |
| Investments made in Subsidiaries during the year | (324.17) | (5,035.57) |
| Sale proceeds from investments | 20,859.57 | 20,584.81 |
| Loan repaid by ICRA Employees Welfare Trust | 523.34 | 633.99 |
| Loans and advances to companies under the same management (net) | 10.32 | (194.00) |
| Interest received on deposits and securities | 93.63 | 119.10 |
| Interest received on loans | 58.22 | 5.18 |
| Dividend income | 16.10 | 50.57 |
| Other income | 121.60 | 133.19 |
| Net cash generated from/(used in) investing activities (B) | (3,133.14) | (2,467.67) |
| C. Cash Flow from Financing Activities: | | |
| Increase in securities premium | 778.78 | 741.48 |
| Unpaid dividend | 1.00 | 1.28 |
| Dividend and dividend tax paid | (2,573.89) | (2,324.45) |
| Net cash generated from/(used in) financing activities (C) | (1,794.11) | (1,581.69) |
| Net increase/(decrease) in cash and bank balances (A+B+C) | (378.14) | 37.45 |
| Cash and bank balances (opening balance) | 2,122.93 | 2,085.48 |
| Cash and bank balances (closing balance) | 1,744.79 | 2,122.93 |
| Net increase/(decrease) in cash and bank balances | (378.14) | 37.45 |
| As per our report of even date attached for VIPIN AGGARWAL & ASSOCIATES Chartered Accountants (Registration No. 014454N) | For and on behalf of the Board | |
| (VIPIN AGGARWAL) PARTNER MEMBERSHIP NO.: 016544 | (NARESH TAKKAR) MANAGING DIRECTOR & C.E.O. (DIN: 00253288) | (P.K. CHOUDHURY) CHAIRMAN & GROUP C.E.O. (DIN: 00015470) |
| Place : New Delhi Dated : May 14, 2014 | (VIJAY WADHWA) C.F.O. & CO. SECRETARY | |

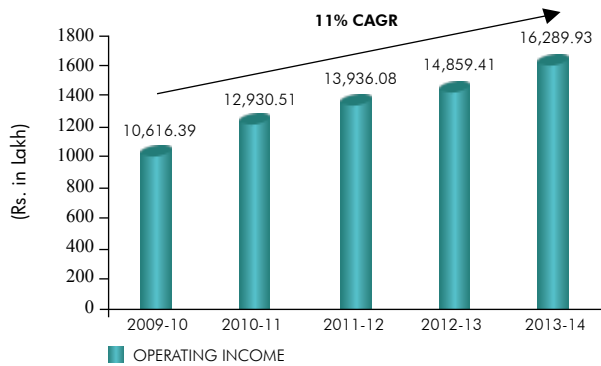
Financial Highlights of ICRA Limited

| | Particulars | (Rs. in lakh) | | | | | | | | | |
|----|-------------------------------------|---------------|----------|-----------|------------|------------|------------|------------|------------|------------|------------|
| | | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
| 1 | Operating Income | 3,715.22 | 3,321.28 | 3,978.99 | 6,069.53 | 8,872.80 | 10,616.39 | 12,930.51 | 13,936.08 | 14,859.41 | 16,289.93 |
| 2 | Non-Operating Income | 417.29 | 539.47 | 697.94 | 793.73 | 1,270.78 | 2,177.99 | 1,254.26 | 1,973.77 | 1,624.12 | 1,728.71 |
| 3 | Total Income | 4,132.51 | 3,860.75 | 4,676.93 | 6,863.26 | 10,143.58 | 12,794.38 | 14,184.77 | 15,909.85 | 16,483.53 | 18,018.64 |
| 4 | PBDIT | 1,269.65 | 1,891.32 | 2,387.67 | 3,967.27 | 5,443.74 | 7,606.80 | 7,083.74 | 7,762.39 | 7,498.60 | 8,437.01 |
| 5 | Depreciation | (142.51) | (152.26) | (160.02) | (181.40) | (177.55) | (195.56) | (203.23) | (189.64) | (210.74) | (245.20) |
| 6 | Interest | - | - | (4.51) | - | - | - | - | - | - | - |
| 7 | Prior Period Adjustments (See Note) | - | - | - | (0.50) | (0.24) | - | - | - | - | - |
| 8 | Profit Before Tax | 1,127.14 | 1,739.06 | 2,223.14 | 3,785.37 | 5,265.95 | 7,411.24 | 6,880.51 | 7,572.75 | 7,287.86 | 8,191.81 |
| 9 | Tax Provision | (317.26) | (473.96) | (613.13) | (1,119.51) | (1,650.85) | (2,410.87) | (2,389.15) | (2,482.77) | (1,249.53) | (2,318.66) |
| 10 | Profit After Tax | 809.88 | 1,265.10 | 1,610.01 | 2,665.86 | 3,615.10 | 5,000.37 | 4,491.36 | 5,089.98 | 6,038.33 | 5,873.15 |
| 11 | Prior Period Adjustments (See Note) | 3.71 | (36.94) | (0.06) | - | - | - | - | - | - | - |
| 12 | Equity Share Capital | 880.51 | 880.51 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| 13 | Securities Premium | 2,687.55 | 2,687.55 | 6,511.23 | 6,511.23 | 6,511.23 | 6,511.23 | 6,511.23 | 6,939.37 | 7,680.85 | 8,459.63 |
| 14 | Net Worth | 8,409.29 | 9,237.29 | 14,232.02 | 15,730.09 | 17,941.25 | 20,959.74 | 24,234.13 | 28,291.65 | 32,236.74 | 35,565.46 |
| 15 | Dividend (%) | 35% | 40% | 45% | 100% | 120% | 170% | 170% | 200% | 220% | 230% |
| 16 | Earnings Per Share(Rs.) | 9.20 | 14.37 | 18.23 | 26.66 | 36.15 | 50.00 | 44.91 | 50.90 | 60.38 | 58.73 |
| 17 | Book Value Per Share (Rs.) | 95.50 | 104.91 | 142.32 | 157.30 | 179.41 | 209.60 | 242.34 | 282.92 | 322.37 | 355.65 |

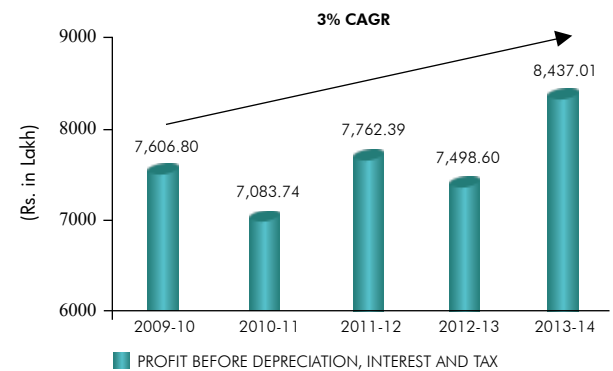
Note: Prior Period Adjustments up to the financial year 2006-07 are reflected below "Profit After Tax", and with effect from the financial year 2007-08 the same are reflected above "Profit After Tax".

ICRA: Selective Data/Ratio Analysis

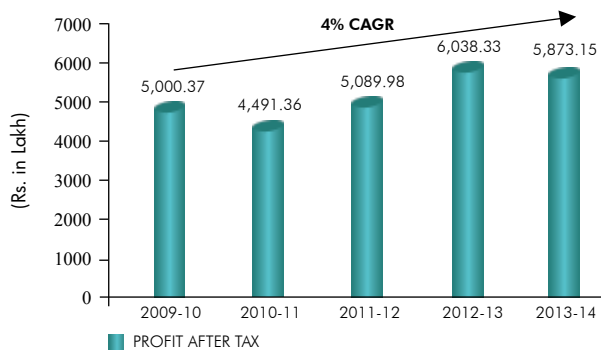
Trend in Operating Income



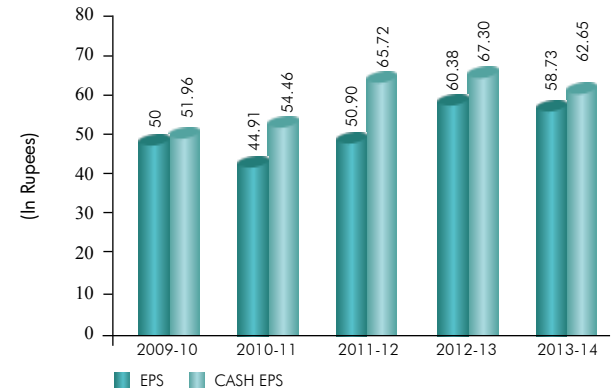
Trend in Profit before Depreciation, Interest and Tax



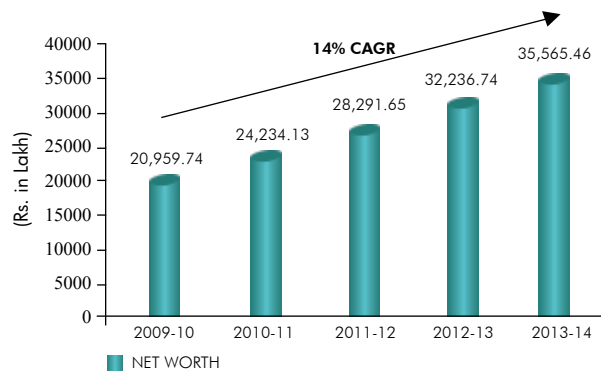
Trend in Profit after Tax



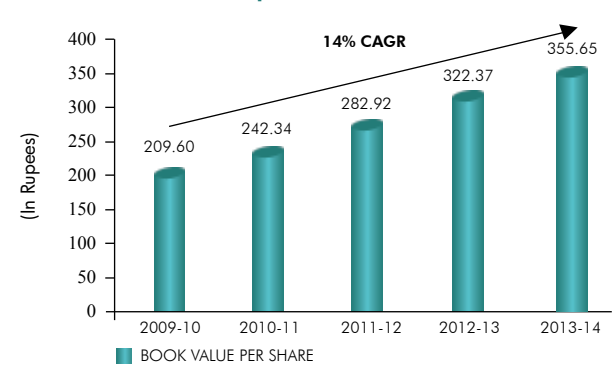
Trend in EPS and Cash EPS



Trend in Net Worth



Trend in Book Value per Share



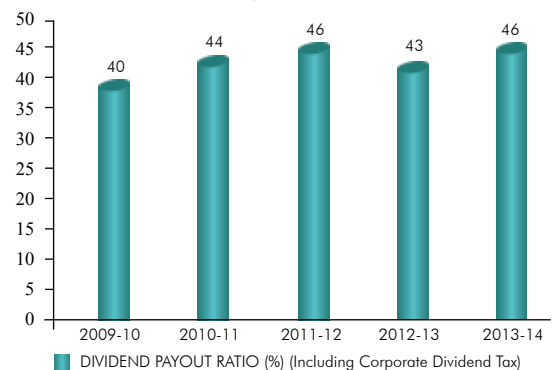
Trend in Dividend (%)

(Dividend for the year 2013-14 is subject to approval of Shareholders)



Trend in Dividend Payout Ratio (%)

(Including Corporate Dividend Tax)



Frequently Asked Questions

Q Since when and on which Stock Exchanges are ICRA's Equity Shares listed?

A ICRA's Equity Shares are listed on two Stock Exchanges with effect from April 13, 2007:

1. BSE Limited (BSE): [Scrip Code: 532835]
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
Tel: + 91-22-22721233/4; Fax: + 91-22-22721919
2. National Stock Exchange of India Limited (NSE): [Symbol: ICRA]
Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
Tel: +91 22 26598100 – 8114; Fax: +91 22 2659 8120

Q What is ICRA's Share Capital?

A ICRA's Authorised Share Capital is Rs. 15 crore. The Issued, Subscribed and Paid-up Equity Share Capital of the Company as on March 31, 2014 was Rs. 10 crore, consisting of 1,00,00,000 Equity Shares of Rs.10/- each.

Q When does ICRA's financial year end?

A ICRA's financial year ends on March 31.

Q How much dividend has ICRA paid during the last three financial years?

A For the financial year 2012-13, a Dividend of 220%.
For the financial year 2011-12, a Dividend of 200%.
For the financial year 2010-11, a Dividend of 170%.

Q How can a shareholder get dividend, if not yet received?

A The shareholder concerned may write to our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, or our Compliance Officer, Mr. Vijay Wadhwa, at the relevant address as mentioned below, quoting her/his folio number in the case of physical shares and the client ID and DP ID particulars in the case of dematerialised shares. We will check our records and issue a duplicate dividend warrant if the dividend has remained unpaid according to the records of the Company.

Q What is National Electronic Clearing Service (NECS)?

A NECS refers to the National Electronic Clearing Service (NECS) introduced by the Reserve Bank of India (RBI) in September, 2008 with a view to facilitating centralised processing for periodic and bulk payments. NECS is an advance version of Electronic Clearing Service (ECS) transactions. NECS essentially operates on the new and unique bank account number, allotted by the banks post-implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions.

Q How can Shareholders avail themselves of the National Electronic Clearing Service (NECS) facility?

A Shareholders who wish to avail themselves of the NECS facility are required to submit NECS Mandate Form (available on our website www.icra.in) duly completed along with a photocopy of a cheque (as advised in the Form) with their respective DPs (for shares held in the electronic form) and with the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of same for payment of dividend through NECS. All subsequent dividends will also be paid to them through direct credit to their designated bank account.

Frequently Asked Questions

Q Where is ICRA's Registered Office located?

A Address of ICRA's Registered Office and its contact details are as follows:

ICRA Limited
1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg, New Delhi 110 001, India
Tel: +91 11 2335 7940-50;
Fax: +91 11 2335 7014;
Website: www.icra.in

Q Who should be contacted for any information or assistance on share related matters including dematerialisation/rematerialisation, transfer/transmission of shares, subdivision or consolidation of shares, issue of duplicate share certificates, and unclaimed/non-receipt of dividend?

A Please contact our Registrar and Share Transfer Agent:

M/s. Link Intime India Private Limited
(Formerly M/s. Intime Spectrum Registry Limited)
44 Community Centre, 2nd Floor, Naraina Industrial Area,
Phase I, Near PVR, Naraina, New Delhi 110028
Email: delhi@linkintime.co.in;
Tel: +91 11 4141 0592/93/94;
Fax: +91 11 4141 0591

Or, ICRA's Compliance Officer:

Mr. Vijay Wadhwa
C.F.O. & Company Secretary
Building No. 8, 2nd Floor, Tower A,
DLF Cyber City, Phase II, Gurgaon 122 002, Haryana
Email: investors@icraindia.com;
Tel: + 91 124 4545 300;
Fax: + 91 124 4050 424

Q How can one convert physical holding into electronic holding, that is, how can one dematerialise shares?

A In order to dematerialise physical securities one has to fill in a DRF (Demat Request Form) which is available with the DP and submit the same along with physical certificates that are to be dematerialised. Separate DRF has to be filled for each ISIN (International Securities Identification Number). The complete process of dematerialisation is outlined below:

- Surrender certificates for dematerialisation to your DP.
- DP intimates to the Depository regarding the request through the system.
- DP submits the certificates to the registrar of the Issuer Company.
- Registrar confirms the dematerialisation request from depository.
- After dematerialising the certificates, Registrar updates accounts and informs depository regarding completion of dematerialisation.
- Depository updates its accounts and informs the DP.
- DP updates the demat account of the investor.

Frequently Asked Questions

Q Can electronic holdings be converted back into physical certificates?

A Yes. The process is called rematerialisation. If one wishes to get back her/his securities in the physical form s/he has to fill in the RRF (Remat Request Form) and request her/his DP for rematerialisation of the balances in her/his securities account. The process of rematerialisation is outlined below:

- Investor makes a request for rematerialisation
- Depository participant intimates depository regarding the request through the system
- Depository confirms rematerialisation request to the registrar
- Registrar updates accounts and prints certificates
- Depository updates accounts and downloads details to the depository participant
- Registrar dispatches certificates to the investor.

Q What is the procedure for transfer of physical shares in favour of the transferee?

A The Transferee needs to send the share certificate(s) along with the share transfer deed in the prescribed form no. SH.4, duly filled in, executed and affixed with share transfer stamps within a period of 60 days from the date of execution of the share transfer deed, to the Company's Registrar and Share Transfer Agent. It takes about 15 days for the Company's Registrar and Share Transfer Agent to process the transfer. The statutory time limit fixed for completing a transfer is 15 days under the Listing Agreement, and one month under the Companies Act, 2013.

Q Is submission of Permanent Account Number (PAN) mandatory for the transfer of physical shares?

A The Securities and Exchange Board of India through its Circular of May 20, 2009 has clarified that for securities market transactions and off-market/private transactions involving transfer of physical shares of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/RTAs for registration of such transfer of shares.

Q What is the procedure for splitting a share certificate into smaller lots?

A Shareholders may write to the Company's Registrar and Share Transfer Agent enclosing the relevant share certificate for splitting into smaller lots. The share certificates, after splitting, will be sent by the Company's Registrar and Share Transfer Agent to the Shareholders at their registered address.

Q What is the procedure for getting share certificates issued in various denominations consolidated into a single certificate?

A Shareholders having certificates in various denominations under the same folio should send all the certificates to the Company's Registrar and Share Transfer Agent for consolidation of all the shares into a single certificate. If the shares are not under the same folio but have the same order of names, the Shareholder should write to the Company's Registrar and Share Transfer Agent for consolidation of folios. This will help the Shareholders efficiently monitor the holding and the corporate benefits receivable thereon. Consolidation of share certificates helps in saving costs in the event that the shares are dematerialised and also provides convenience in case the shares are continued to be held physically.

Frequently Asked Questions

Q Who should be contacted for complaints?

A Our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, or our Compliance Officer, Mr. Vijay Wadhwa, at the relevant address as mentioned above.

Q Who should be contacted for queries relating to ICRA's Public Offer through Offer for Sale of Equity Shares?

A Our Compliance Officer, Mr. Vijay Wadhwa, at the relevant address as mentioned earlier.

Q If the shares are dematerialised, what is the procedure for change of address?

A Since the records of your dematerialised shares are maintained by your Depository Participant (DP), you have to inform your DP of any change in your address. Your DP will pass on this information to the Registrar whenever any action like despatch of Annual Reports or payment of dividend is due to be taken by the Registrar. **Shareholders are advised to update their address and Bank Account details with their respective depository participants so that in future Dividend Warrants, the Annual Report, etc. are delivered to their latest address and the dividend amount is directly credited to their Bank Account.**

Q If the shares are held in the physical form, what is the procedure for change of address?

A Please send a written request along with a certified photocopy of any two of the following documents: electricity bill, telephone bill, gas bill, bank pass book, passport, voter identity card, Aadhaar card, and driving licence. The request letter should be signed by the first shareholder or by all joint-holders stating the new address along with the PIN Code, and should be sent to the Registrar or ICRA (addresses mentioned earlier). Please quote your Folio number also.

Q Can there be multiple addresses for a single Folio?

A No, there can be only one registered address for one Folio.

Q Can joint-holders request a change of address?

A No, the letter of request will need to have the signature of the first Shareholder or of all Shareholders.



Independent Auditors' Report on Consolidated Financial Statements

To The Board of Directors of ICRA Limited

We have audited the accompanying consolidated financial statements of ICRA LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements and other financial information of certain subsidiaries. The financial statements / financial information reflect total assets of Rs. 16,230.04 lakh as at March 31, 2014, total revenues of Rs. 12,349.71 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For Vipin Aggarwal & Associates
Chartered Accountants
(FRN- 014454N)

(Vipin Aggarwal)
(Partner)

Membership No. 016544

Place : New Delhi
Dated : May 14, 2014

Consolidated Balance Sheet

Consolidated Balance Sheet as at March 31, 2014

(Rupees in lakh)

| Particulars | Note No. | As at March 31, 2014 Rs. | As at March 31, 2013 Rs. |
|--|----------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share capital | (2) | 1,000.00 | 1,000.00 |
| (b) Reserves and surplus | (3) | 37,793.86 | 32,923.75 |
| 2 Non-Current liabilities | (4) | | |
| (a) Long-term borrowings | | 1,582.12 | - |
| (b) Other Long term liabilities | | 36.28 | 33.62 |
| (c) Long-term provisions | | 976.01 | 851.35 |
| 3 Current liabilities | (5) | | |
| (a) Short-term borrowings | | 65.34 | - |
| (b) Trade payables | | 444.30 | 409.24 |
| (c) Other current liabilities | | 4,731.45 | 3,996.62 |
| (d) Short-term provisions | | 4,715.37 | 4,417.84 |
| 4 Minority Interest | | 48.17 | 453.87 |
| Total | | 51,392.90 | 44,086.29 |
| II. ASSETS | | | |
| 1 Non-current assets | (6) | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | | 4,596.95 | 2,073.70 |
| (ii) Intangible assets | | 94.33 | 152.34 |
| (iii) Capital work-in-progress | | 533.55 | - |
| (iv) Intangible assets under development | | 178.24 | 108.32 |
| (b) Non-current investments | (7) | 26,444.63 | 19,265.38 |
| (c) Deferred tax assets (net) | | 212.42 | 218.02 |
| (d) Long-term loans and advances | (8) | 1,144.54 | 2,129.83 |
| 2 Current assets | | | |
| (a) Current investments | (9) | 1,231.22 | 3,658.56 |
| (b) Trade receivables | (10) | 4,283.71 | 4,724.57 |
| (c) Cash and bank balances | (11) | 5,334.29 | 4,735.28 |
| (d) Short-term loans and advances | (12) | 2,730.35 | 2,578.04 |
| (e) Other current assets | (13) | 382.02 | 188.63 |
| 3 Goodwill on Consolidation | | 4,226.65 | 4,253.62 |
| Total | | 51,392.90 | 44,086.29 |

See accompanying notes to the financial statements

As per our report of even date attached
for VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(Registration No. 014454N)

For and on behalf of the Board

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

(PK. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

Place : New Delhi
Dated : May 14, 2014

(VIJAY WADHWA)
C.F.O. & CO. SECRETARY

Consolidated Statement of Profit and Loss

| Consolidated Statement of Profit and Loss for the year ended March 31, 2014 | | | |
|---|----------|-------------------|----------------|
| (Rupees in lakh) | | | |
| Particulars | Note No. | 2013-14 Rs. | 2012-13 Rs. |
| I. Revenue from Operations | (14) | 28,296.22 | 25,141.06 |
| II. Other income | (15) | 1,909.34 | 1,791.31 |
| III. Total revenue | | 30,205.56 | 26,932.37 |
| IV. Expenses | | | |
| Purchase of Stock-in-Trade | | 14.62 | - |
| Employee benefits | (16) | 13,423.85 | 12,785.05 |
| Finance costs | (17) | 81.78 | - |
| Depreciation and amortization | (6) | 601.02 | 483.19 |
| Other expenses | (18) | 6,293.58 | 6,370.29 |
| Total expenses | | 20,414.85 | 19,638.53 |
| V. Profit before exceptional items and tax | | 9,790.71 | 7,293.84 |
| VI. Exceptional items | | - | (89.55) |
| VII. Profit before tax | | 9,790.71 | 7,204.29 |
| VIII. Tax expense: | | | |
| (1) Current tax | | (2,924.51) | (1,732.31) |
| (2) Deferred tax | | 26.14 | 411.93 |
| (3) MAT credit entitlement | | - | (3.10) |
| IX. Profit after tax before minority interest | | 6,892.34 | 5,880.81 |
| X. Minority interest | | 0.70 | 34.73 |
| XI. Profit after tax | | 6,893.04 | 5,915.54 |
| XII. Earnings per equity share: | (25) | | |
| Basic earnings per share (Rs.) (face value Rs. 10 per share) | | 68.93 | 59.16 |
| Diluted earnings per share (Rs.)(face value Rs. 10 per share) | | 68.93 | 59.16 |

See accompanying notes to the financial statements

As per our report of even date attached
for VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(Registration No. 014454N)

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

(P.K. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

Place : New Delhi
Dated : May 14, 2014

(VIJAY WADHWA)
C.F.O. & CO. SECRETARY

For and on behalf of the Board

Notes forming parts of the consolidated financial statements for the year ended March 31, 2014

1. Corporate information:-

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) was incorporated on January 16, 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional Investment Information and Credit Rating Agency.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of financial statements:-

The consolidated financial statements of ICRA Limited ("the Company"), its subsidiaries ("the Group") have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under of the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs). The financial statements have been prepared on an accrual basis under the historical cost convention and as a going concern. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Principles of Consolidation:-

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company. The consolidated financial statements have been prepared on the following basis:

- i) The consolidated financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra-group balances and transactions.
- ii) The results of subsidiaries acquired during the year, if any, are included in the Statement of Consolidated Profit and Loss from the date of acquisition.
- iii) The significant accounting policies and the notes to the consolidated financial statements are intended to serve as a guide for better understanding of the Group's position. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group, except as disclosed.
- iv) The excess of the Group's portion of cost of investments over the net assets of subsidiary companies acquired as at the dates of investments has been recognised as "Goodwill on Consolidation". Similarly, excess of net assets over the cost of investment of a subsidiary company, as at the date of acquisition, has been recognised as "Capital Reserve on Consolidation".
- v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

C. Use of estimates:-

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful trade receivables and advances, employee benefit obligations, provision for income taxes, impairment of assets.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

D. Subsidiaries of ICRA Limited and step-down subsidiaries are as follows:-

| Name of the Company | Country of Incorporation | Ownership in % |
|---|--------------------------|---|
| ICRA Management Consulting Services Limited | India | 100% owned by ICRA Limited |
| ICRA Techno Analytics Limited | India | 100% owned by ICRA Limited |
| ICRA Online Limited | India | 100% owned by ICRA Limited |
| PT ICRA Indonesia | Indonesia | 99% owned by ICRA Limited |
| ICRA Lanka Limited | Sri Lanka | 100% owned by ICRA Limited |
| ICRA Nepal Limited | Nepal | 51% owned by ICRA Limited |
| ICRA Sapphire Inc. | USA | 100% owned by ICRA Techno Analytics Limited |
| ICRA Global Capital Inc. | USA | 100% owned by ICRA Techno Analytics Limited |
| BPA Technologies Inc. | USA | 100% owned by ICRA Global Capital Inc. |
| IMaCS Virtus Global Partners, Inc. | USA | 66.67% owned by ICRA Management Consulting Services Limited |
| Pragati Development Consulting Services Limited | India | 100% owned by ICRA Management Consulting Services Limited |

The interest of Minority shareholders in net profit or loss of consolidated subsidiaries for the period is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Equity Shareholders of the Company. The interest of Minority shareholders in net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet as an item separate from liabilities and the shareholders' equity.

E. Revenue Recognition:-

- Income from rating/grading services is recognised when the ratings/gradings are assigned by the Rating/Grading Committee of the Company.
- The Company charges surveillance fees for 12 months at a time on accepted ratings and such fees commence 1 year after the date of assigning of a rating and continue annually thereafter. Such income is recognised on the basis of time elapsed (ignoring fractions of months). Surveillance fees on the rating assignments of commercial paper, line of credit (Basel II), liquefied petroleum gas, superior kerosene oil, collective investment schemes and grading assignments become due and are recognised on completion of the surveillance exercise.
- Income from consulting services is recognised in the year in which such assignments are completed. In the case of assignments which are in process at the end of the accounting year, the revenue is recognised on the basis of milestones achieved in accordance with the terms of agreement with respective clients and the related bills are raised accordingly.
- Revenue from professional and I. T. services etc. consists of revenue earned from services performed for software development and consultancy, licensing and sub-licensing fees, annual maintenance charges for software support, web development and hosting which is recognised to the extent services are performed.

- v) Revenue from sales of softwares is recognised when delivery of the branded softwares is made and is booked net of trade discount.
- vi) Income from Information services is recognised as follows:-
 - License fees is recognized upfront & Other Charges are spread over the period of contract. Wherever combined invoices are raised 60% of invoice value is taken as License fees and recognised upfront. Billed revenue relating to period beyond reporting date is carried forward as "Unearned Revenue".
- vii) **Software Services:-** Revenue from sale and customization of software is recognised on raising of invoices on completion of work or reaching milestone as per agreement with client. Annual Maintenance charges and income from other defined period based assignment are recognised on raising of periodical invoice as per agreement with client. Billed revenue relating to period beyond reporting period is carried forward as unearned revenue.
- viii) **Outsourced Services:-** Income from outsourced services are recognized as follows:-
 - a) In respect of assignments of continuous nature like maintenance and management of data "on raising of periodical invoices as per agreement with client".
 - b) In respect of specific assignments "on raising of Invoices on completion or reaching milestones as per agreement with client".
 - c) Unbilled revenue for the reporting period is recognized on the basis of stage of completion.
- ix) The dividend income from Investments in shares/units is recognised in the year in which the right to receive it crystallises. Interest income is recognised in the year it accrues.

F. Fixed Assets:-

Fixed assets are stated at cost which consists of purchase price, duties and any directly attributable cost of bringing the asset to its working condition for intended use.

G. Depreciation:-

Depreciation is provided on the written down value of assets at rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 (the "Act") except for leasehold improvements. The leasehold improvements are depreciated on the straight line method over the primary period of the leases or at the rates of depreciation prescribed under the Act for the straight line method, whichever is higher. The primary lease period for this purpose includes any lease period extendable at the discretion of the lessees. Individual assets whose cost does not exceed Rs 5,000 are depreciated in full in the year of acquisition. In all other cases, depreciation is provided on a pro-rata basis on assets acquired, sold or discarded during the year. This accounting policy is uniform in all companies of the Group with the following exceptions:-

- i) In the case of ICRA Techno Analytics Limited, computer software used for licensing is amortised on the straight line method over the useful life of the respective software subject to a maximum of thirty six months.
- ii) In the case of PT ICRA Indonesia, depreciation on fixed assets is calculated on the straight line method to allocate their cost or revalued amount to residual values over their estimated useful lives as follows:
 - Computer Equipment & Software, Office equipment & Furniture & Fixtures: 4 years.
 - Leasehold improvement: 4 years.

iii) In the case of ICRA Management Consulting Services Limited, Software developed in house and having commercial usage are capitalised as software and shown under intangible assets. These are amortised over a period of 3-5 years. Software other than in house developed software are amortised based on the Management's estimates.

iv) In case of ICRA Online Limited, intangible assets comprising computer software acquired separately are measured and recognised at cost. Such assets generated internally are capitalised to capture all expenditure that can be directly attributed or allocated including overheads on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Expenditure over and above development costs as above are not capitalised and are recognised as expenses and reflected in the statement of profit and loss in the year in which the expenditure is incurred.

In such cases, intangible assets are amortised on the straight line basis over the estimated useful economic life of such assets. It is presumed that the useful economic life of computer software will not exceed three years from the date such assets are available for use. If there is a significant change in the expected pattern of economic benefits from the assets, the amortisation method is changed to reflect the changed pattern.

H. Impairment of Assets:-

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, an impairment loss, i.e. the amount by which the carrying amount of assets exceeds its estimated recoverable amount, is provided in the books of account.

I. Investments:-

Investments which are readily realisable and intended to be held for not more than one year from the date of which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current Investments are stated at lower of cost and fair market value determined on an individual investment basis. Long term Investments are stated at cost. Provision for diminution in case of long term investments is made if the decline in value is other than temporary in nature.

J. Employees' Benefits:-

Employees' benefits are provided by way of contributions to separate provident fund and pension schemes and accounting provisions for leave encashment and gratuity. Contribution to the provident fund scheme is deposited in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Liabilities for gratuity and leave encashment are provided on the basis of actuarial valuations at the year end and by management estimates for interim periods keeping in view the last actuarial valuation.

K. Employees Stock Option Scheme (ESOS):-

The accounting value of stock options is determined on the basis of "intrinsic value" representing the excess of the market price on the date of grant over the exercise price of the options granted under the ESOS of the Company. Accounting value is amortised as "deferred employees' compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note No.18 "Share Based Payments" issued by the ICAI.

L. Assets on Lease:-

- i) Owned assets given under operating leases are included in fixed assets. Depreciation in respect of these assets is recognised as an expense and related income as credits in the statement of profit and loss.
- ii) The assets taken on operating leases are not capitalised in the books of the Company and lease payments are charged to the statement of profit and loss. Lease income on sharing of such assets with other companies is recognised in the statement of profit and loss.

M. Miscellaneous Expenditure:-

Miscellaneous Expenditure is fully charged to Profit and Loss Account during the year in which it is incurred.

N. Taxes on Income:-

Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961 or the laws applicable in other tax jurisdictions as the case may be. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

O. Foreign Currency Transactions:-

- i) Transactions in foreign currencies are accounted for at the rates of exchange prevailing on the dates of the transactions. The gains or losses arising out of subsequent fluctuations on the date of the balance sheet or settlement before that date are charged to the statement of profit and loss.
- ii) For the purpose of consolidation, foreign operations of the subsidiaries, being “non-integral operations” in terms of Accounting Standard - 11 (The Effects of Changes in Foreign Exchange Rates), income and expenses are translated at monthly average rates and the assets and liabilities are stated at the closing rate. The net impact of such changes is disclosed under Foreign Currency Translation Reserve.

P. Capital Work in Progress:-

- i) Capital work in progress represents expenditure incurred on development of various items of software to be licensed, which are under development, at the end of the accounting year. On completion of development of such software, the cost incurred is capitalised as “intangible assets”.
- ii) Software developed in-house and for commercial use are capitalised as software and shown under “intangible assets”. These are amortised over a period of 5 years.

| (Rupees in lakh) | | | |
|--|-----------------------------|-------------------------|---------|
| Particulars | As at March 31, 2014 | As at March 31, 2013 | |
| 2. SHARE CAPITAL | | | |
| AUTHORISED | | | |
| 15,000,000 (previous year 15,000,000) equity shares of Rs. 10/- each | 1,500.00 | 1,500.00 | |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | | |
| 10,000,000 (previous year 10,000,000) equity shares of Rs. 10/- each fully paid up | | | |
| (Of the above, 906,000 shares of Rs. 10 each have been issued to the Employees Welfare Trust pursuant to an Employees Stock Options Scheme) | 1,000.00 | 1,000.00 | |
| (A) Reconciliation of number of shares | | | |
| Equity Shares | | | |
| Opening balance (no. of shares) | 10,000,000 | 10,000,000 | |
| Changes during the year (no. of shares) | 0 | 0 | |
| Closing balance (no. of shares) | 10,000,000 | 10,000,000 | |
| (B) Reconciliation of shares capital | | | |
| Equity Shares | | | |
| Opening balance | 1,000.00 | 1,000.00 | |
| Changes during the year | 0 | 0 | |
| Closing balance | 1,000.00 | 1,000.00 | |
| (C) Rights, preferences and restrictions attached to shares | | | |
| Equity Shares | | | |
| The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | | |
| (D) Shares held by each shareholder holding more than 5 per cent shares | | | |
| Equity Shares | | | |
| Name of the Shareholder | No. of Shares | | |
| | As at March 31, 2014 | | |
| | (As at March 31, 2013) | | |
| i) Moody's Investment Company India Private Limited | 2,850,900 | 285.09 | 285.09 |
| | (2,850,900) | 28.509% | 28.509% |
| ii) Birla Sun Life Trustee Company Private Limited | 881,382 | 88.14 | 63.74 |
| A/c Birla Sun Life Tax Relief 96 | (637,357) | 8.814% | 6.374% |
| iii) Life Insurance Corporation of India | 668,741 | 66.87 | 66.87 |
| | (668,741) | 6.687% | 6.687% |
| iv) General Insurance Corporation of India | 522,999 | 52.30 | 52.30 |
| | (522,999) | 5.230% | 5.230% |
| v) Punjab National Bank | 501,146 | 50.11 | 50.16 |
| | (501,646) | 5.011% | 5.016% |
| vi) Franklin Templeton Mutual Fund | 474,213 | 47.42 | 56.12 |
| A/c Franklin India Prima Plus | (561,223) | 4.742% | 5.612% |
| vii) State Bank of India | 0 | 0.00 | 97.31 |
| | (973,101) | 0.000% | 9.731% |

| (Rupees in lakh) | | |
|---|-------------------------|-------------------------|
| Particulars | As at March 31, 2014 | As at March 31, 2013 |
| 3. RESERVES AND SURPLUS | | |
| a) Securities Premium Account | | |
| - Opening balance | 7,680.85 | 6,939.37 |
| - Add: Amount of exercise of employee stock options during the year | 778.78 | 741.48 |
| | 8,459.63 | 7,680.85 |
| b) Capital Redemption Reserve | | |
| - Opening balance | 30.43 | 30.43 |
| - Add: Transferred from statement of profit and loss | - | - |
| | 30.43 | 30.43 |
| c) General Reserve | | |
| - Opening balance | 9,930.90 | 9,326.90 |
| - Add: Transferred from statement of profit and loss | 588.00 | 604.00 |
| | 10,518.90 | 9,930.90 |
| d) Employees Stock Options Outstanding | | |
| - Opening balance | 1,513.25 | 2,349.53 |
| - Options granted during the year | - | - |
| - Options exercised during the year | (778.78) | (741.48) |
| - Options lapsed during the year | (12.47) | (94.80) |
| | 722.00 | 1,513.25 |
| Less: Deferred Employees Compensation | | |
| - Opening balance | (158.93) | (734.38) |
| - Options granted during the year | - | - |
| - Options lapsed during the year | 12.47 | 94.80 |
| - Amortisation of deferred employees compensation | 146.46 | 480.65 |
| | - | (158.93) |
| | 722.00 | 1,354.32 |
| e) Surplus | | |
| - Opening balance | 13,970.71 | 11,233.06 |
| - Transferred from statement of profit and loss | 6,893.04 | 5,915.54 |
| - Proposed dividend | (2,300.00) | (2,200.00) |
| - Corporate tax on proposed dividend | (390.89) | (373.89) |
| - Transferred to general reserve | (588.00) | (604.00) |
| | 17,584.86 | 13,970.71 |
| f) Foreign currency translation reserve | | |
| - Opening Balance | (43.46) | 16.42 |
| - Add: Addition during the period | 521.50 | (59.88) |
| | 478.04 | (43.46) |
| | 37,793.86 | 32,923.75 |

| (Rupees in lakh) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2014 | As at March 31, 2013 |
| 4. Non-current liabilities | | |
| (a) Long-term borrowings | | |
| Term loans | | |
| - from banks | 1,582.12 | - |
| | 1,582.12 | - |
| (b) Other Long-term liabilities | | |
| Other than trade payables | 36.28 | 33.62 |
| | 36.28 | 33.62 |
| (c) Long-term provisions | | |
| Provision for employee benefits | 947.66 | 824.04 |
| Others | 28.35 | 27.31 |
| | 976.01 | 851.35 |
| 5. Current liabilities | | |
| (a) Short-term borrowings | | |
| Loans repayable on demand | | |
| - from banks | 65.34 | - |
| | 65.34 | - |
| (b) Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises | - | 0.60 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 444.30 | 408.64 |
| | 444.30 | 409.24 |
| (c) Other current liabilities | | |
| Advance received from clients | 1,476.29 | 1,052.51 |
| Refund due to public offer applicants | 0.39 | 0.39 |
| Unclaimed dividend | 8.17 | 7.17 |
| Unearned revenue | 2,118.29 | 1,876.28 |
| Statutory dues | 334.16 | 332.67 |
| Other liabilities | 794.15 | 727.60 |
| | 4,731.45 | 3,996.62 |
| (d) Short-term provisions | | |
| Provision for income tax (net of prepaid taxes) | 1.78 | - |
| Provision for wealth tax | 0.88 | 0.95 |
| Proposed dividend | 2,300.00 | 2,200.00 |
| Provision for corporate tax on proposed dividend | 390.89 | 373.89 |
| Provision for employee benefits | 2,003.97 | 1,826.84 |
| Others | 17.85 | 16.16 |
| | 4,715.37 | 4,417.84 |

Non-current assets

6. Fixed assets

(Rupees in lakh)

| S. No. | Particulars | Gross | | | Depreciation | | | | Net Carrying Value | |
|--------------|--|-------------------------|---------------|----------------------------|--------------------------|--------------------------|------------------|----------------------------|--------------------------|--------------------------|
| | | As at April 1, 2013 Rs. | Additions Rs. | Disposals/ Adjustments Rs. | As at March 31, 2014 Rs. | Up to March 31, 2013 Rs. | For the year Rs. | Disposals/ Adjustments Rs. | Up to March 31, 2014 Rs. | As at March 31, 2014 Rs. |
| (i) | Tangible Assets | | | | | | | | | |
| 1 | Buildings | 1,956.03 | 1,968.87 | - | 3,924.90 | 922.34 | 100.80 | - | 1,023.14 | 1,033.69 |
| 2 | Data Processing Equipment | 1,426.28 | 453.74 | (69.09) | 1,810.93 | 1,059.94 | 223.59 | (69.77) | 1,213.76 | 366.34 |
| 3 | Furniture and Fixtures | 425.93 | 235.68 | (37.77) | 623.84 | 295.80 | 46.72 | (30.83) | 311.69 | 130.14 |
| 4 | Office Equipment | 273.44 | 86.76 | (14.24) | 345.96 | 150.91 | 25.27 | (9.30) | 166.88 | 122.52 |
| 5 | Air Conditioners | 120.34 | 30.65 | (29.96) | 121.03 | 62.56 | 10.02 | (20.96) | 51.62 | 57.77 |
| 6 | Electrical Fittings | 59.42 | 124.41 | (3.61) | 180.22 | 39.11 | 10.53 | (3.01) | 46.63 | 20.31 |
| 7 | Vehicles | 149.08 | 59.21 | (22.29) | 186.00 | 53.69 | 29.14 | (14.59) | 68.24 | 95.40 |
| 8 | Leasehold Improvements | 514.26 | 136.89 | (95.15) | 556.00 | 267.53 | 72.91 | (70.47) | 269.97 | 246.73 |
| 9 | Time Sharing Sterling Holiday Resort | 0.98 | - | (0.98) | - | 0.18 | - | (0.18) | - | 0.80 |
| | Sub-Total | 4,925.76 | 3,096.21 | (273.09) | 7,748.88 | 2,852.06 | 518.98 | (219.11) | 3,151.93 | 2,073.70 |
| (ii) | Intangible Assets | | | | | | | | | |
| 1 | Softwares | 691.14 | 24.51 | (0.48) | 715.17 | 566.98 | 59.54 | - | 626.52 | 124.16 |
| 2 | IMaCS' Risk Scorer & IMaCS' C-Cube | 87.47 | - | - | 87.47 | 69.30 | 17.49 | - | 86.79 | 18.17 |
| 3 | IMaCS' Equity Link Debenture- ELD | 15.02 | - | - | 15.02 | 5.01 | 5.01 | - | 10.02 | 10.01 |
| | Sub-Total | 793.63 | 24.51 | (0.48) | 817.66 | 641.29 | 82.04 | - | 723.33 | 152.34 |
| (iii) | Capital work-in-progress | | | | | | | | | |
| | | - | 533.55 | - | 533.55 | - | - | - | - | - |
| (iv) | Intangible assets under development | | | | | | | | | |
| | | 108.32 | 69.92 | - | 178.24 | - | - | - | - | 108.32 |
| | Total | 5,827.71 | 3,724.19 | (273.57) | 9,278.33 | 3,493.35 | 601.02 | (219.11) | 3,875.26 | 2,334.36 |
| | Previous Year | 5,468.46 | 531.61 | (172.36) | 5,827.71 | 3,109.77 | 483.19 | (99.61) | 3,493.35 | 2,334.36 |

7. Non-current Investments (At Cost)

| Particulars | | Face Value (Rupees) | Quantity As at March 31, 2014 (Numbers) | Quantity As at March 31, 2013 (Numbers) | Amount As at March 31, 2014 (Rupees in lakh) | Amount As at March 31, 2013 (Rupees in lakh) |
|--|--|------------------------|--|--|---|---|
| a) - Others - Quoted, Fully Paid Up | | | | | | |
| i | Equity shares of CRISIL Limited | 1 | 3,000.000 | 3,000.000 | 0.15 | 0.15 |
| | Sub-total (others) | | | | 0.15 | 0.15 |
| | Aggregate market value of other equity instruments | | | | 36.90 | 26.58 |
| | Total (a) | | | | 0.15 | 0.15 |
| b) Mutual Funds-Quoted | | | | | | |
| - In Balanced Mutual Funds | | | | | | |
| i | HDFC Prudence Fund - Dividend, Option: Payout | 10 | 159,632.207 | 159,632.207 | 50.00 | 50.00 |
| | Sub-total (Balanced Mutual Funds) | | | | 50.00 | 50.00 |
| - In Fixed Maturity Plans | | | | | | |
| i | Axis Fixed Term Plan - Series 21 (394 Days) -Growth | 10 | 0.000 | 6,000,000.000 | - | 600.00 |
| ii | Birla Sun Life Fixed Term Plan Series ES-Growth | 10 | 0.000 | 6,000,000.000 | - | 600.00 |
| iii | DWS Fixed Maturity Plan Series 6 Growth Plan | 10 | 0.000 | 6,000,000.000 | - | 600.00 |
| iv | HDFC FMP 400D February 2012 (1) - Growth Series XXI | 10 | 0.000 | 10,000,000.000 | - | 1,000.00 |
| v | Kotak FMP Series 80 - Growth | 10 | 0.000 | 10,000,000.000 | - | 1,000.00 |
| vi | ICICI Prudential FMP-Series 63-378 Days Plan I Cumulative | 10 | 0.000 | 9,999,990.000 | - | 1,000.00 |
| vii | DSP BlackRock FMP Series 38-12.5M-Growth | 10 | 0.000 | 12,000,000.000 | - | 1,200.00 |
| viii | JP Morgan India Fixed Maturity Plan Series 6 Growth | 10 | 0.000 | 15,000,000.000 | - | 1,500.00 |
| ix | HDFC FMP 372D January 2013(2) Series 23 - Direct - Growth | 10 | 0.000 | 12,000,000.000 | - | 1,200.00 |
| x | JP Morgan India Fixed Maturity Plan Series 12 - Direct - Growth | 10 | 10,000,000.000 | 10,000,000.000 | 1,000.00 | 1,000.00 |
| xi | JP Morgan India Fixed Maturity Plan Series 16 - Direct - Growth | 10 | 6,000,000.000 | 6,000,000.000 | 600.00 | 600.00 |
| xii | L & T FMP- VII (January 507 D A) Direct Plan - Growth | 10 | 12,000,000.000 | 12,000,000.000 | 1,200.00 | 1,200.00 |
| xiii | Reliance Fixed Horizon Fund - XXIII- Series 4- Direct Plan - Growth Plan | 10 | 6,000,000.000 | 6,000,000.000 | 600.00 | 600.00 |
| xiv | Religare Invesco FMP-Series XVII-Plan F (392 days) Direct Plan | 10 | 6,000,000.000 | 6,000,000.000 | 600.00 | 600.00 |
| xv | Sundaram Fixed Term Plan - DC 15 Months Direct Growth | 10 | 12,000,000.000 | 12,000,000.000 | 1,200.00 | 1,200.00 |
| xvi | Sundaram Fixed Term Plan - DH 378 Days Direct Growth | 10 | 8,000,000.000 | 8,000,000.000 | 800.00 | 800.00 |
| xvii | Tata Fixed Maturity Plan Series 42 Scheme G Direct Plan - Growth | 10 | 10,000,000.000 | 10,000,000.000 | 1,000.00 | 1,000.00 |
| xviii | Taurus Fixed Maturity Plan 369 Days Series - X - Direct Plan - Growth | 10 | 0.000 | 10,000,000.000 | - | 1,000.00 |
| xix | DSP Black Rock FMP Series 95-12M - Direct -Growth | 10 | 23,000,000.000 | 0.000 | 2,300.00 | - |
| xx | HDFC FMP 366D April 2013 (1) Series 26 - Direct - Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxi | L & T FMP- Series 8 - Plan A - Direct Growth | 10 | 6,000,000.000 | 0.000 | 600.00 | - |
| xxii | Birla Sun Life Fixed Term Plan Series HK | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxiii | Birla Sun Life Fixed Term Plan- Series HB | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxiv | Birla Sun Life Fixed Term Plan-Series HM-Growth | 10 | 8,000,000.000 | 0.000 | 800.00 | - |
| xxv | JP Morgan India Annual Interval Fund-Direct-Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxvi | Reliance Fixed Horizon Fund - XXIV-Series 9-Direct Plan Growth Plan | 10 | 9,000,000.000 | 0.000 | 900.00 | - |
| xxvii | Religare Invesco FMP-Series XX (369 Days) - Direct Plan - Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxviii | Sundaram Fixed Term Plan DQ 366 Days Direct Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |

Non-current Investments contd..

| Particulars | Face Value (Rupees) | Quantity As at March 31, 2014 (Numbers) | Quantity As at March 31, 2013 (Numbers) | Amount As at March 31, 2014 (Rupees in lakh) | Amount As at March 31, 2013 (Rupees in lakh) |
|--|---------------------|---|---|--|--|
| xxix Principal PNB Fixed Maturity Plan - Series B-10-476 Days - Direct Plan Growth | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxx Religare Invesco FMP Sr. XXI Plan E (370 Days) - Direct Plan Growth | 10 | 4,500,000.000 | 0.000 | 450.00 | - |
| xxxi Axis Fixed Term Plan - Series 52 | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxxi Birla Sun Life FTP Series KD (367 Days) | 10 | 9,000,000.000 | 0.000 | 900.00 | - |
| xxxi DWS Fixed Maturity Plan - Series - 62 | 10 | 7,000,000.000 | 0.000 | 700.00 | - |
| xxxi DWS Fixed Maturity Plan - Series 45 | 10 | 15,000,000.000 | 0.000 | 1,500.00 | - |
| xxxi J P Morgan Fixed Maturity Plan Series 31 | 10 | 10,000,000.000 | 0.000 | 1,000.00 | - |
| xxxi Principal PNB Fixed Maturity Plan - Series B12 | 10 | 5,000,000.000 | 0.000 | 500.00 | - |
| xxxi Religare Invesco FMP Series 22 Plan L (14 Months) | 10 | 4,500,000.000 | 0.000 | 450.00 | - |
| xxxi Sundaram Fixed Term Plan EW 366 Days | 10 | 5,511,724.000 | 0.000 | 551.18 | - |
| Sub total (Fixed Maturity Plans) | | | | 25,651.18 | 16,700.00 |
| - In Other Plans | | | | | |
| i Templeton Floating Rate Income Fund Institutional Option - Dividend Reinvestment | 10 | 0.000 | 6,858,593.420 | - | 709.35 |
| ii Templeton Floating Rate Income Fund Retail Option - Dividend Reinvestment | 10 | 0.000 | 166,581.868 | - | 18.17 |
| iii Religare Invesco Active Income Fund - Direct Plan Growth | 1,000 | 0.000 | 43,135.366 | - | 600.00 |
| iv Reliance Yearly Interval Fund Series 1 - Direct Plan-Growth Plan | 10 | 0.000 | 12,000,000.000 | - | 1,200.00 |
| v Reliance Yearly Interval Fund Series 9 - Direct Plan Growth Plan | 10 | 7,500,000.000 | 0.000 | 750.00 | - |
| Sub total (Other Plans) | | | | 750.00 | 2,527.52 |
| Total (b) | | | | 26,451.18 | 19,277.52 |
| Diminution due to change in carrying value of investments | | | | (6.70) | (12.29) |
| Net investments (b) | | | | 26,444.48 | 19,265.23 |
| Total (Non-current quoted Investments) | | | | 26,444.63 | 19,265.38 |
| Aggregate market value of quoted investments | | | | 28,139.08 | 20,234.86 |

(Rupees in lakh)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|----------------------|----------------------|
| 8. Long-term loans and advances | | |
| Loans to staff (secured, considered good) | 145.29 | 123.07 |
| Loan to ICRA Employees Welfare Trust (unsecured, considered good) | 117.13 | 640.47 |
| Advance for Capital Asset | 18.03 | 753.51 |
| Security Deposits | | |
| - Unsecured, considered good | 490.86 | 383.38 |
| - Unsecured, considered doubtful | 5.24 | 4.62 |
| Others (unsecured, considered good) | 373.23 | 229.40 |
| | 1,149.78 | 2,134.45 |
| Less: Provision for doubtful long-term loans and advances | (5.24) | (4.62) |
| | 1,144.54 | 2,129.83 |

9. Current Investments (At Cost)

| Particulars | Face Value (Rupees) | Quantity As at March 31, 2014 (Numbers) | Quantity As at March 31, 2013 (Numbers) | Amount As at March 31, 2014 (Rupees in lakh) | Amount As at March 31, 2013 (Rupees in lakh) |
|--|------------------------|--|--|---|---|
| Mutual Funds - Quoted | | | | | |
| i) Investment in Government or trust securities | | | | | |
| i Citizen Investment Trust | 62.44 | 50,000.000 | 50,000.000 | 31.22 | 31.22 |
| ii) In Other Plans | | | | | |
| i Reliance Money Manager Fund-Growth Plan - Growth Option | 1,000.00 | 0.00 | 55,539.08 | - | 822.34 |
| ii SBI Ultra Short Term Debt Fund-Regular Plan-Growth | 1,000.00 | 0.00 | 74,365.48 | - | 1,000.00 |
| iii Sundaram Ultra ST Fund Retail Growth | 10.00 | 0.00 | 37,167.81 | - | 5.00 |
| iv Religare Invesco Short Term Fund-Direct Plan Growth | 1,000.00 | 0.00 | 38,186.16 | - | 600.00 |
| v Religare Invesco Ultra Short Term Fund - Growth | 1,000.00 | 78,851.22 | 78,851.22 | 1,200.00 | 1,200.00 |
| Total (Mutual Fund Investments) | | | | 1,231.22 | 3,658.56 |
| Diminution due to change in carrying value of investments | | | | - | - |
| Net (Mutual Fund Investments) | | | | 1,231.22 | 3,658.56 |
| Aggregate amount of unquoted investments | | | | - | - |
| Aggregate amount of quoted investments | | | | 1,231.22 | 3,658.56 |
| Total (Current investments) | | | | 1,231.22 | 3,658.56 |
| Aggregate market value of mutual fund (quoted) investments | | | | 1,427.30 | 3,902.53 |

(Rupees in lakh)

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|-------------------------|-------------------------|
| 10. Trade receivables (Unsecured) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| - considered good | 940.64 | 1,409.28 |
| - considered doubtful | 555.27 | 464.10 |
| | 1,495.91 | 1,873.38 |
| Others | | |
| - considered good | 3,343.07 | 3,315.29 |
| - considered doubtful | 3.23 | 11.56 |
| | 3,346.30 | 3,326.85 |
| Total | 4,842.21 | 5,200.23 |
| Less provision for doubtful trade receivables | (558.50) | (475.66) |
| | 4,283.71 | 4,724.57 |

| (Rupees in lakh) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2014 | As at March 31, 2013 |
| 11. Cash and bank balances | | |
| a) Cash and cash equivalents | | |
| Current accounts | 2,584.82 | 2,207.05 |
| Cash on hand | 6.57 | 5.19 |
| Unpaid dividend | 8.17 | 7.17 |
| Balance with bank payable to public offer applicants | 0.39 | 0.39 |
| Cheques, drafts on hand | 0.06 | 7.28 |
| b) Other bank balances | | |
| Bank deposits | 2,558.21 | 2,343.52 |
| Margin money | 176.07 | 164.68 |
| | 5,334.29 | 4,735.28 |
| 12. Short-term loans and advances | | |
| Loans to staff (secured, considered good) | 147.11 | 95.58 |
| With others | | |
| - Unsecured, considered good | 2,102.56 | 1,829.00 |
| - Unsecured, considered doubtful | 10.23 | 15.37 |
| Prepaid taxes (net of provision) | 480.68 | 653.46 |
| | 2,740.58 | 2,593.41 |
| Less: provision for doubtful short-term loans and advances | (10.23) | (15.37) |
| | 2,730.35 | 2,578.04 |
| 13. Other Current Assets | | |
| Interest accrued but not due on investments and deposits | 99.86 | 73.12 |
| Unbilled revenue | 275.62 | 114.08 |
| Other receivables | 6.54 | 1.43 |
| | 382.02 | 188.63 |

| (Rupees in lakh) | | |
|---|------------------|------------------|
| Particulars | 2013-14 Rs. | 2012-13 Rs. |
| 14. Revenue from Operations | | |
| Rating, research and other services fees | 16,424.94 | 14,955.55 |
| Consulting fees | 2,652.22 | 2,573.00 |
| Outsourced and information services | 2,667.60 | 2,159.77 |
| Professional and I.T. services etc. | 6,487.42 | 5,390.19 |
| Sales of Software | 17.48 | - |
| Software services fees | 46.56 | 62.55 |
| | 28,296.22 | 25,141.06 |
| 15. Other Income | | |
| Interest income | 264.73 | 289.78 |
| Dividend income | 20.89 | 55.36 |
| Profit on sale/redemption of investments (net) | 1,416.08 | 1,316.08 |
| Profit on sale of assets (net) | 0.34 | 0.17 |
| Foreign exchange gain (net) | 114.10 | 59.32 |
| Rental income | 1.59 | 2.92 |
| Reversal in diminution in carrying value of investments | 5.59 | - |
| Other non-operating income | 86.02 | 67.68 |
| | 1,909.34 | 1,791.31 |

| (Rupees in lakh) | | |
|--|------------------|------------------|
| Particulars | 2013-14 Rs. | 2012-13 Rs. |
| 16. Employee benefit expense | | |
| Salaries and allowances | 10,418.44 | 9,744.50 |
| Profit sharing | 1,514.14 | 1,268.84 |
| Contribution to provident fund | 428.19 | 388.91 |
| Amortisation of deferred employees compensation | 146.46 | 480.65 |
| Staff welfare expenses | 857.96 | 818.28 |
| Training and recruitment expenses | 58.66 | 83.87 |
| | 13,423.85 | 12,785.05 |
| 17. Finance cost | | |
| Interest expenses | 81.78 | - |
| | 81.78 | - |
| 18. Other Expenses | | |
| (a) Administrative Expenses | | |
| Rent | 765.99 | 734.70 |
| Rates and taxes | 71.87 | 182.35 |
| Repairs and maintenance - building | 14.00 | 0.44 |
| Repairs and maintenance - others | 460.11 | 321.13 |
| Communication expenses | 330.64 | 319.25 |
| Electricity and water expenses | 261.49 | 242.82 |
| Printing and stationery | 179.34 | 236.40 |
| Insurance charges | 47.66 | 43.24 |
| Books and periodicals | 46.55 | 39.69 |
| | 2,177.65 | 2,120.02 |
| (b) Others | | |
| Travelling and conveyance | 1,157.31 | 1,049.43 |
| Directors' sitting fees | 15.82 | 12.83 |
| Legal and professional charges | 2,380.53 | 2,289.85 |
| Conference and meeting expenses | 71.59 | 64.27 |
| Advertisement expenses | 11.59 | 18.43 |
| Auditors' remuneration and expenses | 16.57 | 15.56 |
| Technical services | 33.49 | 51.57 |
| Bad debts/advances written off (net of provisions) | 212.44 | 574.04 |
| Fees and subscription | 40.86 | 38.32 |
| Loss on sale/redemption of investments | - | 0.09 |
| Remuneration to non executive directors | 39.00 | 41.00 |
| Recruitment expenses | 22.21 | 28.31 |
| Miscellaneous expenses | 114.52 | 66.57 |
| | 4,115.93 | 4,250.27 |
| Total (Other expenses) | 6,293.58 | 6,370.29 |

19. Contingent liabilities and capital commitments:-

| | As at March 31, 2014 (Rupees in lakh) | As at March 31, 2013 (Rupees in lakh) |
|---|---|---|
| (1) Contingent liabilities not provided for are as under:- | | |
| Claims against the Company disputed and not acknowledged as debts | - | - |
| Guarantees given by Banks against counter guarantees of the Company | 375.08 | 347.11 |
| Disputed income tax demands | 199.70 | 191.44 |
| Total | 574.78 | 538.55 |

The Group companies have taken the necessary steps to protect the position of each company in respect of all disputed claims and have received competent legal advice to the effect that no provisions are required against these claims. The guarantees have been given in the ordinary course of business and are not likely to result in any liability.

(2) Other commitments:-

| | | |
|---|---------------|---------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (advance given Rs. 92.21 lakh (previous year Rs. 133.27 lakh)) | 159.70 | 270.97 |
| Total | 159.70 | 270.97 |

- 20.** As required under the Micro, Small and Medium Enterprises Development Act, 2006, the disclosure related to Trade Payable (under Note - 5 of "Current Liabilities") is based on the information received from the Suppliers to the Company. Payable to MSME at the end of the year is Rs. NIL (previous year Rs. 0.60 lakh).
- 21.** The Financial Statements of ICRA Sapphire Inc., wholly owned subsidiary, for the year ended March 31, 2014 are unaudited.
- 22.** Pursuant to the resolution passed by the shareholders at the annual general meeting held on June 12, 2006 for the grant of options, 906,000 equity shares amounting to 9.06% of the equity share capital of the Company have been issued to the ICRA Employees Welfare Trust for grant of options to the eligible employees. Accordingly, the ICRA Employees Welfare Trust has granted stock options to those eligible employees from the pool of 906,000 equity shares in two tranches so far. The first tranche was granted during 2006-07 and the second during 2010-11. 549,640 options were exercised till March 31, 2013 and 136,946 options were exercised during the year under review.
- 23.** During the current reporting period, ICRA Techno Analytics Limited has taken loans for acquiring the Office Space jointly with ICRA Online Limited at 17th Floor (29,764 Sq. Ft.) & 18th Floor (8,217 Sq. Ft.) of Infinity Benchmark at G 1, Block EP & GP, Sector V, Salt Lake, Kolkata -700091, on long term Sub-Lease basis. The details of the loans are as under:-
- Loan of Rs. 845 Lakh was taken by ICRA Techno Analytics Limited from Housing Development Finance Corporation Limited at the rate of interest of 12% per annum as secured loan against of the Office Premise under transaction.
 - Loan of Rs. 845 Lakh was taken by ICRA Online Limited from Housing Development Finance Corporation Limited at the rate of interest of 12% per annum as secured loan against of the Office Premise under transaction.
- Out of the above borrowings from Financial Institution Housing Development Finance Corporation Limited, INR 1,647.88 Lakh was outstanding as of March 31, 2014 which is repayable in total 135 equal monthly installments (Previous year outstanding – NIL).

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|-------------|-----------------------------|-----------------------------|
|-------------|-----------------------------|-----------------------------|

24. Segment reporting:-

Segmentwise Revenues and Results

Segment revenues

| | | |
|--|-----------|-----------|
| a) Rating, research and other services | 16,435.65 | 14,987.99 |
| b) Consulting services | 2,681.22 | 2,607.73 |
| c) Outsourced and Information services | 2,689.77 | 2,287.67 |
| d) Professional and I.T. Services etc. | 6,560.78 | 5,470.87 |
| Segment total | 28,367.42 | 25,354.26 |
| Less:- Inter-segment revenue | (71.20) | (213.20) |
| Segment total | 28,296.22 | 25,141.06 |

Segment results

| | | |
|--|------------|------------|
| a) Rating, research and other services | 7,475.07 | 6,593.16 |
| b) Consulting services | 178.64 | 119.89 |
| c) Outsourced and Information services | 656.64 | 350.67 |
| d) Professional and I.T. Services etc. | 1,172.54 | (199.71) |
| Total of all segments | 9,482.89 | 6,864.01 |
| Non-operating income over expenses | 990.62 | 913.02 |
| Depreciation | (601.02) | (483.19) |
| Profit before interest, prior period adjustments and tax | 9,872.49 | 7,293.84 |
| Interest paid | (81.78) | - |
| Profit before prior period adjustments and tax | 9,790.71 | 7,293.84 |
| Exceptional items | - | (89.55) |
| Profit before tax | 9,790.71 | 7,204.29 |
| Provision for tax | (2,898.37) | (1,323.48) |
| Profit after tax before minority interest | 6,892.34 | 5,880.81 |

Note : Fixed assets used in the Group's business or liabilities contracted have not been identified to the reportable segments as the fixed assets and services are used interchangeably.

25. Earning Per Share:-

| | | |
|---|------------|------------|
| Profit after tax | 6,893.04 | 5,915.54 |
| Number of shares outstanding at the end of the period (face value Rs. 10 per share) | 10,000,000 | 10,000,000 |
| Basic earning per share (Rs.) (face value Rs. 10 per share) | 68.93 | 59.16 |
| Diluted earning per share (Rs.) (face value Rs. 10 per share) | 68.93 | 59.16 |
| Cash earning per share (Rs.) (face value Rs. 10 per share) | 76.41 | 68.79 |
| (The earning per share has been calculated on the weighted average basis). | | |
| (Cash EPS is computed after considering Depreciation and Amortisation of Deferred Employees Compensation) | | |

| Particulars | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|---|-----------------------------|-----------------------------|
| 26. Provision for taxes has been arrived at as follows:- | | |
| Current Taxes | | |
| Current income tax | (2,936.15) | (2,427.07) |
| Wealth tax | (0.87) | (0.95) |
| Income tax for previous year | 12.51 | 695.71 |
| Sub Total | (2,924.51) | (1,732.31) |
| Deferred tax | 26.14 | 411.93 |
| MAT Credit Entitlement | - | (3.10) |
| Total | (2,898.37) | (1,323.48) |

27. The Deferred Tax Liability/(Asset) represents the income tax effect of the following:-

| Particulars | As at March 31, 2014 (Rupees in lakh) | As at March 31, 2013 (Rupees in lakh) |
|---|---|---|
| Depreciation | 432.39 | 377.75 |
| Preliminary Expenses | (4.73) | (0.91) |
| Provision for gratuity | (183.40) | (151.33) |
| Provision for leave encashment | (134.13) | (118.89) |
| Provision for leave travel allowance | (30.05) | (24.61) |
| Provision for medical | (14.85) | (11.98) |
| Provision for doubtful debts | (69.46) | (74.14) |
| Provision for doubtful loans and advances | (1.70) | (1.50) |
| Diminution due to change in carrying value of investments | (2.17) | (3.98) |
| Disallowance under the Income Tax Act, 1961 | (2.27) | (43.31) |
| Disallowance u/s 35D | - | (0.05) |
| Provision for doubtful out of pocket expenses | (3.13) | (4.52) |
| Fiscal Loss | (179.01) | (147.19) |
| Business loss carried forward | (19.91) | (13.36) |
| | (212.42) | (218.02) |

28. Related Party Disclosure:-

| Name and Relationship | Name of the Company | Nature of Transaction | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|---|---|--|---|---|
| Mr. P.K. Choudhury (Chairman & Group CEO) | ICRA Limited | Managerial remuneration | 213.93 | 202.46 |
| Mr. Naresh Takkar (Managing Director & CEO) | ICRA Limited | Managerial remuneration Loan outstanding | 214.62 21.66 | 196.41 - |
| Mr. R. Raghuttama Rao (Whole-time Director) | ICRA Management Consulting Services Limited | Managerial remuneration | 81.02 | 79.42 |
| Mr. Prateep Kumar Guha (Whole-time Director) | ICRA Techno Analytics Limited | Managerial remuneration | 57.57 | 50.60 |
| Ms. Sushmita Ghatak (Chief Operating Officer & Executive Director) | ICRA Online Limited | Managerial remuneration Loan | 60.26 22.62 | 50.31 14.32 |
| Ms. Minon Almasyhur (Whole-time Director) | PT ICRA Indonesia | Managerial remuneration | 80.44 | 65.22 |
| Mr. W. Don Barnabas (Whole-time Director) | ICRA Lanka Limited | Managerial remuneration | 23.95 | 14.64 |
| Mr. Deepak Raj Kafle (Managing Director) | ICRA Nepal Limited | Managerial remuneration | 7.47 | 7.49 |
| Moody's Investment Company India Private Limited (Associate Company) | | Rent recovered Dividend Paid Reimbursement of expenses paid/payable Amount receivable | - 627.20 12.95 3.50 | 1.31 570.18 15.70 - |
| Moody's Investors Service (Associate Company) | | Professional services used Reimbursement of expenses paid/payable Amount receivable | 1,322.70 - 249.14 | 852.76 - 69.09 |
| Moody's Credit Assessment Inc. (Associate Company) | | Outsourced Services Rendered Net Amount Receivable (Net of TDS) | 81.60 - | 32.84 8.08 |
| Moody's Investors Service Pty Limited (Associate Company) | | Outsourced Services Rendered Net Amount Receivable (Net of TDS) | 11.87 0.96 | 10.10 0.94 |
| Moody's Analytics (Associate Company) | | Outsourced Services Rendered Net Amount Receivable (Net of TDS) | 5.20 - | 14.14 - |
| Moody's Analytics Inc (Associate Company) | | Outsourced Services Rendered Net Amount Receivable (Net of TDS) | 578.52 76.54 | 606.45 53.88 |
| Moody's Analytics UK Ltd (Associate Company) | | Outsourced Services Rendered Net Amount Receivable (Net of TDS) | 1.25 - | 1.23 - |
| Moody's Investors Service Limited (Associate Company) | | Outsourced Services Rendered Net Amount Receivable (Net of TDS) | 136.70 22.19 | 95.78 36.25 |
| MIS Quality Management Service (Associate Company) | | Professional services used Reimbursement of expenses paid/payable Amount receivable | 6.76 - 0.83 | 5.94 - 0.74 |

29. Operating Leases:-

The Company has taken certain premises under operating lease. The Company shares leased and owned premises with other companies from whom it receives rent in accordance with mutually agreed arrangements.

a) Details of payments and future commitments are as under:-

| | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|--|-----------------------------|-----------------------------|
| Lease payment recognised in the statement of Profit and Loss | 952.04 | 849.47 |

Future minimum lease payments:-

| | March 31, 2014 (Rupees in lakh) | March 31, 2013 (Rupees in lakh) |
|--|------------------------------------|------------------------------------|
| Not later than one year | 704.99 | 781.66 |
| Later than one year but not later than 5 years | 2,204.72 | 2,704.19 |
| Later than 5 years | 253.04 | 851.06 |
| | 3,162.75 | 4,336.91 |

b) Details of sub-lease receipts are as under:-

| | 2013-14 (Rupees in lakh) | 2012-13 (Rupees in lakh) |
|---|-----------------------------|-----------------------------|
| Sub-lease receipts recognised in the statement of Profit and Loss | 58.05 | 76.34 |

Future minimum sub-lease receipts:-

| | March 31, 2014 (Rupees in lakh) | March 31, 2013 (Rupees in lakh) |
|--|------------------------------------|------------------------------------|
| Not later than one year | 158.33 | 167.67 |
| Later than one year but not later than 5 years | 95.21 | 467.07 |
| Later than 5 years | - | 121.16 |
| | 253.54 | 755.90 |

30. Figures are expressed in lakhs of rupees.

31. The previous year figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached
for VIPIN AGGARWAL & ASSOCIATES
Chartered Accountants
(Registration No. 014454N)

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

Place : New Delhi
Dated : May 14, 2014

For and on behalf of the Board

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

(PK. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

(VIJAY WADHWA)
C.F.O. & CO. SECRETARY

CASH FLOW STATEMENT FOR 2013-14*(Rupees in lakh)*

| Particulars | 2013-14 Increase/(Decrease) | 2012-13 Increase/(Decrease) |
|---|--------------------------------|--------------------------------|
| A. Cash Flow from Operating Activities: | | |
| Profit Before Taxation from ordinary activities | 9,790.71 | 7,204.29 |
| Adjustments for: | | |
| Depreciation and amortisation | 601.02 | 483.19 |
| Provision for employee benefits | 300.75 | 349.83 |
| (Profit) / Loss on sale of fixed assets (Net) | 16.34 | 3.00 |
| (Profit) / Loss on sale of Investments (Net) | (1,416.08) | (1,315.99) |
| Interest received on deposits and securities | (264.73) | (289.78) |
| Dividend income | (20.89) | (55.36) |
| Non-operating income (other than interest and dividend) | (201.71) | (129.92) |
| Interest Paid on Loans | 81.78 | - |
| Income accrued but not due | (193.39) | 6.51 |
| Reversal in diminution in carrying value of Investments | (5.59) | - |
| Provision for diminution in carrying value of investments | - | 3.54 |
| Amortisation of deferred employees compensation | 146.46 | 480.65 |
| Adjustment for securities premium for options exercised during the year | (778.78) | (741.48) |
| Minority Interest relating to post acquisition profit | 0.70 | 34.73 |
| Operating Profit before Working Capital changes | 8,056.59 | 6,033.21 |
| Adjustments for: | | |
| Trade & Other Receivables | | |
| Trade receivables | 440.86 | (1,025.37) |
| Loans & advances | 224.09 | (1,829.43) |
| Sundry deposits | (87.23) | (95.57) |
| Trade Payables | | |
| Trade payables | 35.06 | 73.21 |
| Advances received | 423.78 | 29.52 |
| Other liabilities | 1,962.89 | 736.74 |
| Paid to Public Offer Applicants | - | (0.06) |
| Cash generated from / (used in) operations | 11,056.04 | 3,922.25 |
| Taxes paid (net) | (2,718.28) | (1,525.33) |
| Net cash generated from / (used in) operating activities (A) | 8,337.76 | 2,396.92 |

Contd...

(Rupees in lakh)

| Particulars | 2013-14 Increase/(Decrease) | 2012-13 Increase/(Decrease) |
|---|--|--|
| B. Cash Flow from Investing Activities: | | |
| Purchase of fixed assets | (3,724.19) | (531.61) |
| Sale proceeds from fixed assets | 38.12 | 69.75 |
| Investments made during the year | (24,166.88) | (12,902.93) |
| Sale proceeds from investments | 20,836.65 | 14,908.29 |
| Loan repaid by ICRA Employees Welfare Trust | 523.34 | 633.99 |
| Interest received on deposits and securities | 264.73 | 289.78 |
| Dividend income | 20.89 | 55.36 |
| Other income | 201.71 | 129.92 |
| Goodwill on acquisition of subsidiaries | 26.97 | (3,220.80) |
| Foreign currency translation reserve | 521.50 | (59.87) |
| Net Cash generated from / (used in) Investing Activities (B) | (5,457.16) | (628.12) |
| C. Cash Flow from Financing Activities: | | |
| Increase in securities premium | 778.78 | 741.48 |
| Unpaid dividend | 1.00 | 1.28 |
| Interest paid on loans | (81.78) | - |
| Minority interest | (405.70) | 462.75 |
| Dividend and dividend tax paid | (2,573.89) | (2,324.45) |
| Net cash generated from/(used in) financing activities (C) | (2,281.59) | (1,118.94) |
| Net increase/(decrease) in cash and bank balances (A+B+C) | 599.01 | 649.86 |
| Cash and bank balances (opening balance) | 4,735.28 | 4,085.42 |
| Cash and bank balances (closing balance) | 5,334.29 | 4,735.28 |
| Net increase/(decrease) in cash and bank balances | 599.01 | 649.86 |
| As per our report of even date attached for VIPIN AGGARWAL & ASSOCIATES Chartered Accountants (Registration No. 014454N) | For and on behalf of the Board | |
| (VIPIN AGGARWAL) PARTNER MEMBERSHIP NO.: 016544 | (NARESH TAKKAR) MANAGING DIRECTOR & C.E.O. (DIN: 00253288) | (P.K. CHOUDHURY) CHAIRMAN & GROUP C.E.O. (DIN: 00015470) |
| Place : New Delhi Dated : May 14, 2014 | (VIJAY WADHWA) C.F.O. & CO. SECRETARY | |

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies for the year ended March 31, 2014

(Rs. in lakh)

| 1 | Name of the Subsidiary Company | ICRA Management Consulting Services Limited (IMaCS) | ICRA Techno Analytics Limited | ICRA Online Limited | PT ICRA Indonesia | ICRA Lanka Limited | ICRA Nepal Limited | Pragati Development Consulting Services Limited (PDCSL) | IMaCS Virtus Global Partners, Inc. (IVGP) | ICRA Saphier Inc. | ICRA Global Capital, Inc. (Including BPA Technologies, Inc.) |
|---|---|---|-------------------------------|---------------------|--------------------------------|--------------------|----------------------------|---|--|---|--|
| 2 | Financial year of the Subsidiary ended on | March 31, 2014 | March 31, 2014 | March 31, 2014 | December 31, 2013 (See Note 1) | March 31, 2014 | July 15, 2013 (See Note 2) | March 31, 2014 | March 31, 2014 | March 31, 2014 | March 31, 2014 |
| 3 | Holding Company's share in Equity Share Capital | 100% | 100% | 100% | 99% | 100% | 51% | 100% (PDCSL is a 100% subsidiary of IMaCS) | 66.67% (IMaCS holds 66.67% Equity Share in IVGP) | 100% holding by ICRA Techno Analytics Limited | 100% holding by ICRA Techno Analytics Limited |
| 4 | Net aggregate amount of the Profits of the subsidiary not dealt with in the Holding Company's accounts. (i) Profits/(Losses) for the Current Financial Year of the Subsidiary Company (ii) Profits/(Losses) for the Previous Financial Year of the Subsidiary Company, since it became the subsidiary of ICRA | 123.55 20.02 | 593.69 196.58 | 402.11 230.13 | (260.49) (194.45) | (33.61) (32.07) | 3.85 (10.99) | 11.65 7.41 | 0.04 (0.62) | 48.10 (263.41) | 119.52 (82.90) |
| 5 | Net aggregate amount of the Profits of the subsidiary dealt with in the Holding Company's accounts. (i) For the Current Financial Year of the Subsidiary Company (ii) For the Previous Financial Year of the Subsidiary Company, since it became the subsidiary of ICRA | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |
| 6 | Details of material changes occurred between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of (i) Purchase of Equity Shares of Subsidiary from erstwhile Shareholder (ii) Investment in Equity Shares of Subsidiary | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil | Nil Nil |

Notes:-

1. The financial year of PT ICRA Indonesia ends on December 31. However, the above details are for the year ended on March 31, 2014.
2. The financial year of ICRA Nepal Limited ends on July 15. However, the above details are for the year ended on March 31, 2014.

For and on behalf of the Board

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

(PK. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

Place : New Delhi
Dated : May 14, 2014

(VIJAY WADHWA)
C.F.O. & CO. SECRETARY

Statement containing brief financial details of Subsidiary Companies as on March 31, 2014

(Rs. in lakh)

| 1 | Name of the Subsidiary Company | ICRA Management Consulting Services Limited | ICRA Techno Analytics Limited | ICRA Online Limited | PT. ICRA Indonesia | ICRA Lanka Limited | ICRA Nepal Limited | Pragati Development Consulting Services Limited | IMaCS Virtus Global Partners, Inc. | ICRA Sapphire Inc. | ICRA Global Capital, Inc. (Including BPA Technologies, Inc.) |
|----|---|--|--|--|--|--|---|---|------------------------------------|----------------------------------|--|
| 2 | Country | India | India | India | Indonesia | Sri Lanka | Nepal | India | USA | USA | USA |
| 3 | Reporting Currency | INR | INR | INR | IDR | LKR | NPR | INR | USD | USD | USD |
| 4 | Exchange Rate | 1 | 1 | 1 | 0.005337 | 0.459521 | 0.624414611 | 1 | 60.96 | 60.10 | 60.10 |
| 5 | Share Capital | 1,50,00,000 equity shares of Rs. 10/- each fully paid up | 2,14,53,351 equity shares of Rs. 10/- each fully paid up | 89,51,458 equity shares of Rs. 10/- each fully paid up | 16,33,671 equity shares of IDR 10,000 each fully paid up | 59,48,900 equity shares of LKR 10/- each fully paid up | 2,00,000 equity shares of NPR100/- each fully paid up | 50,000 equity shares of Rs. 10/- each fully paid up | 75,000 equity shares fully paid up | 2479 equity shares fully paid up | 1,10,75,000 equity shares fully paid up |
| 6 | Reserves & Surplus | 942.50 | 5,460.95 | 1,028.67 | (859.06) | (126.16) | (12.38) | 23.32 | (70.60) | (252.97) | 390.60 |
| 7 | Total Assets | 2,922.79 | 9,234.10 | 3,114.32 | 371.18 | 132.11 | 138.31 | 86.79 | 7.28 | 1,477.36 | 5,608.72 |
| 8 | Total Liabilities | 2,922.79 | 9,234.10 | 3,114.32 | 371.18 | 132.11 | 138.31 | 86.79 | 7.28 | 1,477.36 | 5,608.72 |
| 9 | Investments other than Investment in Subsidiary | 43.30 | 0 | 0 | 0 | 0 | 31.22 | 0 | 0 | 0 | 0 |
| 10 | Turnover | 2,573.55 | 2,794.31 | 2,736.33 | 83.12 | 20.92 | 41.68 | 128.24 | - | 1,559.16 | 2,774.09 |
| 11 | Profit/(Loss) Before Taxation | 180.07 | 889.12 | 620.32 | (303.28) | (38.03) | 5.71 | 17.69 | 0.04 | 48.10 | 168.38 |
| 12 | Provision for Taxation | (56.62) | (295.43) | 218.21 | 42.79 | 4.42 | 1.86 | (6.04) | 0 | 0 | (48.86) |
| 13 | Profit After Taxation after Minority Interest | 123.55 | 593.69 | 402.11 | (260.49) | (33.61) | 3.85 | 11.65 | 0.04 | 48.10 | 119.52 |
| 14 | Proposed Dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Notes:-

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31/03/14.
2. IDR denotes Indonesian Rupiah, LKR denotes Sri Lankan Rupee. NPR denotes Nepalese Rupee and USD denotes United States Dollar.
3. The financial year of PT ICRA Indonesia ends on December 31. However, the above details are for the year ended on March 31, 2014.
4. The financial year of ICRA Nepal Limited ends on July 15. However, the above details are for the year ended on March 31, 2014.

Place : New Delhi
Dated : May 14, 2014

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.
(DIN: 00253288)

For and on behalf of the Board

(PK. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.
(DIN: 00015470)

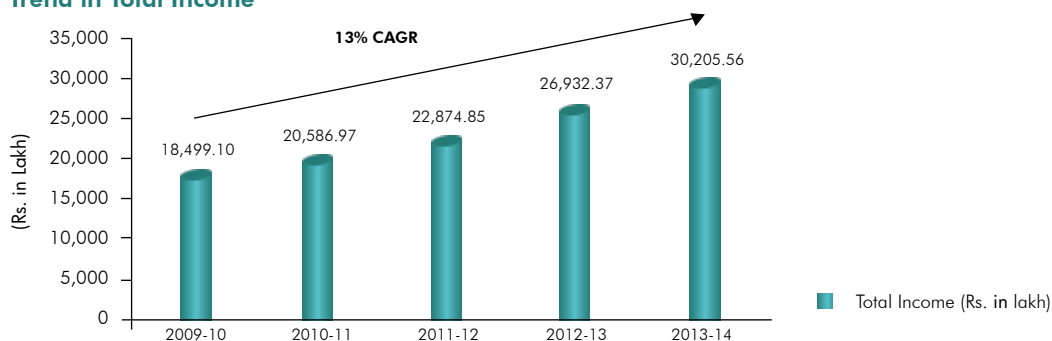
Financial Highlights of Group ICRA

| | Particulars | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|----|--|-----------------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | Operating Income | 7,060.75 | 9,945.17 | 13,581.95 | 16,232.08 | 19,302.91 | 20,746.17 | 25,141.06 | 28,296.22 |
| 2 | Non-Operating Income | 600.10 | 787.85 | 1,401.71 | 2,267.02 | 1,284.06 | 2,128.68 | 1,791.31 | 1,909.34 |
| 3 | Total Income | 7,660.85 | 10,733.02 | 14,983.66 | 18,499.10 | 20,586.97 | 22,874.85 | 26,932.37 | 30,205.56 |
| 4 | PBDIT | 3,010.51 | 4,422.02 | 6,057.36 | 8,340.64 | 7,850.35 | 8,382.95 | 7,687.48 | 10,473.51 |
| 5 | Depreciation | (288.62) | (380.44) | (364.80) | (414.43) | (452.63) | (465.30) | (483.19) | (601.02) |
| 6 | Interest | (4.77) | (0.09) | (1.70) | (0.48) | (0.07) | (0.47) | - | (81.78) |
| 7 | Prior Period Adjustments (See Note) | | (1.44) | (9.67) | 0.29 | - | - | - | - |
| 8 | Profit Before Tax | 2,717.12 | 4,040.05 | 5,681.19 | 7,926.02 | 7,397.65 | 7,917.18 | 7,204.29 | 9,790.71 |
| 9 | Tax Provision | (717.86) | (1,192.38) | (1,792.03) | (2,578.39) | (2,589.45) | (2,531.12) | (1,323.48) | (2,898.37) |
| 10 | Profit After Tax (after minority interest) | 1,999.26 | 2,847.67 | 3,889.16 | 5,347.81 | 4,811.03 | 5,400.89 | 5,915.54 | 6,893.04 |
| 11 | Prior Period Adjustments (See Note) | (0.22) | | | | | | - | - |
| 12 | Equity Share Capital | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| 13 | Securities Premium | 6,511.23 | 6,511.23 | 6,511.23 | 6,511.23 | 6,511.23 | 6,939.37 | 7,680.85 | 8,459.63 |
| 14 | Net Worth | 14,736.37 | 16,385.51 | 18,871.36 | 22,172.39 | 25,704.81 | 30,161.33 | 33,923.75 | 38,793.86 |
| 15 | Earnings Per Share (Rs.) | 22.64 (Annualised) | 28.48 | 38.89 | 53.48 | 48.11 | 54.01 | 59.16 | 68.93 |
| 16 | Book Value Per Share (Rs.) | 147.36 | 163.86 | 188.71 | 221.72 | 257.05 | 301.61 | 339.24 | 387.94 |

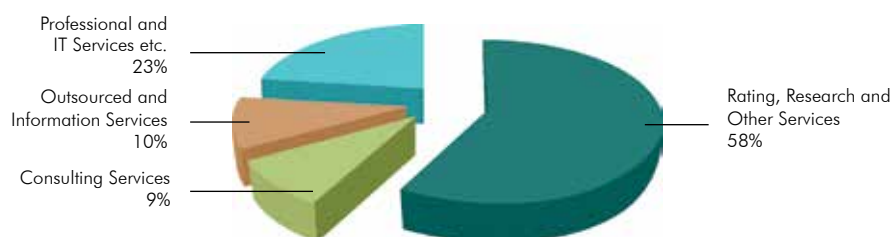
Note: Prior Period Adjustments up to the financial year 2006-07 are reflected below "Profit After Tax", and with effect from the financial year 2007-08 the same are reflected above "Profit After Tax".

Group ICRA: Selective Data/Ratio Analysis

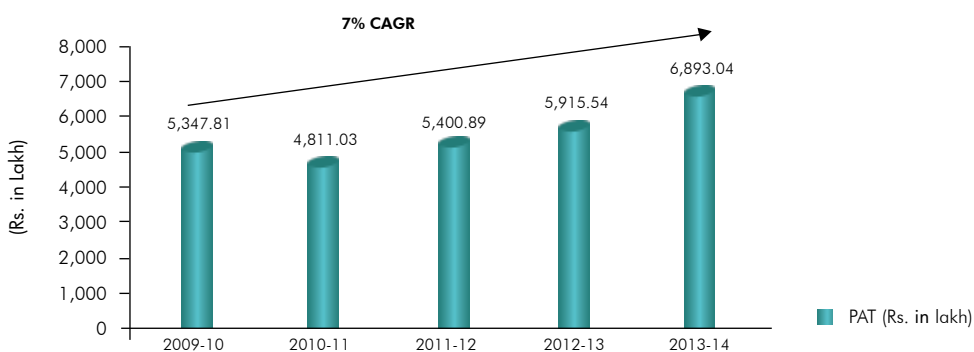
Trend in Total Income



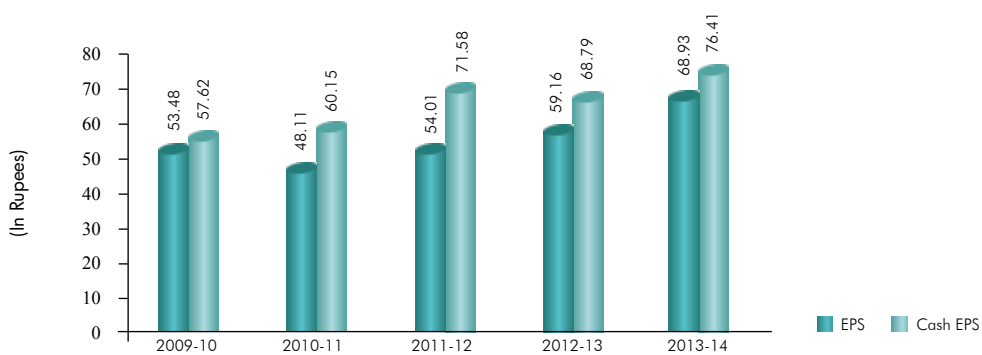
Segment-Wise Revenue 2013-14



Trend in Profit after Tax (after Minority Interest)



Trend in EPS and Cash EPS



NOTICE

Notice is hereby given that the **Twenty-Third** Annual General Meeting of the Members of **ICRA Limited** will be held on Wednesday, the 13th day of August, 2014, at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended as on that date, and the Directors' Report and the Auditors' Report thereon.
2. To declare Dividend on the Equity Shares for the year ended March 31, 2014.
3. To appoint a Director in place of Dr. Min Ye (DIN: 06552282), who retires by rotation, and being eligible, offers himself for reappointment.
4. To reappoint Auditors and to fix their remuneration, and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution** pursuant to Section 139 of the Companies Act, 2013:

"RESOLVED THAT pursuant to the provisions of Section 139, and other applicable provisions, if any, of the Companies Act, 2013, M/s. Vipin Aggarwal & Associates, Chartered Accountants (Registration No. 014454N), be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company."

SPECIAL BUSINESS

5. To reappoint Dr. Uddesh Kohli as an Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Dr. Uddesh Kohli (DIN: 00183409) be and is hereby reappointed as an Independent Director of the Company for five consecutive years, effective August 13, 2014 up to August 12, 2019, with the period of office not liable to determination by retirement-by-rotation.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company."

6. To reappoint Prof. Deepak Nayyar as an Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Prof. Deepak Nayyar (DIN: 00348529) be and is hereby reappointed as an Independent Director of the Company for five consecutive years, effective August 13, 2014 up to August 12, 2019, with the period of office not liable to determination by retirement-by-rotation.

NOTICE

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company.”

7. To reappoint Mr. Piyush Gunwantrai Mankad as an Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Piyush Gunwantrai Mankad (DIN: 00005001) be and is hereby reappointed as an Independent Director of the Company for five consecutive years, effective August 13, 2014 up to August 12, 2019, with the period of office not liable to determination by retirement-by-rotation.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company.”

8. To reappoint Mr. Amal Ganguli as an Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, read with Schedule IV of the Companies Act, 2013, as amended from time to time, Mr. Amal Ganguli (DIN: 00013808) be and is hereby reappointed as an Independent Director of the Company for five consecutive years, effective August 13, 2014 up to August 12, 2019, with the period of office not liable to determination by retirement-by-rotation.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company.”

By Order of the Board of Directors
For ICRA Limited

(Vijay Wadhwa)
CFO & Company Secretary

Place: New Delhi
Date: May 14, 2014

CIN: L74999DL1991PLC042749
Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110 001
Telephone No.: +91-11-23357940-50
Fax No.: +91-11-23357014
Website: www.icra.in
Email ID: investors@icraindia.com

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the said meeting and vote on her/his behalf, and the proxy need not be a Member of the Company.
2. Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
3. A proxy form duly stamped and executed, in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting.
4. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
5. Members/Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
6. The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business under Item Nos. 5, 6, 7 and 8 above are annexed hereto and form a part of this Notice.
7. Members holding shares in the physical form are requested to send the advice about any change in their registered address or bank particulars, to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, quoting their folio number. **Members holding shares in the electronic form must send the advice about any change in their registered address or bank particulars to their respective Depository Participants and not to the Company.**
8. Pursuant to Section 20 of the Companies Act, 2013, read with Rule 35 of the Companies (Incorporation) Rules, 2014, companies are allowed to send to their Members notices/documents in the electronic form. To enable the Company send its Annual Report, Notice of AGM, and other documents for the financial year ended March 31, 2014 electronically, Members are requested to update (in case of change)/register, at the earliest, their email IDs with their Depository Participants in case the shares are held in the electronic form or the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited, in case the shares are held in the physical form. The Company will continue to send the said documents in the physical form to such Members whose email IDs it does not have and to those who request delivery of the said documents in the physical form.

Notes:

9. Pursuant to Section 123(5) of the Companies Act, 2013, and the Securities and Exchange Board of India's Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 regarding use of electronic payment modes for making payments to investors, **Members are requested to update their bank account and latest address details with their respective Depository Participants** (for shares held in the electronic form) or **submit duly completed NECS mandate forms** (available on the Company's website) along with a photocopy of their cheques to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of the same for payment of Dividend. Your Company provides National Electronic Clearing Service (NECS) for payment of Dividend. Through NECS, Members can receive their Dividend electronically by way of direct credit to their bank accounts. This obviates problems like loss/fraudulent interception of Dividend warrants during postal transit while also expediting payment. It is strongly recommended that Members opt for NECS, if not done already. Members may kindly note that NECS details are accessed from the Depositories (for shares held in the electronic form) and from the Company's Registrar and Share Transfer Agent (for shares held in the physical form) and used for payment of Dividend.
10. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 (ten) days prior to the date of the Annual General Meeting so as to enable the Company keep the information ready.
11. Members may write to the Company Secretary of the Company for the annual accounts of the Subsidiary Companies. The annual accounts of the Subsidiary Companies shall also be available for inspection by any Member at the Registered Office of the Company.
12. In all correspondence with the Company or with its Share Transfer Agent, Members are requested to quote their Client ID Number and their DP ID Number if the shares are held in the dematerialised form; in case the shares are held in the physical form, they must quote their folio number.
13. The Register of Members and Share Transfer Books of the Company shall remain closed from August 8, 2014 to August 12, 2014 (both days inclusive) for determining the names of Members eligible to receive the Dividend declared, if any, on the Equity Shares of the Company.
14. If the Members approve the payment of Dividend at the forthcoming Annual General Meeting, the Dividend shall be paid to all those Members whose names appear in the Register of Members as on August 7, 2014, and to all those Members whose names appear as beneficial owners as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited on the close of business hours as on that date.
15. Those Members who have not yet encashed/claimed the Dividend of the Company for any/all of the financial years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 are requested to encash/claim the same immediately. In terms of Section 205C of the Companies Act, 1956, the Company shall be required to transfer the unclaimed/unpaid Dividend of the Company on the expiry of seven years from the date it became due for payment, to the "Investor Education and Protection Fund", and subsequently, the Shareholders shall not have any right to claim the said Dividend from the Company or from the said Fund.

Notes:

The details of the un-encashed/unclaimed Dividend for the Financial Years 2006-07 to 2012-13 as on March 31, 2014 are as under:

| Dividend for the year | Unclaimed/Unpaid Dividend as on March 31, 2014 (Rs.) | Due date of transfer to Investor Education and Protection Fund |
|------------------------------|---|---|
| 2006-07 | 87,394.50 | September 2, 2014 |
| 2007-08 | 1,52,800.00 | September 4, 2015 |
| 2008-09 | 88,692.00 | September 10, 2016 |
| 2009-10 | 1,27,789.00 | September 18, 2017 |
| 2010-11 | 87,261.00 | September 18, 2018 |
| 2011-12 | 1,49,140.00 | September 9, 2019 |
| 2012-13 | 1,23,574.00 | September 8, 2020 |

16. The information required to be furnished under Clause 49 of the Listing Agreement about the Directors seeking appointment/reappointment is annexed hereto and forms a part of this Notice.
17. All documents referred to in this Notice and the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during office hours on all working days up to the date of declaration of the result of the 23rd Annual General Meeting of the Company.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

Dr. Uddesh Kohli is an Independent Director of ICRA. He is an Engineer from the Indian Institute of Technology, Roorkee, and holds a Post-Graduate Diploma in Industrial Administration from the Manchester University, UK. He obtained his Ph.D. in Economics from the Delhi School of Economics. Dr. Kohli has been Chairman and Managing Director of Power Finance Corporation Limited, and has worked with the Planning Commission, Government of India, reaching the position of Advisor (Additional Secretary level). He has carried out international assignments for Asian Development Bank, United Nations Industrial Development Organization, United Nations Development Programme and United Nations Office for Project Services. He is at present a Director on the Boards of ALSTOM India Limited, Lanco Infratech Limited, PTC India Financial Services Limited, National Energy Trading and Services Limited, and ICRA Techno Analytics Limited. Dr. Kohli's areas of expertise include development planning, finance, project formulation, appraisal, sustainability and monitoring, power/energy planning, corporate social responsibility training and human resource development.

While Dr. Kohli was originally appointed as an Independent Director liable to retire by rotation under the provisions of the Companies Act, 1956, under the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation. Pursuant to the provisions of sub-sections (4), (10), (11) of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the reappointment of Dr. Kohli for a period of five consecutive years with effect from August 13, 2014. In the opinion of the Board of Directors, Dr. Kohli fulfils the conditions specified in the Companies Act, 2013, and the Rules made there under, and the Listing Agreement. The Board considers it in the interest of the Company to reappoint Dr. Kohli as an Independent Director.

Dr. Kohli does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Dr. Kohli, is in any way interested or concerned with this resolution. Details regarding Dr. Kohli have been presented in the Annexure to this Notice.

Item No. 6

Prof. Deepak Nayyar, an eminent economist, is an Independent Director of ICRA. He is Professor of Economics at Jawaharlal Nehru University, New Delhi. Earlier, he has taught at the University of Oxford, the University of Sussex, the Indian Institute of Management Calcutta, and the New School for Social Research, New York. Prof. Nayyar was Vice-Chancellor of the University of Delhi from 2000 to 2005. He has also served as Chief Economic Adviser to the Government of India and Secretary in the Ministry of Finance. In the past, he was a Director on the Boards of State Trading Corporation of India, State Bank of India, Export-Import Bank of India, Maruti Udyog and Steel Authority of India Limited. At present, he is on the Board of Birla Corporation Limited and of Oil and Natural Gas Corporation Limited. He was educated at St. Stephen's College, University of Delhi. Thereafter, as a Rhodes Scholar, he went on to study at Balliol College, University of Oxford, where he obtained a B. Phil and a D. Phil in Economics. He has received the V.K.R.V. Rao Award for his contribution to research in Economics. He is an Honorary Fellow of Balliol College, Oxford. Prof. Nayyar served as Chairman of the Board of Governors of the UNU World Institute for Development Economics Research, Helsinki, a Member of the Board of Directors of the Social Science Research Council in the United States, and Chairman of the Advisory Council for the Department of International Development, Queen Elizabeth House, University of Oxford. He has also served as a member of the National Knowledge Commission in India and Vice-President of the International Association of Universities, Paris.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

While Prof. Nayyar was originally appointed as an Independent Director liable to retire by rotation under the provisions of the Companies Act, 1956, under the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation. Pursuant to the provisions of sub-sections (4), (10), (11) of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the reappointment of Prof. Nayyar for a period of five consecutive years with effect from August 13, 2014. In the opinion of the Board of Directors, Prof. Nayyar fulfils the conditions specified in the Companies Act, 2013, and the Rules made there under, and the Listing Agreement. The Board considers it in the interest of the Company to reappoint Prof. Nayyar as an Independent Director.

Prof. Nayyar does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Prof. Nayyar, is in any way interested or concerned with this resolution. Details regarding Prof. Nayyar have been presented in the Annexure to this Notice.

Item No. 7

Mr. Piyush Gunwantrao Mankad is a retired civil servant, with a distinguished career of over 40 years in the Indian Government. Born in 1941, Mr. Mankad had his college education in Delhi University, doing his Bachelor's and Master's Degrees in Humanities, topping the University. He later did a Diploma (with Distinction) in Development Studies at the Cambridge University, UK. He joined the prestigious Indian Administrative Service in 1964, topping his batch. His major official postings included Controller of Capital Issues, Ministry of Finance, Government of India; Principal Finance Secretary, Government of Madhya Pradesh; Secretary in the Ministries of Industry, Government of India; Chairman of the Foreign Investment Promotion Board; Secretary, Information and Broadcasting; and Finance/Revenue Secretary, Government of India. His overseas assignments include those as Counsellor Economic, Embassy of India, Tokyo, and Executive Director for India, Bhutan, Bangladesh, Laos and Tajikistan and Board Member, Asian Development Bank, Manila, which was his last official assignment till July 2004. He has wide ranging experience of diverse sectors, both economic and social, and his major areas of experience and expertise include public administration, finance, capital market development and regulation, and industrial and investment promotion. As Controller of Capital Issues, Government of India, from 1985 to 1990, he was associated with many pioneering steps to develop and modernise the Indian Capital Markets, including the establishment of the first Rating Agency and the setting up of the Securities and Exchange Board of India. He is currently on the Board of several highly regarded companies in the private sector as Independent Director, including from the Tata and Mahindra Groups, in addition to ICRA, and is also on various Governing Bodies/Trusts, including the Army Group Insurance Fund; Society of Capital Market Development and Research; and the Lady Shriram College for Women, New Delhi. He also serves, from time to time, on official committees, and is currently the Chairman of a Government of India Task Force on Public Sector Enterprises.

While Mr. Mankad was originally appointed as an Independent Director liable to retire by rotation under the provisions of the Companies Act, 1956, under the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation. Pursuant to the provisions of sub-sections (4), (10), (11) of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the reappointment of Mr. Mankad for a period of five consecutive years with effect from August 13, 2014. In the opinion of the Board of Directors, Mr. Mankad fulfils the conditions specified in the Companies Act, 2013, and the Rules made there under, and the Listing Agreement. The Board considers it in the interest of the Company to reappoint Mr. Mankad as an Independent Director.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

Mr. Mankad does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Mankad, is in any way interested or concerned with this resolution. Details regarding Mr. Mankad have been presented in the Annexure to this Notice.

Item No. 8

Mr. Amal Ganguli is an Independent Director of ICRA. He is a Fellow of the Institute of Chartered Accountants in England & Wales as well as The Institute of Chartered Accountants of India. He did his training in London, and worked there with Peat Marwick Mitchell & Co. Mr. Ganguli joined Price Waterhouse in India in 1964, became a Partner of the firm in 1969 and from 1996 till the time of his retirement, was the Chairman and Senior Partner of PricewaterhouseCoopers in India. He has been a member of several study groups of The Institute of Chartered Accountants of India and has also worked as an independent short-term consultant to the World Bank after his retirement. Mr. Ganguli is on the Boards of a number of companies including HCL Technologies Limited, New Delhi Television Limited, Century Textiles and Industries Limited, AVTEC Limited, Maruti Suzuki India Limited and Tata Communications Limited.

While Mr. Ganguli was originally appointed as an Independent Director liable to retire by rotation under the provisions of the Companies Act, 1956, under the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation. Pursuant to the provisions of sub-sections (4), (10), (11) of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the reappointment of Mr. Ganguli for a period of five consecutive years with effect from August 13, 2014. In the opinion of the Board of Directors, Mr. Ganguli fulfils the conditions specified in the Companies Act, 2013, and the Rules made there under, and the Listing Agreement. The Board considers it in the interest of the Company to reappoint Mr. Ganguli as an Independent Director.

Mr. Ganguli does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Ganguli, is in any way, interested or concerned with this resolution. Details regarding Mr. Ganguli have been presented in the Annexure to this Notice.

By Order of the Board of Directors
For ICRA Limited

(Vijay Wadhwa)
CFO & Company Secretary

Place: New Delhi
Date: May 14, 2014

CIN: L74999DL1991PLC042749
Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110 001
Telephone No.: +91-11-23357940-50
Fax No.: +91-11-23357014
Website: www.icra.in
Email ID: investors@icraindia.com

Details of the Directors Seeking Appointment/Reappointment at the Twenty-Third Annual General Meeting Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges

| Name of Director | Dr. Min Ye | Dr. Uddesh Kohli | Prof. Deepak Nayyar | Mr. Piyush Gunwantra Mankad | Mr. Amal Ganguli |
|--|--|--|--|---|--|
| Date of Birth | May 2, 1963 | December 12, 1940 | September 26, 1946 | November 18, 1941 | October 17, 1939 |
| Relationship with other Directors inter se | None | None | None | None | None |
| First Date of Appointment | May 24, 2013 | October 15, 2001 | February 4, 2002 | March 30, 2006 | March 30, 2006 |
| Expertise in Specific Functional Areas | Structured Finance/ Securitisation; and General Management | Strategic Planning; Corporate Governance; Development Finance; Restructuring, Reforms and Disinvestment of Public Sector Enterprises | Economics | Public Administration; Finance; Capital Market Development and Regulation; Industrial and Investment Promotion | Management and Internal Audit; Corporate and Management Reviews; Mergers and Acquisitions; International Income Tax; Joint Venture Structures and Agreement; Corporate Governance and Cross Border Investments, etc. |
| Qualifications | BE and an ME in Electrical Engineering, Tsinghua University, Beijing; Ph.D., Electrical and Computer Engineering, Carnegie Mellon University, USA | Bachelor of Engineering, Indian Institute of Technology, Roorkee; Post-Graduate Diploma in Industrial Administration, Manchester University, UK; Ph.D. in Economics, Delhi School of Economics | B.A. Economics, University of Delhi; M.A. Economics, B. Phil and D. Phil in Economics, Balliol College, University of Oxford | Bachelor's and Master's Degrees in Humanities, University of Delhi; Diploma in Development Studies from Cambridge University, UK | F.C.A., England & Wales; F.C.A. (Fellow Member of The Institute of Chartered Accountants of India); Fellow, British Institute of Management; Alumnus-IMI (Geneva)-course on Strategy |
| No. of Equity Shares held in the Company | Nil | Nil | Nil | Nil | Nil |
| List of Other Companies in which Directorships are held | <ul style="list-style-type: none"> Moody's Group Australia Pty Limited Moody's Investors Service Pty Limited Moody's China (B.V.I.) Limited Moody's Asia Pacific Limited Moody's Company Hong Kong Limited Moody's Investors Service Hong Kong Limited Moody's (Japan) K.K. Moody's SF Japan K.K. Korea Investors Service Inc Moody's Investors Service (Korea) Inc. China Chengxin International Credit Rating Co., Limited Moody's Investors Service (Beijing), Limited Moody's Singapore Pte Limited Moody's Investment Company India Private Limited Moody's Shared Services India Private Limited Asia Securities Industry and Financial Markets Association Limited Moody's Investors Service India Private Limited Moody's Investors Service Singapore Pte Ltd. | <ul style="list-style-type: none"> ALSTOM India Limited Lanco Infratech Limited PTC India Financial Services Limited National Energy Trading and Services Limited ICRA Techno Analytics Limited | <ul style="list-style-type: none"> Birla Corporation Limited Oil and Natural Gas Corporation Limited | <ul style="list-style-type: none"> Tata South East Asia Limited Tata International Limited Tata Elxsi Limited DSP BlackRock Investment Managers Private Limited Noida Toll Bridge Company Limited Heidelberg Cement India Limited The Tata Power Company Limited Mahindra and Mahindra Financial Services Limited Hindustan Media Ventures Limited | <ul style="list-style-type: none"> ML Infomap Private Limited HCL Technologies Limited New Delhi Television Limited Century Textile and Industries Limited AVTEC Limited Hughes Communications India Limited Maruti Suzuki India Limited Tata Communications Limited Arcent Technologies (Holdings) Limited Laurus Labs Private Limited Tata Teleservices (Maharashtra) Limited Triveni Turbine Limited Mangalam Cement Limited |

| Name of Director | Dr. Min Ye | Dr. Uddesh Kohli | Prof. Deepak Nayyar | Mr. Piyush Gunwantrai Mankad | Mr. Amal Ganguli |
|--|---|--|---|---|--|
| List of Committees of the Board of Directors (across all companies) in which Chairmanship/ Membership is held** | Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited | Chairman <ul style="list-style-type: none"> Stakeholders Relationship Committee of ICRA Limited Audit Committee of National Energy Trading and Services Limited Audit Committee of ICRA Techno Analytics Limited Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited Audit Committee of ALSTOM India Limited Audit Committee of Lanco Infratech Limited Audit Committee of PTC India Financial Services Limited Investors' Grievance Committee of PTC India Financial Services Limited Transfer and Shareholders'/ Investors' Grievance Committee of ALSTOM India Limited | Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited Audit Committee of Birla Corporation Limited | Chairman <ul style="list-style-type: none"> Investors' Grievance Committee of Tata Elxsi Limited Investors' Grievance Committee of Heidelberg Cement India Limited Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited Audit Committee of Tata International Limited Audit Committee of DSP BlackRock Investment Managers Private Limited Audit Committee of Noida Toll Bridge Company Limited Investors' Grievance Committee of Noida Toll Bridge Company Limited Audit Committee of Heidelberg Cement India Limited Audit Committee of Tata Power Company Limited Audit Committee of Mahindra & Mahindra Financial Services Limited | Chairman <ul style="list-style-type: none"> Audit Committee of ICRA Limited Audit Committee of Maruti Suzuki India Limited Audit Committee of HCL Technologies Limited Audit Committee of Tata Communications Limited Audit Committee of New Delhi Television Limited Member <ul style="list-style-type: none"> Audit Committee of Century Textiles and Industries Limited Audit Committee of Hughes Communications India Limited Audit Committee of Aricent Technologies (Holdings) Limited Audit Committee of Triveni Turbine Limited Audit Committee of Tata Teleservices (Maharashtra) Limited |

**Pursuant to Clause 49 of the Listing Agreement, only two committees, viz. Audit Committee and Shareholders'/Investors' Grievance Committee, have been considered.



ICRA Limited

Form No. MGT-11

FORM OF PROXY

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L74999DL1991PLC042749
Name of the company: **ICRA Limited**
Registered office: 1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg, New Delhi-110 001

Name of Member(s):
Registered address:
Email ID:
Folio No/Client ID:
DP ID:

I/We, being the Member(s) holding.....shares of the above named company, hereby appoint

1. Name:
Address:
Email ID:
Signature:....., or failing him/ her
2. Name:
Address:
Email ID:
Signature:....., or failing him/ her
3. Name:
Address:
Email ID:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Third Annual General Meeting of the Company to be held on Wednesday, the 13th day of August, 2014, at 3.00 p.m. at Air Force Auditorium, Subroto Park, New Delhi 110 010, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended as on that date, and the Directors' Report and the Auditors' Report thereon.
2. To declare Dividend on the Equity Shares for the year ended March 31, 2014.
3. To appoint a Director in place of Dr. Min Ye, who retires by rotation, and being eligible, offers himself for reappointment.
4. To reappoint the Auditors and to fix their remuneration.
5. To reappoint Dr. Uddesh Kohli as an Independent Director of the Company.
6. To reappoint Prof. Deepak Nayyar as an Independent Director of the Company.
7. To reappoint Mr. Piyush Gunwantrao Mankad as an Independent Director of the Company.
8. To reappoint Mr. Amal Ganguli as an Independent Director of the Company.

Signed this.....day of....., 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NATIONAL ELECTRONIC CLEARING SERVICE (NECS) MANDATE FORM

IF SHARE(S) IS/ARE HELD IN PHYSICAL MODE:
Please complete this form and send it to the
Registrar at the following address:

LINK INTIME INDIA PRIVATE LIMITED
UNIT: ICRA Limited
M/s. Link Intime India Private Limited
44 Community Centre, 2nd Floor,
Naraina Industrial Area, Phase I,
Near PVR, Naraina, New Delhi 110028
Email ID: delhi@linkintime.co.in

IF SHARE(S) IS/ARE HELD IN
ELECTRONIC MODE:

Please complete this form and send it to the
Depository Participant concerned

Dear Sir/Madam,

Change in Mode of Payment to NECS

I hereby consent to have the amount of Dividend on my Equity Share(s) credited through the National Electronic Clearing Service [NECS] facility. The particulars are:

1. Folio No./Client ID No./DP ID No.:
(Folio No. given in Equity Share certificate(s)/Customer ID No. given by your DP)
2. Member's Name: Mr./Ms./M/s.:
3. Member's Address:
4. Member's Email ID:
5. Particulars of the Bank:
 - Bank Name:
 - Branch Name and Address:
 - Telephone Number of Bank:
 - Nine-digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank:

(Please attach a photocopy of a cheque or a cancelled cheque issued by your Bank for verifying the accuracy of the code number)

 - Account Type (please ☒): Savings ☐ Current ☐ Cash Credit ☐
 - Account Number (as appearing on the cheque book):
 - RTGS/NEFT IFSC:
6. Date from which this Mandate should be effective:

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information furnished by me, I would not hold the Company/Registrar & Share Transfer Agent of the Company responsible for the same. I also undertake to inform the Company/Registrar & Share Transfer Agent in writing, of any change in the particulars of my account to facilitate update of records for the purpose of credit of the Dividend amount through NECS.

Signature of the first/sole Shareholder

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Date:

(.....)
Signature of the authorised official of the Bank



ICRA Limited

Corporate Identity Number (CIN): L74999DL1991PLC042749

Registered Office:
1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg, New Delhi-110 001
Telephone No.: +91-11-23357940-50; Fax No.: +91-11-23357014
Website: www.icra.in, Email ID: investors@icraindia.com

ATTENDANCE SLIP

| | |
|--------------------------------|--|
| Regd. Folio/DP ID & Client ID | |
| Number of shares | |
| Name and Address of the Member | |

I hereby record my presence at the Twenty-Third Annual General Meeting of the Company held on Wednesday, the 13th day of August, 2014, at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110 010.

Name of the Member/Proxy
(in block letters)

Member's/Proxy's Signature

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report to the meeting.

**ICRA MANAGEMENT
CONSULTING SERVICES LIMITED**

Registered Office

1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11-23357940-50
Fax: 91-11-23357014

Corporate Office

Logix Park, 1st Floor
Tower A4 & A5, Sector-16
Noida 201301 (U.P.), India
Tel.: 91-120-4515800
Fax: 91-120-4515850
Web: www.imacs.in

IMaCS VIRTUS GLOBAL PARTNERS, INC.

Registered Office

2711, Centerville Road
Suite 400, City of Wilmington
Country of New Castle
DE 19808, USA
Web: www.ivgpartners.com

PRAGATI DEVELOPMENT CONSULTING SERVICES LIMITED

Registered Office

1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11-23357940-50
Fax: 91-11-23357014

Corporate Office

Logix Park, 1st Floor
Tower A-4 & A-5, Sector-16
Noida 201 301 (U.P.), India
Tel.: 91-120-4101337
Fax: 91-120-4515850

ICRA TECHNO ANALYTICS LIMITED

Registered Office

FMC Fortuna, A-10 & 11, 3rd Floor
234/3A, A.J.C. Bose Road
Kolkata 700 020, India
Tel.: 91-33-71501100/1101/
22876617/8839/22800008/22831411
Fax: 91-33-71501150/22870728

Corporate Office

Infinity Benchmark, 17th Floor
Plot No. G-1, Block GP
Sector V, Salt Lake
Kolkata 700091, India
Tel.: 91-33-40097800
Fax: 91-33-40097801
Web: www.icteas.com

ICRA SAPPHIRE, INC.

Registered and Corporate Office

101, Merritt Boulevard
Suite 107, Trumbull
CT 06611, USA
Tel.: 001-203-375-8668
Fax: 001-203-375-1965
Web: www.icrasapphire.com

ICRA GLOBAL CAPITAL, INC.

Registered and Corporate Office

101, Merritt Boulevard
Suite 107, Trumbull
CT 06611, USA
Tel.: 001-203-375-8668
Fax: 001-203-375-1965

BPA TECHNOLOGIES, INC.

Registered and Corporate Office

7041 Koll Center Pkwy
Ste 235, Pleasanton, CA 94566, USA
Tel.: 001-925-600-1012,
001-925-600-1013
Fax: 001-510-279-5629
Email: info@bpatech.com
Website: www.bpatech.com

BPA TECHNOLOGIES PVT. LTD.

Registered Office

A-106, Sujatha Nagar
Visakhapatnam
Andhra Pradesh 530051, India

Corporate Office

Metro - I, 28, 30
Kodambakkam High Road
Chennai - 600034, India
Tel.: 91-44-6566 3031
Fax: 91-44-2826 4322
Email : info@bpatech.com
Website: www.bpatech.com

ICRA ONLINE LIMITED

Registered Office

FMC Fortuna, A-10 & 11, 3rd Floor
234/3A, A.J.C. Bose Road
Kolkata 700 020, India
Tel.: 91-33-71501100/1101/
22876617/8839/22800008/22831411
Fax: 91-33-71501150/ 2287 0728

Branch Office

Infinity Benchmark, 17th Floor
Plot No. G-1, Block GP
Sector V, Salt Lake
Kolkata 700 091, India
Tel.: 91-33-40170100
Fax: 91-33-40170101

Corporate Office

107, 1st Floor, Raheja Arcade
Plot No. 61, Sector 11, CBD Belapur
Navi Mumbai 400 614, India
Tel.: 91-22-67816100
Fax: 91-22-27563057
Web: www.icraonline.com

ICRA LIMITED

New Delhi

(Registered Office)
1105, Kailash Building
11th Floor, 26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11-23357940-50
Fax: 91-11-23357014

Gurgaon

(Corporate Office)
Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon 122002, Haryana, India
Tel.: 91-124-4545300
Fax: 91-124-4050424

Mumbai 1

Electric Mansion, 3rd Floor
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400025, India
Tel.: 91-22-30470000
24331046/53/62/74/86/87
Fax: 91-22-24331390

Mumbai 2

1802, 18th Floor, Tower 3
Indiabulls Finance Centre
Senapati Bapat Marg, Elphinston
Mumbai 400013, India
Tel.: 91-22-61796300

Kolkata

FMC Fortuna, A-10 & 11
3rd Floor, 234/3A, A.J.C. Bose Road
Kolkata 700020, India
Tel.: 91-33-71501100/1101
Fax: 91-33-71501150/22870728

Chennai

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600035, India
Tel.: 91-44-45964300
24340043/9659/8080/24333293
Fax: 91-44-24343663

Bengaluru 1

The Millenia, Tower-B
Unit No. 1004, 10th Floor
1 & 2 Murphy Road
Bengaluru 560008, India
Tel.: 91-80-43326400
Fax: 91-80-43326409

Bengaluru 2

2nd Floor, Vayudooth Chamber
15-16, Trinity Circle, M.G. Road
Bengaluru 560001, India
Tel.: 91-80-49225500
Fax: 91-80-43326409

Ahmedabad

907-908, Sakar II
Ellisbridge, Opp. Town Hall
Ahmedabad 380006, India
Tel.: 91-79-40271500/26585049
26582008/5494
Fax: 91-79-40271501

Hyderabad 1

4A, 4th Floor, SHOBHAN
6-3-927, A&B Somajiguda
Raj Bhavan Road
Hyderabad 500082, India
Tel.: 91-40-40676500
Fax: 91-40-40676510

Hyderabad 2

No. 7-1-58, 301, 3rd Floor
CONCOURSE
Above SBI-HPS Branch, Ameerpet
Hyderabad 500 016, India
Tel.: 91-40-49200200
Fax: 91-40-40676510

Pune

5A, 5th Floor, Symphony
S.No. 210, CTS 3202
Range Hills Road, Shivajinagar
Pune 411020, India
Tel.: 91-20-25561194, 25560195/0196
Fax: 91-20-25561231

ICRA INDONESIA

Menara Rajawali
6th Floor—Podium, Jalan
Dr. Ide Anak Agung Gede Agung
Kawasan Mega Kuningan, Lot # 5.1
Jakarta Selatan 12950, Indonesia
Tel.: 62-21-5761516
Fax: 62-21-5761517
Web: www.icraindonesia.com

ICRA LANKA LIMITED

Registered and Corporate Office
10-02 East Tower
World Trade Center, Colombo 1
Sri Lanka 00100
Tel.: 94-11-4339907, 773417517
Fax: 94-11-2333307
Web: www.icralanka.com

ICRA NEPAL LIMITED


Registered and Corporate Office
Sunrise Bizz Park
6th Floor, Dillibazar
Kathmandu - 33, Nepal
Tel.: 977 1 4419910/20
Fax: 977 1 4419930
Web: www.icranepal.com



ICRA

FORM A

[Format of covering letter of the annual audit report to be filed with the stock exchanges]

| | | |
|----|--|---|
| 1. | Name of the Company | ICRA Limited |
| 2. | Annual financial statements for the year ended | March 31, 2014 |
| 3. | Type of Audit observation | Unqualified /Matter of Emphasis |
| 4. | Frequency of observation | Not Applicable |
| 5. | Signed by -- | |
| | • CEO/Managing Director |  (Naresh Takkar) Managing Director & CEO |
| | • CFO |  (Vijay Wadhwa) Group CFO & Company Secretary |
| | • Auditor of the Company |  (Vipin Aggarwal) Partner Vipin Aggarwal & Associates Chartered Accountants |
| | • Audit Committee Chairman/Member** |  (Prof. Deepak Nayyar) Member of the Audit Committee |

**As the Chairman of the Audit Committee is not available due to his foreign tour, this Form has been signed by a Member of the Audit Committee.

