



ICRA

ICRA Limited

August 13, 2016

Mr. Jeevan Noronha
Manager Listing Compliance
Department of Corporate Services
BSE Limited
Floor 1, Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai – 400 001

Mr. Hari K.
Vice-President
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Dear Sirs,

Scrip Code Nos.: BSE: 532835; NSE: ICRA EQ
Sub: - Annual Report for the year 2015-16

Pursuant to the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report for the year 2015-16 of ICRA Limited.

This is for your kind information and record.

Regards,

Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As Above



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

ENHANCING
BUSINESS VALUE
THROUGH
INTELLECTUAL LEADERSHIP



ANNUAL REPORT
2015-2016

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Message from CEO on ICRA completing 25 years



On the occasion of ICRA's Silver Jubilee I would like to express my sincere gratitude to all our shareholders, clients, present and past, the investing community at large, and the regulatory agencies for the support and good wishes we have received from you all along.

It has been an eventful journey since 1991, when ICRA was set up as an independent and professional credit rating agency. From a single-product enterprise to a listed, full-service credit rating agency with extensive coverage across sectors, we have come a long way indeed. Today, ICRA, through its subsidiaries, offers consulting, outsourcing and professional and IT services.

As I reflect over the twenty-five years that have gone by, it gives me great satisfaction to see ICRA standing secure on the solid foundation of integrity, independence, and professionalism—our core values. While it is only natural that over the past quarter of a century there have been a few ups and downs, we have never deviated from our core values, and never have we wavered in our pursuit of excellence.

Looking ahead, as the needed structural changes get under way in the Indian financial market, the future appears quite promising. Given your support and trust in us, our closer association with our majority-owners Moody's Investors Service, and our highly motivated talent pool, I assure you of continued and sustained excellence in service in the coming years.

Thank you

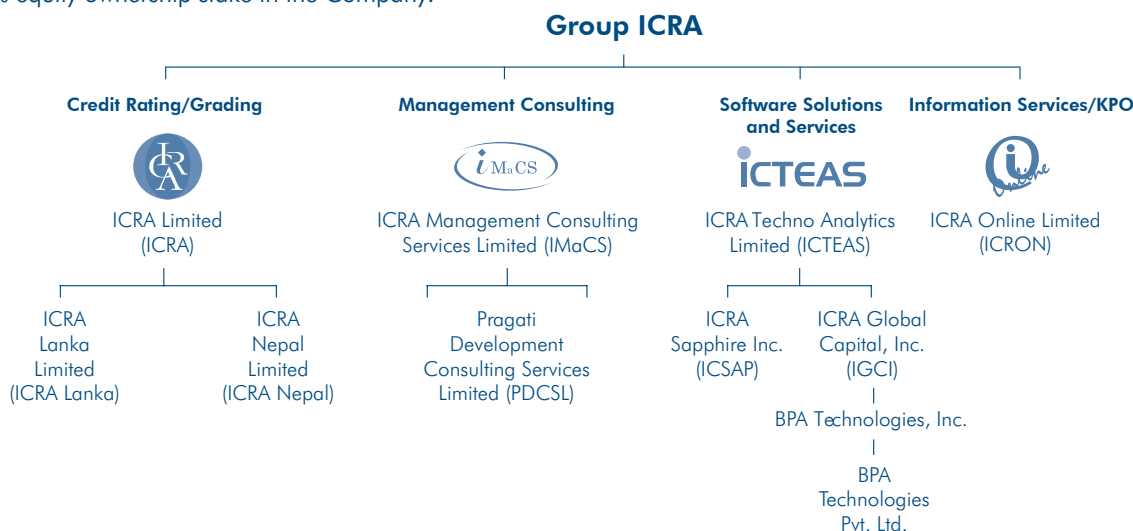
(Naresh Takkar)

Managing Director & Group CEO

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.** ICRA is majority-held by Moody's Group, which has 50.06% equity ownership stake in the Company.



Alliance with Moody's Investors Service

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.

The ICRA Factor

Facilitating efficiency in business...

ICRA information products, Ratings, and solutions reflect independent, professional and impartial opinions, which assist businesses enhance the quality of their decisions and help issuers access a broader investor base and 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 awareness 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 Lanka**	ICRA Nepal**
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 Microfinance Institutions, Construction Entities, Real Estate Developers and Projects, Education Institutes, MARITIME Training Institutes INDUSTRY RESEARCH www.icra.in	RATING SERVICES <ul style="list-style-type: none"> • Credit Rating • Issuer Rating • Claims Paying Ability of Insurance Companies • Mutual Fund Rating • Structured Finance Rating • Bank Loan Rating • Project Finance Rating **The operations of ICRA Lanka Limited (ICRA Lanka) are limited to the Sri Lankan market www.icralanka.com	RATING SERVICES <ul style="list-style-type: none"> • Credit Rating • Bank Loan Rating • Project Finance Rating • Fund Management Quality Rating • Claims Paying Ability of Insurance Companies • Issuer Rating • Equity Grading **The operations of ICRA Nepal Limited (ICRA Nepal) are limited to the Nepalese market www.icranepal.com
IMaCS	ICTEAS	ICRON
Risk Management <ul style="list-style-type: none"> - Risk Analytics - Risk Advisory - Tools , models, Calculators - Software Solutions Financial Advisory <ul style="list-style-type: none"> - Financial Viability - Structuring Solutions - Enabling Transactions Outsourcing <ul style="list-style-type: none"> - Data Analytics - Programme management - Training - Information Products Policy Advisory <ul style="list-style-type: none"> - Financial Market micro structure - Improving access to finance - Improving Competitiveness www.imacs.in	IT SOLUTIONS/ANALYTICS Information Technology Solutions <ul style="list-style-type: none"> - Client-Server Applications - Web-centric Applications - Mobile Applications - 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 www.ict eas.com	FINANCIAL INFORMATION PRODUCT AND SERVICES <ul style="list-style-type: none"> • Mutual Fund and ULIP Data and Content Provider • Investment Research and Analytics • Investor education content • Wealth and Transaction Management Software Products • IT Tools for Financial Planning and Analytics KPO SERVICES (BACK-END ANALYTICAL SERVICES SUPPORT) <ul style="list-style-type: none"> • Data Services • Research • Analytics 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.

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

ICRA Lanka also rates rupee-denominated debt instruments issued by commercial banks, non-banking finance companies, financial institutions, manufacturing, construction and service companies, among others. It also rates structured obligations and sector-specific debt obligations. The other services offered include 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 from the holding company, it has developed capability to execute the diversified product. 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 with current focus in the banking and finance, insurance and hydro-electricity sector is also being offered to manufacturing companies, infrastructure sector companies, service companies, small and medium sector entities etc. 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.

Grading Services

The Grading Services offered by ICRA employ pioneering concepts and methodologies, and include Grading of: Microfinance Institutions (MFIs); Construction Entities; Real Estate Developers and Projects; and Maritime Training Institutes. 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 the Renewable Energy Service Companies (RESCOs) and the 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.

Consulting Services

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of ICRA Limited, is an Advisory and Analytics firm with a global operating footprint in 45 countries across South Asia, South East Asia, West Asia, Africa, Europe, and North America. IMaCS focuses on providing advisory and analytics services that enable financial flows and transactions by way of various avenues including equity investments, debt financing, grant funding, spending under



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ICRA at a Glance

corporate social responsibility, development financing, and trade finance. IMaCS offers its services under four heads namely, (1) Risk Analytics (2) Financial Advisory (3) Outsourcing, and (4) Policy Advisory. IMaCS' clientele includes Banks and Financial Service Companies, Financial Investors, Corporates, Governments, Regulators, Multilateral/Bilateral Development Agencies, and Not-for-profit Organisations.

IMaCS offers its Outsourcing & Programme Management services through its wholly-owned subsidiary, Pragati Development Consulting Services Limited.

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, resource planning.

ICTEAS uses a mix of onsite/offshore strategies to optimize bottom-line benefits for its customers. It is a Microsoft Gold Partner and Oracle Gold Partner. It is also ISO 9001: 2008 & ISO 27001: 2013 certified Company.

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 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 centre in Chennai. With a global delivery model, BPA offers innovative and cost effective information management solutions to its clients across various industries.

BPA Technologies Private Limited, 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

Incorporated in 1999, **ICRA Online Limited (ICRON)** is a wholly-owned subsidiary of ICRA Limited with delivery centres in Kolkata and Mumbai. ICRON has three lines of business (LoBs) that offers outsourcing solutions in Data Services, Research, and Analytics to domestic and global clients. Timely, accurate, and affordable services help the company's clients achieve their business goals.

The Data Services segment offers basic and value-added services in areas of data extraction, aggregation, populating chart of accounts, validation, ratio analysis, accounting adjustments, data interpretation, etc. ICRON also provides operation support in areas such as data management and reconciliation and quality assurance.

The Research segment engages in mutual funds and other asset-class research, preparation of customized newsletters for domestic and global capital markets, news and event tracking, creation of innovative investor education content, preparation of company profiles, profiling of mutual fund schemes, etc.

Analytics is an emerging arena for ICRON. The segment offers services in the areas of predictive and marketing analytics.

ICRON is an ISO 9001:2008 and 27001: 2013 certified organisation

Chairman Emeritus

Mr. D.N. Ghosh

Board of Directors

Mr. Arun Duggal	Chairman, Independent Director
Ms. Ranjana Agarwal	Independent Director
Ms. Radhika Vijay Haribhakti	Independent Director
Dr. Min Ye	Non Executive and Non Independent Director
Mr. Simon Richard Hastilow	Non Executive and Non Independent Director
Mr. Robert Scott Fauber ¹	Non Executive and Non Independent Director
Mr. Thomas John Keller Jr.	Non Executive and Non Independent Director
Ms. Farisa Zarin ²	Additional Director
Mr. Naresh Takkar	Managing Director & Group CEO

Board Committees

Audit Committee	Ms. Ranjana Agarwal, Chairperson Ms. Radhika Haribhakti Mr. Arun Duggal Dr. Min Ye Mr. Thomas John Keller Jr.
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Nomination and Remuneration Committee

Ms. Radhika Haribhakti,
Chairperson
Ms. Ranjana Agarwal
Mr. Simon Richard Hastilow

Stakeholders

Relationship Committee	Mr. Simon Richard Hastilow, Chairman Ms. Ranjana Agarwal Mr. Naresh Takkar
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Corporate Social Responsibility Committee

Ms. Ranjana Agarwal, Chairperson
Dr. Min Ye
Mr. Naresh Takkar

ESOS Compensation Committee

Ms. Radhika Haribhakti,
Chairperson
Ms. Ranjana Agarwal
Mr. Simon Richard Hastilow

Strategy Committee

Mr. Robert Scott Fauber, Chairman*
Dr. Min Ye
Mr. Simon Richard Hastilow
Mr. Naresh Takkar

Investment and Real Estate Committee

Ms. Ranjana Agarwal, Chairperson
Mr. Robert Scott Fauber*
Mr. Naresh Takkar

Statutory Auditors

B S R & Co. LLP
Chartered Accountants

Solicitors

AZB & Partners
HSB Partners

Group Chief Financial Officer

Mr. Vipul Agarwal

General Counsel

Mr. Amit Gupta

Company Secretary & Compliance Officer

Mr. S. Shakeb Rahman

Bankers

HDFC Bank Limited
Kotak Mahindra Bank Limited
State Bank of Hyderabad

Registrar and Share Transfer Agent

Link Intime India Private Limited

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

¹ Mr. Fauber ceased to be a Director with effect from June 14, 2016.

² The Board of Directors of the Company has appointed Ms. Zarin as an Additional Director of the Company with effect from June 15, 2016 under the category of Non-Executive and Non Independent Director.

* Mr. Fauber ceased to be a Chairman/Member with effect from June 14, 2016.

ICRA Board of Directors



Mr. Arun Duggal

Mr. Arun Duggal is the Non-Executive Chairman and an Independent Director of ICRA Limited. He is also a Visiting Professor at the Indian Institute of Management, Ahmedabad where he teaches a course on Venture Capital, Private Equity and Business Ethics. He is an experienced international Banker and has advised companies and financial institutions on Financial Strategy, M&A and Capital Raising.

Mr. Duggal is Chairman of Board of Directors of International Asset Reconstruction Company.

He is on the Boards of Directors of ITC Limited, Info Edge (India) Limited (Chairman Audit Committee), Dish TV India Limited, Mangalore Chemicals & Fertilizers Limited and Dr. Lal PathLabs Limited. He is a member of the Investment Committee of Axis Private Equity.

Mr. Duggal is involved in several initiatives in social and education sectors. He is Senior Advisor, Asia Pacific for Transparency International, Berlin devoted to create change towards a World free of Corruption. He was erstwhile Chairman of the American Chamber of Commerce, India.

Mr. Duggal had a 26 years career with Bank of America, mostly in the U.S., Hong Kong and Japan. His last assignment was as Chief Executive of Bank of America in India from 1998 to 2001. He is an expert in international finance and from 1981-1990 he was head of Bank of America's (oil & gas) practice handling relationships with companies like Exxon, Mobil, etc. From 1991-94 as Chief Executive of BA Asia Limited, Hong Kong he looked after Investment Banking activities for the Bank in Asia. In 1995, he moved to Tokyo as the Regional Executive, managing Bank of America's business in Japan, Australia and Korea. From 2001 to 2003 he was Chief Financial Officer of HCL Technologies, India.

A Mechanical Engineer from the prestigious Indian Institute of Technology, Delhi, Mr. Duggal holds an MBA from the Indian Institute of Management, Ahmedabad (recipient of Distinguished Alumnus Award).



Ms. Ranjana Agarwal

Ms. Ranjana Agarwal is an Independent Director on the board of ICRA Limited and chairs their Audit and CSR committees.

Ms. Agarwal has over 30 years of experience in audit, tax and related services. She is the Founder and Managing partner of Vaish & Associates, Chartered Accountants and earlier managed the Deloitte Haskins & Sells practice in Delhi up to 2000.

She is also on the boards of KDDL Limited, Shubham Housing Development Co. Pvt. Ltd., Indo Rama Synthetics (India) Ltd., ICRA Management Consulting Services Limited and Joyville Shapoorji Housing Private Limited.

She was the National President of the women wing of FICCI the Federation of Indian Chambers and Commerce. She also heads the India chapter of Women Corporate Directors, USA.

Ms. Agarwal is a graduate in Economics from LSR, Delhi University and CA training from Price Waterhouse Coopers. She is also a trustee of two non profits, and recipient of the Indira Gandhi Priyadarshini award for professional excellence.



Ms. Radhika Haribhakti

Ms. Radhika Haribhakti is an Independent Director on the board of ICRA Limited. Ms. Haribhakti has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their IPOs, FPOs, GDR and ADR offerings. She now heads RH Financial, a boutique Advisory Firm focused on M&A and Private Equity.

She is on the Boards of Directors of Adani Ports & Special Economic Zone Limited, EIH Associated Hotels Limited, ICRA Techno Analytics Limited, Navin Fluorine International Limited, Rain Industries Limited and Vistaar Financial Services Private Limited.

Ms. Haribhakti has also been closely involved with issues of women empowerment, financial inclusion and CSR and has served on Boards of non profits for over 18 years. She serves on the Governing Council of Citigroup Micro Enterprise Award and is the former Chair of Friends of Women's World Banking (FWWB) and Swadhaar Finaccess, both non profits engaged in providing financial solutions to women in economically disadvantaged communities. She has served on CII's National Committee on Women Empowerment.

Ms. Haribhakti is a Graduate in Commerce from Gujarat University and Post Graduate in Management from the Indian Institute of Management (IIM), Ahmedabad.

ICRA Board of Directors



Dr. Min Ye

Dr. Min Ye is a Non-Independent and Non-Executive Director of ICRA Limited. 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

Mr. Simon Richard Hastilow is a Non-Independent and Non-Executive Director of ICRA Limited. He is a Managing Director and Global Head of Relationship Management at Moody's Investors Service. He is responsible for leading the global team that grows Moody's coverage share and revenue by developing relationships with new issuers in existing markets, penetrating new markets, and strengthening and expanding relationships with existing issuers and intermediaries. Prior to joining Moody's, Mr. Hastilow spent 11 years at Thomson Reuters where he led marketing and sales teams in the corporate and wealth management sectors. Mr. Hastilow obtained his BA (Hons) in Business Studies from the University of London, and holds the Diploma of the Chartered Institute of Marketing. He is an alumnus of the 2007 AMP Programme at INSEAD.



Mr. Robert Scott Fauber

Mr. Robert Scott Fauber is a Non-Independent and Non-Executive Director of ICRA Limited¹. Mr. Fauber is currently President-Moody's Investors Service (MIS) a position which he assumed in June 2016. Prior to this, Mr. Fauber served as global Head of the Commercial Group at Moody's Investors Service, and as Senior Vice President of Corporate Development for Moody's Corporation for almost 8 years, where he led the Company's acquisition and divestiture activity as well as corporate strategy. Prior to joining Moody's, Mr. Fauber worked in several areas at Citigroup from 1999-2005, including the Alternative Investments division, the Corporate Strategy & Business Development Group, and Investment banking group at the firm's Salomon Smith Barney subsidiary. Mr. Fauber started his career at NationsBank (now Bank of America). Currently, Mr. Fauber serves on the boards of the Moody's Foundation and the Council for Economic Education. Mr. Fauber holds an M.B.A. (with distinction) from The Johnson School of Management at Cornell University and a B.A. in economics from the University of Virginia.



Mr. Thomas John Keller Jr.

Mr. Thomas John Keller Jr. is a Non-Independent and Non-Executive Director of ICRA Limited. Mr. Keller is the Managing Director for Sovereign Ratings and Geographic Management of Moody's Investors Service (MIS). In this role, Mr. Keller oversees all activities related to sovereign ratings. In addition, Mr. Keller is responsible for leading the Geographic Management of MIS, which entails driving business growth initiatives, along with budgeting and planning outside the U.S., the management of Moody's global assets (people, products, offices, capabilities), regulatory monitoring and affiliate relations. Mr. Keller is also the executive sponsor of Moody's LGBT+ Employee Resource Group and a board member of the Hetrick-Martin Institute. Prior to this role, beginning in 2007, Mr. Keller was the Managing Director for the Global Public, Project and Infrastructure Finance Group, responsible for ensuring MIS had a globally consistent methodology to assessing credit risk for all levels of financing across the group's portfolio. He also served as the head of the Asia Pacific region, responsible for Moody's offices and ratings in the region, first as Managing Director of the Ratings Group and then as Representative Director of Moody's Japan. Mr. Keller joined the company in 1992 as a Senior Analyst covering a broad range of sectors, including high-grade corporates, high-yield industrials and financial services. Prior to Moody's, Mr. Keller worked at Chemical Bank and Manufacturers Hanover Trust Company. He earned a B.B.A. from the University of Rhode Island and an M.B.A. from Iona College.

¹ Mr. Fauber ceased to be a Director with effect from June 14, 2016.



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ICRA Board of Directors



Mr. Naresh Takkar

Mr. Naresh Takkar is the Managing Director & Group CEO of ICRA. Prior to holding this position he was Joint Managing Director & Chief Rating Officer of ICRA. He is also a Chairman of ICRA Online Limited and ICRA Nepal Limited and a Director on the Boards of ICRA Techno Analytics Limited, ICRA Lanka Limited and of PT. ICRA Indonesia. 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.



Ms. Farisa Zarin

Ms. Farisa Zarin² is an Additional Director of ICRA under the category "Non-Independent and Non-Executive Director". Ms. Zarin is the Managing Director and Global Head-Government and Public Affairs of MCO. Her responsibilities include global interaction with policy makers, and securities, bank and insurance regulators. During her tenure at Moody's, Ms. Zarin has held senior positions in the Credit Policy group and the Global Compliance group. She has also worked in the Moody's Sovereign Risk Unit on an adjunct basis, focusing mainly on the legal ramifications of sovereign defaults. Prior to joining Moody's, Ms. Zarin worked as an attorney at the following organizations: the United Nations Office of the Prosecutor, International War Crimes Courts; the United States Senate Judiciary Committee; and American Bar Association's Central and Eastern European Law Initiative. Ms. Zarin attended Oberlin College where she earned a B.A. in Economics and Psychology; University of Wisconsin where she earned a J.D. and was placed on the Dean's List; and the Instituto Universitario Europeo where she earned an LL.M. in comparative law. Ms. Zarin is an Alternate US Member for the APEC Business Advisory Council.

² The Board of Directors of the Company has appointed Ms. Zarin as an Additional Director of the Company with effect from June 15, 2016 under the category of Non-Executive and Non-Independent Director.

Senior Management



Mr. Vivek Mathur
Executive Vice-President
& Head Rating Operations



L. Shivakumar
Executive Vice-President



Mr. Jayanta Chatterjee
Executive Vice-President



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



Mr. Subrata Ray
Senior Group Vice-President



Mr. Vipul Agarwal
Group Chief Financial Officer



Mr. Amit Gupta
General Counsel



Ms. Preemita Singh
Group HR Head



Mr. S. Shakeb Rahman
Company Secretary &
Compliance Officer

Directors' Report

To The Members,

ICRA Limited

Your Directors have pleasure in presenting the 25th Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2016.

Financial Performance

During its 25th year of operations, your Company has earned a Net Profit of Rs. 61.47 as against Rs. 50.42 crore during the previous year. Your Company's Basic Earning per Share for the year ended March 31, 2016 was Rs. 62.53, as against Rs. 51.44 in the previous year. The financial results of your Company (standalone and consolidated) for the year ended March 31, 2016 are presented in the following table.

Particulars	Standalone		Consolidated	
	2014-15 (Rs. crore)	2015-16 (Rs. crore)	2014-15 (Rs. crore)	2015-16 (Rs. crore)
Revenue from Operations	180.18	193.89	320.88	339.76
Other operating income	1.07	1.47	1.04	1.39
Other Income	24.92	23.69	26.23	27.08
Total Revenue	206.17	219.05	348.15	368.23
Total Expenditure	(110.87)	(121.52)	(234.61)	(250.24)
Profit before prior period adjustments, exceptional items and tax	95.30	97.53	113.53	117.99
Prior period adjustments	7.65	-	8.97	-
Profit before exceptional items and tax	87.65	97.53	104.56	117.99
Exceptional items	(11.52)	(3.45)	(4.13)	-
Profit before Tax	76.13	94.08	100.43	117.99
Tax Expense	(25.71)	(32.62)	(34.85)	(41.57)
Profit before Minority Interest	50.42	61.46	65.59	76.42
Minority Interest	-	-	0.13	0.18
Profit for the year	50.42	61.46	65.45	76.24
Balance brought Forward	153.43	169.71	175.85	206.73
Adjustment of on account of depreciation	(0.20)	-	(0.63)	-
Profit Available for Appropriation	203.65	231.17	240.67	282.97
APPROPRIATIONS				
Proposed Dividend	24.00	25.00	24.00	25.00
Corporate Tax on Proposed Dividend	4.89	5.09	4.89	5.09
Transfer to General Reserve	5.05	6.15	5.05	6.15
Balance Carried to Balance Sheet	169.71	194.93	206.82	246.73
	203.65	231.17	240.76	282.97

1 crore = 10 million

REVIEW OF OPERATIONS

Rating Services

Market Overview

Compared with the previous fiscal, the macroeconomic situation improved in FY2016, following moderation in retail inflation, further narrowing of the current account and fiscal deficits and pickup in headline economic growth. However, exchange rate volatility increased somewhat in FY2016 as compared with FY2015, particularly on account of global cues such as divergent and unconventional monetary policies adopted by the central banks of various advanced economies.

The recovery in Indian economic activity was narrowly focused in sectors such as roads, railways and power transmission, some of which benefited from the enhanced capital spending by the Government of India (GoI) as well as the investor



Directors' Report

friendly policy measures introduced by it. However, sectors serving the rural economy and exports faced significant headwinds, resulting in moderate capacity utilisation and constraining capacity expansion in a number of industries. Subdued corporate performance, high leverage levels of some large corporate groups and weak asset quality of the banking system continued to weigh on investment sentiment.

With moderation in retail inflation, the Reserve Bank of India (RBI) reduced the benchmark repo rate by 75 basis points (bps) during FY2016. In line with the mixed trends in economic activity, credit growth of the banking system improved modestly in FY2016, despite the lower working capital requirement following the moderation in commodity prices. Faster transmission of monetary easing to the bond markets also led to a trend of disintermediation during the early part of the year, with a number of corporates accessing the domestic bond markets. Primary domestic equity issuances (net of GoI disinvestment) recorded a modest improvement in FY2016.

Benign crude oil and other commodity prices contributed to a further narrowing of India's current account deficit (CAD), despite the sustained contraction in exports. The GoI remained committed to fiscal consolidation, retaining the previously announced fiscal deficit targets for FY2017, in spite of the impending rise in pay and pensions following the Seventh Central Pay Commission's recommendations, which has dampened bond yields and set the stage for further monetary easing in April 2016.

A cyclical upturn in agriculture and rural demand on expectations of favourable monsoon as well as revision in salaries and pensions of Central government employees after the implementation of the recommendations of the Seventh Central Pay Commission are expected to boost economic activity in FY2017. Recent monetary easing and change in the central bank's stance on liquidity, reduction in small savings rates by the GoI, and the implementation of the new Marginal Cost of Funds-based Lending Rate (MCLR) regime by banks should further ease bank lending rates, resulting in an increase in bank credit growth. The trend of special purpose vehicles (SPVs)—set up for implementation of infrastructure projects—looking to replace their high cost bank borrowings with bond issuances should continue in FY2017. This, along with the implementation of various regulatory steps—such as electronic auction platform for primary offering of corporate debt; complete information repository for corporate bonds; and guidelines encouraging large borrowers to access a certain portion of their financing needs through market mechanism—augurs well for the domestic corporate bond market.

Corporate Sector

As in the previous two years, the market for bank loan ratings remained sluggish in 2015-16 too, affected by muted growth in corporate credit and the continuance of a subdued investment climate. Despite the several measures taken by the Central government, private capital expenditure did not show any meaningful recovery, being weighed down by weak demand and the high leverage of a large number of corporates.

Adding to the sluggishness in the bank market, total domestic bond issuance decreased by around 19% in 2015-16 as against the over 60% growth reported in the previous year. This is despite the rising trend in disintermediation, with large corporates increasingly accessing the capital markets to meet their funding requirements. To an extent, the moderation in bond issuance in 2015-16 can be attributed to increasing risk aversion to issuers rated below high investment grade level. The spike in yields towards the latter part of 2015-16 also adversely affected bond issuance. On the positive side, the trend of SPVs in the infrastructure sector accessing the bond market to refinance bank loans continued during the year, although the pace was much lower than previously anticipated.

With the transmission of monetary policy actions being faster through the debt capital markets than the banking channel, better rated entities continued to use the commercial paper (CP) route to meet their funding requirements. Thus, there was an increase of 42% in CP issuances and of 35% in CPs outstanding in 2015-16 over the previous fiscal.

Since the last quarter of the previous fiscal year, the business of rating small and medium enterprises (SMEs) received a setback as the National Small Scale Industries Corporation (NSIC) cut back the subsidy on the performance and credit rating scheme for SMEs. The SME rating business remained very sluggish during 2015-16.

Financial Sector

Total domestic bond issuance volumes by financial sector entities declined by 11% during 2015-16 as against the 42% rise reported during the previous fiscal. The de-growth was led largely by a 19% decline in bond issuances by banks as compared with the 165% growth they had reported the previous fiscal. The weak growth in domestic banking credit in 2015-16 and the lower appetite for capital bonds issued by banks (many of which faced rating pressures on account of asset quality related concerns) were the main reasons for the lower bond issuance by banks. At the same time, non-banking finance companies (NBFCs) also reported a moderation in bond issuance volumes in 2015-16, posting a 9%

¹ Source: Bloomberg

Directors' Report

decline as against the 25% growth reported the previous fiscal. The NBFCs continued to take advantage of the finer rates in the debt capital markets amidst steady inflows into the mutual funds and insurance sectors during 2015-16 as the base rates of banks continued to remain high. However the NBFC debt issuance volumes declined in the last quarter of 2015-16 partly attributable to the new guidelines issued by the Securities and Exchange Board of India (SEBI) restricting investments by mutual funds into NBFCs and lowering the exposure limits for mutual funds to a single obligor and also at group level. Despite the challenges, your Company, during the year under review, was able to use its strong presence in the financial sector to continue adding new clients while also increasing the volume of rated debt. The expectation of interest rates softening in 2016-17 amidst a likely improvement in the operating environment should continue to provide opportunities over the next year.

The Banking sector continued to face challenges on the back of challenging operating environment which led to sharp rise in asset quality related concerns and consequently affected the profitability matrices. Though the issuance of Additional Tier I bonds by banks remained muted in 2015-16 with low investor appetite, given the sizeable capital requirements for banks as the regulations with the Basel III regulations, your Company expects the issuance volumes to pick up with improvement in financial performance of banks.

As for the short term issuances, following the slowdown in credit off-take, certificate of deposit (CD) issuances and outstandings declined, along expected lines, during the year under review.

The NBFCs continue to expand their scale of operations while maintaining adequate profitability and asset quality matrices. Your Company continued to expand its presence in this space by adding new clients and also rating the incremental debt requirements of existing clients.

Your Company also continued to expand its presence in the mutual funds space during the year under review by adding more clients to its portfolio of rated mutual fund houses and schemes.

During 2015-16, your Company announced its first grading under the newly launched microfinance social performance assessment (SPA) service. The service seeks to measure the social performance of a microfinance institution (MFI) from an analysis of the manner in which the MFI oversees, manages and monitors its performance in order to achieve its social mission. Your Company believes that an MFI performing better on SPA is better placed not only to positively influence the lives of its customers, but also to be financially sustainable in the long term.

Structured Finance

During 2015-16, the securitisation market rallied back with the issuance volume rising 30% over the previous fiscal to around Rs. 22,000 crore. The predominant motive for banks—primarily domestic private sector banks and foreign banks—to invest in securitisation instruments, despite the high tax incidence and the resultant low yield, continued to be the need to meet shortfalls in meeting priority sector lending (PSL) targets. Bilateral assignment of loan pools, the alternative mode for acquisition of retail loan assets by banks, also continued to see robust growth.

Investing in securitisation transactions and 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. The replacement of the distribution tax regime—which pushed up the effective tax rate to very high levels, thereby bringing down the yield for the investor—with one that makes income from securitisation taxable in the hands of the investor, has also brought relief to investors in securitised debt. This, besides with the opening up of the securitisation market for foreign portfolio investors, bodes well for securitisation issuance volumes in 2016-17.

Industry Research

Your Company has continued to strengthen its research offerings, covering a large number of sub-segments within the corporate sector and multiple sub-segments under the financial services and structured finance sectors. The research reports are well-appreciated for their in-depth analyses of industry-specific issues such as trends in demand-supply, the competitive landscape and credit trends, apart from their projection of the medium-to-long-term outlook. The research reports cater to the analytical requirements of a wide range of participants, including banks, mutual funds, insurance companies, venture funds and corporate entities. Apart from research reports, your Company also provides Industry Risk Scores (IRS) and has increased the coverage of sectors for this service. IRS capture industry-level factors that impact the credit profiles of companies operating in an industry and can be a comprehensive guide for the lending community in its assessment of borrower credit risks.



Directors' Report

Besides the periodic off-the-shelf research publications, your Company's customised research offerings to meet the specific requirements of various clients have also been well appreciated. Your Company expects to be able to enhance the offerings under this service, leveraging its extensive knowledge base and research capabilities.

Franchise Development

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

During the year, in addition to several joint seminars with Moody's Investors Service (Moody's) to disseminate its views on developments in the domestic and global credit markets, your Company launched a few novel initiatives. Your Company, along with Moody's, held two comprehensive credit conferences covering corporate, infrastructure and financial sectors; organised a unique workshop on understanding information technology-related risks in financial institutions; and held a first of its kind joint conference with an academic institution of repute to contribute to the expansion of the Indian fixed-income markets. Titled "Developing India's Fixed Income Markets for Sustainable Growth", this joint conference was held in partnership with Moody's Corporation and Solomon Centre, Stern School of Business, New York University. The conference was the inaugural event for the Moody's ICRA Academic Advisory Panel (MIAAP), established in 2015 to promote research on Indian fixed-income markets and facilitate dialogue between academics, market participants, regulators and others.

Further, your Company's periodic teleconferences, increasing use of research and sectoral reports, were all well appreciated. Apart from these, your Company has been able to attain a substantial share of voice in the media through regular releases voicing our opinion on contemporary issues.

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. These awards have seen an increased level of participation over the years and are a subject of considerable pride for the winners.

Change in nature of business

During 2015-16, there is no change in the nature of business of your Company.

Subsidiary Companies (including step down subsidiaries)

During 2015-16, your Company has dissolved one of its step-down subsidiaries, ImaCS Virtus Global Partners Inc, incorporated in USA. As of March 31, 2016, your Company has the following subsidiaries:

1. ICRA Management Consulting Services Limited, subsidiary
 - 1.1. Pragati Development Consulting Services Limited, step down subsidiary
2. ICRA Techno Analytics Limited, subsidiary
 - 2.1. ICRA Sapphire Inc., step down subsidiary
 - 2.2. ICRA Global Capital Inc., step down subsidiary
 - 2.2.1. BPA Technologies Inc., step down subsidiary
 - 2.2.1.2. BPA Technologies Pvt. Ltd., step down subsidiary
3. ICRA Online Limited, subsidiary
4. PT. ICRA Indonesia, subsidiary
5. ICRA Lanka Limited, subsidiary
6. ICRA Nepal Limited, subsidiary

During 2015-16, your Company, after extensive review of results to-date and in light of continuous losses of PT. ICRA Indonesia (ICRA Indo), discontinued the rating services business activity in Indonesia. During the year under review, ICRA Indo has received the approval of the Indonesian regulator for surrender of its rating license and your Company has initiated the liquidation proceedings of ICRA Indo.

The consolidated financial statements of Group ICRA, consisting of ICRA Limited, its subsidiaries, and step down subsidiaries, for the year 2015-16, which form a part of the Annual Report, are attached. The Auditors' Report on the consolidated financial statements is also attached. In compliance with the relevant provisions of the Companies Act, 2013,

Directors' Report

a statement containing the brief financial details in Form AOC-1 as per Rule 5 of the Companies (Accounts) Rules, 2014, of the said subsidiaries is annexed to the consolidated financial statements. The consolidated financial statements have been prepared in accordance with the prescribed Accounting Standards.

As required under the provisions of Section 136 (1) of the Companies Act, 2013, the financial statements, including consolidated financial statements and other documents required to be attached thereto, have been uploaded on the Company's website, www.icra.in. Further, your Company has also uploaded on its website the audited financial statements of each of its subsidiary company.

Branches of the Company

Your Company operates its business from its offices in Delhi, Gurgaon, Mumbai, Kolkata, Chennai, Ahmedabad, Bengaluru, Hyderabad, and Pune.

Board meetings held during the year

During the year, five meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached as *Annexure-III* to this 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 the achievement of its corporate goals. The morale of the employees remained high during the year, resulting in a positive contribution 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 option grantees. Accordingly, the Stock Options have been granted to the eligible option grantees 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 disclosures in terms of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 is annexed to the Directors' Report (Annexure I). The disclosures in terms of Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are also been available on website of the Company and web-link for the same is <http://icra.in/Files/Content/Disclosures%20on%20ESOPs.pdf>. 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 disclosure under the provisions of Section 197(12) of the Companies Act, 2013, regarding the ratio of the remuneration of each Director to the median employee's remuneration and such other details as specified in Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Directors' Report (Annexure II). A statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Directors' Report.

Having regard to the provisions of Section 136(1) of the Companies Act, 2013, the Directors' Report excluding the information provided in compliance with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the company secretary and the same will be furnished without any fee.



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Directors' Report

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.

The certificate of the Statutory Auditors of your Company regarding compliance with the Corporate Governance requirements as stipulated in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**") is annexed to the Directors' Report.

Management Discussion & Analysis

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

Insider Trading Regulations

Based on the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Code of Conduct for prevention of insider trading is in force in your Company. The Board of Directors of the Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with Chapter IV of the said Regulations and the same has been uploaded on the website of your Company.

Material Changes and Commitments

No material changes and commitments that would affect the financial position of the Company have occurred between the end of the financial year to which the attached financial statements relate and the date of this report. Further, as per the disclosure required under Section 134 of the Companies Act, 2013 read with Rule 8(5) of Companies (Accounts) Rules, 2014, no significant and material orders has been passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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 (Accounts) Rules, 2014, 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 and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of your Company, Dr. Min Ye is due to retire by rotation, and being eligible, has offered himself for reappointment.

Proposals for the above appointment forms a part of the Agenda for the forthcoming Annual General Meeting and the resolution is recommended for your approval. The profile of Dr. Min is presented in the Notice of the 25th Annual General Meeting, as required under the Companies Act, 2013, and the Listing Regulations.

During the year under review, the Members of the Company at the Annual General Meeting held on August 13, 2015 approved the appointment of Mr. Arun Duggal, Ms. Ranjana Agarwal, and Ms. Radhika Vijay Haribhakti as Independent Directors. Further, the Members at the said Annual General Meeting approved the appointment of Mr. Robert Scott Fauber and Mr. Thomas John Keller Jr. as Non-Executive, Non-Independent Directors of the Company.

The Members of the Company also approved the reappointment of Mr. Naresh Takkar as Managing Director & CEO for the period of five years w.e.f. July 2, 2015 and approved appointment as Group CEO for the period of five years w.e.f. January 30, 2015.

During 2015-16, the Board of Directors of your Company appointed Mr. Vipul Agarwal as Group Chief Financial Officer and Mr. Amit Gupta as General Counsel and designated them Key Managerial Personnel.

Independent Directors' Declaration

As required under Section 149 (7) of the Companies Act, 2013 read with Schedule IV of Companies Act 2013, the

Directors' Report

Company has received a confirmation/declaration from each of the Independent Directors stating that they meet the criteria of independence. The following Non-Executive Directors of the Company are independent in terms of Section 149(6) of the Companies Act, 2013, and the Listing Regulations:

1. Mr. Arun Duggal
2. Ms. Ranjana Agarwal
3. Ms. Radhika Vijay Haribhakti

Extract of the Annual Return

An extract of the Annual Return in Form No.MGT 9 as per Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed with this report (*Annexure V*).

Directors' Responsibility Statement

As required under the provisions contained in Section 134 of the Companies Act, 2013, your Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) the Directors had 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 and loss of the Company for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) the Directors had prepared the Annual Accounts on a going concern basis;
- (v) the Directors had laid down the internal financial controls followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policy on Directors' Appointment

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skill and experience that are required of the members of the Board. The members of the Board should possess the expertise, skills and experience needed to manage and guide the Company in the right direction and to create value for all stakeholders. The members of the Board will need to consist of eminent persons of proven competence and integrity and with an established track record. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the members of the Board of Directors are required to have a significant degree of commitment to the Company and should devote adequate time in preparing for the Board meeting and attending the same. Members of the Board of Directors are required to possess the education, expertise, skills and experience in various sectors and industries needed to manage and guide the Company. The members of the Board are required to look at strategic planning and policy formulation.

The members of the Board should not be related to any Executive or Independent Director of the Company or any of its subsidiaries. They are not expected to hold any executive or independent position in any entity that is in direct competition with the Company. Board members are expected to attend and participate in the meetings of the Board and its Committees, as relevant. They are also expected to ensure that their other commitments do not interfere with the responsibilities they have by virtue of being a member of the Board of the Company. While reappointing Directors on the Board and Committees of the Board, the contribution and attendance record of the Director concerned shall be considered in respect of such reappointment. The Independent Directors shall hold office as a member of the Board for a maximum term as per the provisions of the Companies Act, 2013, and the Listing Regulations. The appointment of Directors shall be formalised through a letter of appointment.

The Executive Directors with the prior approval of the Board may serve on the Board of any other entity if there is no conflict of interest with the business of the Company.



Directors' Report

Board and Directors Performance Evaluation

The Board of Directors of the Company based on the recommendations of the Nomination and Remuneration Committee has formulated a Board and Director Performance Evaluation Policy, thereby setting out the performance evaluation criteria for the Board and its Committees and each Directors performance including Chairman of the Company.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out an internal evaluation of its own performance, its Committees, Independent Directors, individual Directors including Chairman of the Company. The exercise of performance evaluation was led by the Chairman of the Company alongwith the Chairperson of the Nomination and Remuneration Committee of the Board.

During 2015-16, the Board devised a process to get anonymous feedback on the functioning and performance of the Board as a whole, Chairperson of the Board, individual Directors, and every Committee of the Board.

The results of the feedback were discussed with the Board. Individual feedback was shared by the Chairman with each Board member separately.

The Board of Directors of the Company believe that the effectiveness of its governance framework can continue to be improved through periodic evaluation of the functioning of the Board as a whole, its Committees and individual Director's performance evaluation.

Auditors

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of your Company, at the 24th Annual General Meeting to hold office until the conclusion of the 28th Annual General Meeting subject to ratification in each Annual General Meeting. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013, and that the appointment, if ratified, shall be in accordance with the applicable provisions of the Companies Act, 2013, and the Rules framed there under. The Board of Directors, in terms of Section 139 of the Companies Act, 2013, on the recommendation of the Audit Committee, has recommended ratification of appointment of M/s BSR & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of 26th Annual General Meeting of the Company.

Comments on Auditors' Report

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

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Transfer to Reserves

Your Company proposes to transfer Rs. 6.15 crore (10% of the Net Profit for the year) to the General Reserve. An amount of Rs. 194.94 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. 25; per Equity Share for the financial year ended March 31, 2016. If the Members 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 8, 2016; 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 2015-16, the unclaimed dividend amount of Rs. 1,45,460 towards the unpaid dividend account of the Company for the financial year 2007-08 was transferred to Investor Education and Protection Fund. The said amounts had remained unclaimed for seven years, despite reminder letters having been sent to each of the Shareholders concerned.

Directors' Report

Risk Management Policy

Your Company has formulated a risk management policy to ensure that every effort is made to manage risk appropriately so as to maximize potential opportunities and minimize the adverse effects of risk. The Board and the Audit Committee monitor and review the risk management plan.

Internal Control System and their adequacy

Your Company has an Internal Control System, commensurate with its size, nature of its business and complexities of its operations. The Board of Directors of your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of your Company's business. The Board of Directors of your Company has laid down Internal Financial Controls to provide reasonable assurance with regard to recording and providing reliable financial and operational information, adherence to the Company's policies, safeguarding of assets and prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable information. The Board and the Audit Committee regularly evaluate Internal Financial Controls.

Corporate Social Responsibility

Your Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Policy has been devised on the basis of the recommendations made by the CSR Committee. The composition of CSR committee, CSR Policy of the Company, details about the development, implementation of CSR Policy and initiatives taken by the Company during the year as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, have been annexed to this report (Annexure VI).

Particulars of Contracts or Arrangements with Related Parties

Your Company has entered into contracts or arrangements with its related parties. The related-party transactions are disclosed in the financial statements for the year ended March 31, 2016. There have been no material related-party transactions as per Section 188(1) of the Companies Act, 2013, and the required disclosures of information in Form AOC-2 in terms of Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is annexed to this report (Annexure VII).

Policy on Prohibition, Prevention and Redressal of Sexual Harassment

Your Company has formulated a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. The Company has constituted separately for all the branches "Internal Complaints Committee" for prevention and redressal of sexual harassment at workplace. The complaint relating to sexual harassment received by the Company on March 10, 2015 has taken amicably resolved.

Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees and investments are disclosed in the financial statements for the year ended March 31, 2016.

Vigil Mechanism

Your Company has established a vigil mechanism in compliance with the provisions of Section 177 (9) of the Companies Act, 2013, and Regulation 22(1) of Listing Regulations. The vigil mechanism established provides adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The Vigil Mechanism / Whistle Blower Policy of the Company has been uploaded on the website of the Company, www.icra.in. During the year 2015-16, there were no cases received pertaining to the Whistle Blower policy.

Directors' Report

Composition of the Audit of Committee

Your Company has constituted an Audit Committee, the composition of which has been provided in the Corporate Governance Report. During the financial year 2015-16, the Board accepted all the recommendations of the Audit Committee.

Secretarial Audit

The Board of Directors of the Company has appointed M/s. Y.J. Basrar & Co., Company Secretaries (Membership No. FCS 2754), as the Secretarial Auditor of the Company for the financial year 2015-16 in terms of Section 204 of the Companies Act, 2013. The Secretarial Audit Report for financial year 2015-16 has been annexed to this Report (*Annexure VIII*). The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

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

Place: Gurgaon
Date: May 19, 2016

(Arun Duggal)
Chairman
DIN: 00024262

Annexure I

Annexures to the Directors' Report

Disclosure in compliance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 read with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Description		Tranche 1 (As on March 31, 2016)	Tranche 2 (As on March 31, 2015)
(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)	Options Vested	5,44,859	2,45,753
(c)	Options Exercised	5,41,910	2,00,423
(d)	Total Number of Shares arising as a result of Exercise of Options	5,41,910 equity shares (face value of Rs. 10/- each)	2,00,423 equity shares (face value of Rs. 10/-each)
(e)	Options Lapsed	73,853	28,371
	Exercise Price	Rs. 330	Rs. 330
(f)	Variation of Terms of Options	Nil	Nil
(g)	Money Realised by Exercise of Options	Rs. 17,88,30,300	Rs. 6,61,39,590
(h)	Total Number of Options in Force	Nil	43,706
(i)	Employee-wise details of Options granted under Tranche1 and Tranche 2		
(i)	Key Managerial Personnel		

Name of Employee	Designation	Options granted under Tranche1	Options granted under Tranche 2
Mr. Naresh Takkar	Managing Director & Group CEO	50,000	12,000
Mr. Vipul Agarwal	Group Chief Financial Officer	NA	NA
Mr. Amit Gupta	General Counsel	NA	NA
Mr. S. Shakeb Rahman	Company Secretary & Compliance Officer	NA	300
(ii)	any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year	None	
(iii)	identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	



Annexure II

Information as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) **Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2015-16 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2015-16:**

Name of the Director/Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
Mr. Arun Duggal	Independent Director	1.86:1	Not Applicable ¹
Ms. Ranjana Agarwal	Independent Director	1.40:1	Not Applicable ¹
Ms. Radhika Haribhakti	Independent Director	1.40:1	Not Applicable ²
Dr. Min Ye	Non- Executive and Non-Independent Director	Not Applicable ³	Not Applicable ³
Mr. Simon Richard Hastilow	Non- Executive and Non-Independent Director	Not Applicable ³	Not Applicable ³
Mr. Robert Scott Fauber	Non- Executive and Non-Independent Director	Not Applicable ³	Not Applicable ³
Mr. Thomas John Keller Jr.	Non- Executive and Non-Independent Director	Not Applicable ³	Not Applicable ³
Mr. Naresh Takkar	Managing Director & Group CEO	32.42:1	8.96%
Mr. Vivek Mathur	Chief Financial Officer	Not Applicable ⁴	Not Applicable ⁴
Mr. Vipul Agarwal	Group Chief Financial Officer	Not Applicable ⁵	Not Applicable ⁵
Mr. Amit Gupta	General Counsel	Not Applicable ⁶	Not Applicable ⁶
Mr. S. Shakeb Rahman	Company Secretary	0.92:1	Not Applicable ⁷

¹ Appointed Independent Director with effect from November 11, 2014, the remuneration for the financial years 2014-15 and 2015-16 are not comparable.

² Appointed Independent Director with effect from December 4, 2014, the remuneration for the financial years 2014-15 and 2015-16 are not comparable.

³ Non-Executive Non Independent Directors have waived sitting fees since June 1, 2015 and also waived commission payable to them for the financial year 2015-16.

⁴ Ceased to be a Chief Financial Officer with effect from May 21, 2015.

⁵ Appointed Key Managerial Personnel with effect from May 22, 2015.

⁶ Appointed Key Managerial Personnel with effect from August 14, 2015.

⁷ Appointed during the financial year 2014-15, the remuneration for the financial years 2014-15 and 2015-16 are not comparable.

- (ii) The percentage increase in the median remuneration of employees for the financial year 2015-16 was 19.3%.
- (iii) The number of permanent employees on the rolls of the Company as of March 31, 2016 was 426.
- (iv) **Explanation on the relationship between average increase in remuneration and Company's performance:** The remuneration is set at such levels as to attract, motivate, and retain high-calibre, and high-potential personnel in a competitive market. The remuneration level reset annually on the basis of performance evaluation done by the management and after comparison with the relevant peer group in the market. The average increase in remuneration was 14.3%% during the year 2015-16 which was in line with the Company's performance.
- (v) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:** The operating revenue of the Company grew by 8% during FY 2015-16 over FY 2014-15 and the net profit grew by 22% over the same period. The aggregate increase in remuneration of Key Managerial Personnel was based on the remuneration policy and it was in line with the Company's performance.
- (vi) The market capitalization of the Company was decreased by 3% to Rs. 3,894.55 crore as of March 31, 2016 from Rs. 4,009.20 crore as of March 31, 2015. The Price Earnings Ratio was Rs. 62.28 as of March 31, 2016 which was a decrease of 20%, as compared to March 31, 2015. The closing price of the Company's equity shares on the

National Stock Exchange (NSE) and the BSE as of March 31, 2016 was Rs. 3,894.55 and Rs. 3,875 respectively, representing a 1080% (NSE) increase over the initial public offer price.

- (vii) Average percentage increase made in the salaries of employees other than the managerial personnel (including KMP) in the financial year was 14.3% whereas the increase in the managerial remuneration was 12.5%. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies.
- (viii) **The key parameters for any variable component of remuneration availed by the Directors:** Variable compensation is an integral part of our Remuneration Policy. The variable components were Deferred Pay and Share of Profits. Deferred Pay consists of payments payable on a future date subject to the achievement of certain objectives and such other terms as the Committee may determine appropriate. Deferred pay is intended to incentivise longer term and sustainable improvements in Company performance. The Executive Director may also be paid remuneration by way of certain share of profits of the Company.
- (ix) During the financial year 2015-16, no employee received remuneration in excess of the highest-paid director.
- (x) The remuneration paid during the financial year 2015-16 is as per the Remuneration Policy of the Company.

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 exercise of 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. As of March 31, 2016, the Board has eight members, one of whom is an Executive Director. Of the seven Non-Executive Directors, three are Independent Directors including two women Directors, and four are Non-Executive Non-Independent Directors. The Chairman of the Board is a Non-Executive and Independent Director. The number of Non-Executive Directors is more than 50% of the total number of Directors.

In compliance with Regulation 25(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") none of the Independent Directors of your Company serves as an Independent Director in more than seven listed companies and where any Independent Director is a whole-time director in any listed company, such a director is not an Independent Director in more than three listed companies.

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, considering all the companies in which they are Directors, in compliance with Regulation 26(1) of the Listing Regulations.

The composition of the Board as on March 31, 2016 and the other directorships held as on the date of this report by each of the Directors are set out in the following table:

Name of Director ¹	Category of Director	Relationship with Other Directors inter-se	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. Arun Duggal DIN: 00024262	Chairman Non-Executive Independent Director	None	6	5	1
Mr. Naresh Takkar DIN: 00253288	Executive Director	None	6	3	None
Ms. Ranjana Agarwal DIN: 03340032	Non-Executive Independent Director	None	5	2	2
Ms. Radhika Vijay Haribhakti DIN: 02409519	Non-Executive Independent Director	None	6	6	None
Dr. Min Ye DIN: 06552282	Non-Executive Non- Independent Director	None	18	1	None
Mr. Simon Richard Hastilow DIN: 06573596	Non-Executive Non- Independent Director	None	None	None	1

Corporate Governance Report

Name of Director ¹	Category of Director	Relationship with Other Directors inter-se	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. Robert Scott Fauber DIN: 07076817	Non-Executive Non-Independent Director	None	3	None	None
Mr. Thomas John Keller Jr. DIN: 00194502	Non-Executive Non-Independent Director	None	2	1	None

Notes:

1. Except Mr. Naresh Takkar, none of the Directors of your Company was holding any shares of your Company as on March 31, 2016.
2. Including Private Companies and Foreign Companies.
3. Includes membership/chairmanship only of the Audit Committee(s) and Stakeholders Relationship Committee(s).

Name of Director	Directorship in Other Companies
Mr. Arun Duggal	<ul style="list-style-type: none"> Dish TV India Limited Dr Lal Pathlabs Limited Info Edge (India) Limited International Asset Reconstruction Co. Private Limited ITC Limited Mangalore Chemicals & Fertilizers Limited
Mr. Naresh Takkar	<ul style="list-style-type: none"> ICRA Lanka Limited ICRA Nepal Limited ICRA Online Limited ICRA Techno Analytics Limited ICRA Management Consulting Services Limited PT. ICRA Indonesia
Ms. Ranjana Agarwal	<ul style="list-style-type: none"> Indo Rama Synthetics (India) Limited ICRA Management Consulting Services Limited Joyville Shapoorji Housing Private Limited KDDL Limited Shubham Housing Development Finance Co. Private Limited
Ms. Radhika Vijay Haribhakti	<ul style="list-style-type: none"> Adani Ports and Special Economic Zone Limited EIH Associated Hotels Limited ICRA Techno Analytics Limited Navin Fluorine International Limited Rain Industries Limited Vistaar Financial Services Private Limited
Dr. Min Ye	<ul style="list-style-type: none"> Asia Securities Industry and Financial Markets Association Limited China Cheng Xin International Credit Rating Co., Limited Korea Investors Service, Inc. Moody's (Japan) K.K. Moody's Asia Pacific Limited Moody's China (B.V.I.) Limited Moody's Company Hong Kong Limited Moody's Group Australia Pty Limited Moody's Investment Company India Private Limited Moody's Investors Service (Beijing), Limited Moody's Investors Service (Korea) Inc. Moody's Investors Service Hong Kong Limited Moody's Investors Service Pty Limited Moody's Investors Service India Private Limited Moody's Investors Service Singapore Pte. Limited Moody's SF Japan K.K. Moody's Shared Services India Private Limited Moody's Singapore Pte Limited



Corporate Governance Report

Name of Director	Directorship in Other Companies
Mr. Simon Richard Hastilow	None
Mr. Robert Scott Fauber	<ul style="list-style-type: none"> Council for Economic Education Equilibrium Clasificadora de Riesgo S.A. Moody's Foundation
Mr. Thomas John Keller Jr.	<ul style="list-style-type: none"> China Cheng Xin International Credit Rating Company Limited (CCXI) Equilibrium Clasificadora de Riesgo S.A.

(iii) Board Meetings/Annual General Meeting

During the year 2015-16, the Board of Directors of your Company met five times: on May 21, 2015; July 2, 2015; August 13, 2015; November 5, 2015; and February 11, 2016. The Agenda papers along with the explanatory notes for Board Meetings were sent in advance to the Directors. In some instances, documents were tabled at the meeting and presentations were also made by the respective executives on matters related to them at the meeting.

The previous Annual General Meeting was held on August 13, 2015. Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2015-16 are presented in the following table.

Name of Director	Board Meetings			Whether Attended Last Annual General Meeting
	No. of meetings entitled to attend	No. of meetings attended	% of attendance	
Mr. Arun Duggal	5	5	100	Yes
Mr. Naresh Takkar	5	5	100	Yes
Ms. Ranjana Agarwal	5	5	100	Yes
Ms. Radhika Vijay Haribhakti	5	5*	100	Yes
Dr. Min Ye	5	3	60	Yes
Mr. Simon Richard Hastilow	5	4**	80	Yes
Mr. Robert Scott Fauber	5	4**	80	Yes
Mr. Thomas John Keller Jr.	5	4**	80	Yes

* including meetings attended through video conferencing.

**meetings attended through audio conferencing not considered for quorum and attendance.

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 number 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.

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, 2016.

(vi) Familiarisation Programme for Independent Directors

In compliance with the Listing Regulations, your Company conducts a familiarisation programme for Independent Directors in which the Managing Director & Group CEO and the CEOs of Group ICRA entities apprise the Independent Directors of each company's business model, the nature of the industry in which they operate, and their business environment, performance trends, operating/competitive issues and plans. The details of the familiarisation programme have been disclosed on the website of the Company at <http://www.icra.in/Files/Content/Familiarisation%20Programme.pdf>.

Corporate Governance Report

C. Board Committees

In compliance with requirements under the Companies Act, 2013, the Listing Regulations, and other applicable laws, the Board has constituted the following committees of the Board:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee
- (iv) ESOS [Employee Stock Option Scheme] Compensation Committee
- (v) Strategy Committee
- (vi) Corporate Social Responsibility Committee
- (vii) Investment & Real Estate Committee
- (viii) Investment in Subsidiaries Committee (merged with Investment & Real Estate Committee on November 5, 2015)

The committees meet as often as necessary, subject to the minimum number and frequency stipulated by the Board of Directors or as prescribed under the Companies Act, 2013, and the Listing Regulations. 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. Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers that necessary.

B. Role of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement, which in turn is to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.



Corporate Governance Report

8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. Looking into the reasons for substantial defaults, if any, in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Reviewing the functioning of the whistle blower mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

C. Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

The Audit Committee consists of five Non-Executive Directors, of whom three are Independent Directors. The Chairperson of the committee, Ms. Ranjana Agarwal, is an Independent Director.

The Audit Committee met five times during the year 2015-16: on May 21, 2015; August 12, 2015; November 5, 2015; and February 11, 2016 (two meetings conducted on this date). The following table presents, besides the composition of the Audit Committee as on March 31, 2016, the details of attendance at the meetings held during the financial year 2015-16.

Composition of Audit Committee			Audit Committee meetings		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	Attendance percentage
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	5	5	100
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Member	5	5	100
Dr. Min Ye	Non-Executive Non-Independent Director	Member	5	3	60

Corporate Governance Report

Composition of Audit Committee			Audit Committee meetings		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	Attendance percentage
Mr. Arun Duggal ¹	Chairman, Non-Executive Independent Director	Member	1	1	100
Mr. Thomas John Keller Jr. ²	Non-Executive Non-Independent Director	Member	1	1	100

1. Mr. Arun Duggal was appointed member of the Audit Committee with effect from February 11, 2016.

2. Mr. Thomas John Keller Jr. was appointed as the member of the Audit committee with effect from February 11, 2016.

The necessary quorum was present for all the meetings.

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 meetings.

(ii) Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee include:

- (i) Identify persons who are qualified to become Directors and who can be appointed in the Senior Management and recommend to the Board their appointment and removal.
- (ii) Recommend to the Board, policy relating to remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:
 - (a) the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (iii) Formulate criteria for evaluation of Independent Directors and the Board.
- (iv) Evaluate performance of every Director on the Board.
- (v) Devise a policy on Board diversity.
- (vi) Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- (vii) Attend, through the Chairman, the Annual General Meeting of the Company to answer shareholders' queries.

The Nomination and Remuneration Committee consists of three Non-Executive Directors of whom two are Independent Directors. The Chairperson of the Committee, Ms. Radhika Vijay Haribhakti, is an Independent Director.

The Nomination and Remuneration Committee met five times during the year 2015-16: on May 21, 2015; July 2, 2015; August 12, 2015; November 5, 2015; and February 11, 2016.

The following table presents the composition of the Nomination and Remuneration Committee as on March 31, 2016 and the details of attendance at the meetings held during the financial year 2015-16.

Composition of Nomination and Remuneration Committee			Nomination and Remuneration Committee Meetings		
Name of Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Chairperson	5	5*	100
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	5	5	100
Mr. Simon Richard Hastilow	Non-Executive Non-Independent Director	Member	5	4**	80

* One through video conferencing.

**One through audio conferencing not considered for quorum and attendance.



Corporate Governance Report

The necessary quorum was present for all the meetings.

The Company Secretary of your Company is the Secretary to the Nomination and Remuneration Committee.

Performance Evaluation Criteria for Independent Directors

The Board of Directors of your Company based on the recommendations of the Nomination and Remuneration Committee of your Company has laid down the criteria for performance evaluation of Independent Directors. The criteria for performance evaluation cover the areas relevant to their functioning as independent directors of the Company.

Remuneration Policy

The Board of Directors of your Company based on the recommendation of the Nomination and Remuneration Committee has devised a Remuneration Policy. The policy is designed to attract, motivate, improve productivity and retain valuable talent, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. This policy shall act as a guideline for determining, *inter alia*, the qualifications, positive attributes and independence of a Director, and matters relating to the remuneration, appointment, removal and evaluation of performance of Directors, Key Managerial Personnel, Senior Management and other employees.

Executive Directors

During the year 2015-16, your Company paid remuneration to its Executive Directors within the limits envisaged under the applicable provisions of the Companies Act, 2013. 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 Executive Directors.

The remuneration structure for the Executive Directors of the Company may contain one or more of the following components having regard to the guiding principles provided in the Remuneration Policy of the Company, excerpts of which are as under:

The guiding principle is that the remuneration and other terms of employment shall be competitive in order to ensure that the Company can attract, motivate and retain valuable talent. Accordingly, while determining the remuneration policy and arrangements for Executive Directors, Key Managerial Personnel and other employees, the Company shall:

- benchmark the compensation package it offers to employees against those that the industry and competition offer;
 - ensure that the compensation package is so structured as to be stable while also providing incentives for continuous improvement in performance; and
 - ensure that the compensation package achieves a balance between fixed and variable pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (a) **Fixed Pay:** This will consist of Basic Salary, and, if appropriate, other components such as, House Rent Allowance, Conveyance Allowance and City Compensatory Allowance, and other perquisites;
 - (b) **Deferred Pay:** This will consist of payments payable on a future date, subject to the achievement of certain objectives and such other terms as the Committee may determine appropriate. Deferred pay is intended to incentivise longer term and sustainable improvements in Company performance;
 - (c) **Share of Profit:** The Executive Directors may also be paid remuneration by way of certain share of net profits;
 - (d) **Stock Options:** These will be granted by the ESOS Compensation Committee under the Employees Stock Option Scheme; and
 - (e) **Any other form of monetary or non-monetary remuneration,** as may be recommended by the Committee from time to time.

Corporate Governance Report

Remuneration Paid/Payable to Executive Director for the year ended March 31, 2016

(Amounts in Rupees)

Name	Mr. Naresh Takkar
Designation	Managing Director & Group CEO
Salary	78,00,000
Allowances	1,58,53,646
Perquisites	6,97,205
Commission	95,00,000
Provident Fund Contribution	9,36,000
Gratuity	@
Compensated absences	@
Total Remuneration	3,47,86,851
Appointment Valid Till	July 1, 2020
Notice Period	3 months
No. of Stock Options Granted During the Year	Nil*

*As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amounts pertaining to that is not included above.

*Employees Stock Options expense in Statement of Profit & Loss is Rs. Nil.

Non-Executive Directors

Remuneration for Independent Directors

The remuneration payable to Independent Directors on the Board are as follows:

- Board Sitting Fees: Rs. 60,000 per meeting
- Committee Sitting Fees: Rs. 30,000 per meeting of a Board Committee of which s/he is a member

Independent Directors are also paid remuneration by way of Commission on net profits of the Company.

The above payments are in accordance with the approval accorded by the Members at their meetings 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, 2013. This approval was initially granted by the Members 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 Members at their meeting held on August 3, 2012; the approval is valid up to the financial year 2016-17.

Save as set out above, Independent Directors shall not be entitled to any other form of remuneration from the Company.

Remuneration for Non-Executive, Non-Independent Directors (Including Nominee Directors)

The Non-Executive, Non-Independent Directors will be paid remuneration by way of sitting fee of Rs. 20,000 for each meeting attended of the Board or of a Board committee. Subject to the approval of the Board of Directors, the Non-Executive, Non Independent Directors may also be paid remuneration by way of certain percentage of net profits, as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors within the limit specified by the members and computed in accordance with the applicable provisions of the Companies Act, 2013, and the Rules made thereunder.

Sitting Fees paid and Commission payable to Non-Executive Directors including Independent and Non-Independent Directors during the year 2015-16

(Amounts in Rupees)

Name of Director	Sitting Fee paid	Commission payable
Mr. Arun Duggal	3,60,000	20,00,000
Ms. Ranjana Agarwal	8,10,000	15,00,000
Ms. Radhika Vijay Haribhakti	6,60,000	15,00,000
Dr. Min Ye	40,000*	Nil *
Mr. Simon Richard Hastilow	40,000*	Nil *
Mr. Robert Scott Fauber	20,000*	Nil *
Mr. Thomas John Keller Jr.	20,000*	Nil *

*Non-Executive Non Independent Directors have waived sitting fees since June 1, 2015 and also waived commission payable to them for the financial year 2015-16.



Corporate Governance Report

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

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Stakeholders Relationship Committee consists of three Directors, of whom one is a Non Executive, Non-Independent Director, another is an Independent Director and the third is an Executive Director. The Chairman of the Committee, Mr. Simon Richard Hastilow, is a Non-Executive, Non-Independent Director.

The Stakeholders Relationship Committee met once during the year 2015-16: on November 5, 2015.

The following table presents the composition of the Stakeholders Relationship Committee as on March 31, 2016 and the details of attendance at the Committee meeting held during the year 2015-16.

Composition of Stakeholders Relationship Committee			Stakeholders Relationship Committee Meetings		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Simon Richard Hastilow	Non-Executive Non-Independent Director	Chairperson	1	1	100
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	1	1	100
Mr. Naresh Takkar	Executive Director	Member	1	1	100

The necessary quorum was present for the meeting.

The Company Secretary of your Company is the Compliance Officer.

Your Company received 12 complaints from Shareholders/Investors during the financial year 2015-16. All 12 complaints were redressed to the satisfaction of the Shareholders/Investors and no complaint is pending as on March 31, 2016.

The details of the complaints received and resolved during the financial year 2015-16 are as follows:

S. No.	Complaint relating to/received from	Pending as on April 1, 2015	Received during the year	Resolved during the year	Pending as on March 31, 2016
1.	Transfer/Transmission/Split/Duplicate Share Certificates	Nil	Nil	Nil	Nil
2.	Non-receipt of Dividend	Nil	7	7	Nil
3.	Dematerialisation/Rematerialisation of Shares	Nil	Nil	Nil	Nil
4.	Complaint received from:				
	(a) Securities and Exchange Board of India/SCORES	Nil	2	2	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	3	3	Nil
	Total	Nil	12	12	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:

- It is a centralised database of all complaints,
- It allows online movement of complaints to the listed companies concerned,
- It allows online upload of Action Taken Reports (ATRs) by the companies concerned, and
- It allows online viewing by investors of actions taken on the complaint and its current status.

Corporate Governance Report

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 is treated as non-redressal of investor complaints by the company.

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 2015-16, the Company received 2 (two) complaints through SCORES.

(iv) ESOS Compensation Committee

The terms of reference of the ESOS Compensation Committee include:

- i. To formulate detailed terms and conditions of the Employees Stock Option Scheme in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, and other applicable laws.
- ii. To determine the eligibility of an Employee for participation under the Employees Stock Option Scheme and to grant Options based on, inter alia, the following criteria:
 - (a) Performance of the Employee in contributing to business results, organizational strength and market position of the Company;
 - (b) Employee's potential and criticality to the role(s) assigned;
 - (c) Level in the Company/Subsidiary; and
 - (d) Any other criteria that may be determined by the ESOS Compensation Committee from time to time.
- iii. To determine the quantum of options to be granted under ESOS per employee and in aggregate.
- iv. To determine the number of Shares to be covered by each such Option granted hereunder.
- v. To approve forms of Agreement for use under the Employees Stock Option Scheme.
- vi. To establish and administer terms, conditions, performance criteria, restrictions, limitations, exercise period, forfeiture or vesting or exercise schedule and other provisions of or relating to any Option including conditions for lapse of Options and to specify and determine such additional terms, conditions and restrictions not inconsistent with the terms of the Employees Stock Option Scheme and/or any Options as may be deemed necessary or appropriate to ensure compliance with the applicable laws.
- vii. To grant waiver of and variations in the terms, conditions, restrictions and limitations under the Employees Stock Option Scheme and amend or adjust the terms and conditions of Option outstanding, correct any errors, supply any omissions or reconcile any inconsistencies in the Employees Stock Option Scheme, Employees Stock Option Agreement or any other instrument relating to the Options.
- viii. To formulate the conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
- ix. To construe and interpret any ambiguous provisions/terms of the Employees Stock Option Scheme, Employees Stock Option Agreement and any other instrument relating to the Options and decide all questions relating thereto.
- x. To appoint such agents as it shall deem appropriate for the proper administration of the Employees Stock Option Scheme.
- xi. To frame suitable policies and systems to ensure that there is no violation of the applicable laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee.
- xii. To make any other determination and to take any other action that it or the Board may deem necessary or desirable for the administration of the Employees Stock Option Scheme including the actions required under the regulations framed by SEBI and other applicable laws.

The ESOS Compensation Committee consists of three Non-Executive Directors, of whom two are Independent Directors. The Chairperson of the Committee, Ms. Radhika Vijay Haribhakti, is an Independent Director.

The ESOS Compensation Committee met once during the year 2015-16: on February 11, 2016.

Corporate Governance Report

The following table presents the composition of the ESOS Compensation Committee as on March 31, 2016 and the details of attendance at the Committee meeting held during the year 2015-16.

Composition of ESOS Compensation Committee			ESOS Compensation Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Chairperson	1	1	100
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	1	1	100
Mr. Simon Richard Hastilow	Non-Executive Non-Independent Director	Member	1	1	100

The necessary quorum was present for the meeting.

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

(v) Strategy Committee

The Strategy Committee is headed by a Non-Executive, Non-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, investor relationship, etc.

The Strategy Committee met once during the year 2015-16: on February 11, 2016.

The following table presents the composition of the Strategy Committee as on March 31, 2016 and the details of attendance at the Committee meeting held during the year 2015-16.

Composition of Strategy Committee			Strategy Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Robert Scott Fauber	Non-Executive Non-Independent Director	Chairperson	1	1	100
Dr. Min Ye	Non-Executive Non-Independent Director	Member	1	Nil	-
Mr. Simon Richard Hastilow	Non-Executive Non-Independent Director	Member	1	1	100
Mr. Naresh Takkar	Executive Director	Member	1	1	100

The necessary quorum was present for the meeting.

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

(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 an Independent Director.

The terms of reference of the CSR Committee include:

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy in accordance with the provisions of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitoring of the Corporate Social Responsibility Policy of the Company and performance of various CSR projects, programmes or activities undertaken by the Company from time to time.

During the year 2015-16, three meetings of the CSR Committee were held, on June 19, 2015, August 12, 2015 and November 5, 2015.

Corporate Governance Report

The following table presents the composition of the CSR Committee as on March 31, 2016 and the details of attendance at the CSR Committee meeting held during the year 2015-16.

Composition of Corporate Social Responsibility Committee			Corporate Social Responsibility Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	3	3	100
Dr. Min Ye	Non-Executive Non-Independent Director	Member	3	2*	66.67
Mr. Naresh Takkar	Executive Director	Member	3	3	100

*One through audio conferencing not considered for quorum and attendance.

The necessary quorum was present for all the meetings.

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

(vii) Investment & Real Estate Committee

The Board of Directors of your Company has formed the Investment & Real Estate Committee. The Investment & Real Estate Committee is headed by an Independent Director.

The terms of reference of the Investment & Real Estate Committee include:

- (a) Looking after the activities relating to investments in the subsidiaries of the Company, besides consideration of the proposals relating to acquisitions and divestitures.
- (a) Examining the suitability of the premises (viz. land, building, commercial, residential) and to approve the sale and purchase/construction of the same for the Company and/or its subsidiaries, if found to be suitable, subject to due diligence regarding valuation, legal issues and construction qualities to be carried out by professional valuers, lawyers and engineers. This Committee is authorized to approve the aforementioned transactions below Rs. 500 million per transaction.

The Investment & Real Estate Committee met once during the year 2015-16: on November 5, 2015.

The following table presents the composition of the Investment & Real Estate Committee as on March 31, 2016 and the details of attendance at the Committee meeting held during the year 2015-16.

Composition of Investment & Real Estate Committee			Investment & Real Estate Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	1	1	100
Mr. Simon Richard Hastilow ¹	Non-Executive Non-Independent Director	Member	1	1	100
Mr. Robert Scott Fauber ²	Non-Executive Non-Independent Director	Member	Nil	Nil	NA
Mr. Naresh Takkar	Executive Director	Member	1	1	100

¹Mr. Simon Richard Hastilow ceased to be a member of the Investment & Real Estate Committee on November 5, 2015.

²Mr. Robert Scott Fauber was appointed member of the Investment & Real Estate Committee on November 5, 2015.

The necessary quorum was present for the meeting.

The Company Secretary of your Company is the Secretary to the Investment & Real Estate Committee.

(viii) Investment in Subsidiaries Committee

During 2015-16, the Investment in Subsidiaries Committee was merged with the Investment & Real Estate Committee. Prior to the merger, the Investment in Subsidiaries Committee met once during the year 2015-16: on November 5, 2015.



Corporate Governance Report

The following table presents the composition of the Investment in Subsidiaries Committee and the details of attendance at meeting of the Committee held during the year 2015-16.

Composition of Investment in Subsidiaries Committee			Investment in Subsidiaries Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Dr. Min Ye	Non-Executive Non-Independent Director	Chairperson	1	1	100
Mr. Simon Richard Hastilow	Non-Executive Non-Independent Director	Member	1	1	100
Mr. Naresh Takkar	Executive Director	Member	1	1	100

The necessary quorum was present for the meeting.

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:

- Financial Statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- 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.
- 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 Regulation 16(1)(c) of the Listing Regulations.

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
Twenty-Second Annual General Meeting	August 2, 2013 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010
Twenty-Third Annual General Meeting	August 13, 2014 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010
Twenty-Fourth Annual General Meeting	August 13, 2015 at 11:00 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:

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.

Twenty-Third Annual General Meeting held on August 13, 2014

No Special Resolution was proposed and passed.

Twenty-Fourth Annual General Meeting held on August 13, 2015

No Special Resolution was proposed and passed.

Postal Ballot

During 2015-16, a Special Resolution was passed by means of Postal Ballot and E-voting regarding adoption of new Articles of Association in conformity with Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014.

Corporate Governance Report

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a Special Resolution through Postal Ballot.

Details of Voting Pattern/Results

Resolution Required: (Ordinary/Special)					Special			
Whether promoter/promoter group are interested in the agenda/resolution?					No			
Category	Mode of voting	No. of shares held(1)	No. of votes polled (2)	No. of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes in favour (4)	No. of votes against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and promoter group	E-Voting	50,05,622	50,05,622	100	50,05,622	0	100	0
	Poll		NA	NA	NA	NA	NA	NA
	Postal ballot		0	0	0	0	0	0
	Total	50,05,622	50,05,622	100	50,05,622	0	100	0
Public Institutions	E-Voting	34,54,814	21,94,432	63.5180939	21,94,432	0	100	0
	Poll		NA	NA	NA	NA	NA	NA
	Postal ballot		0	0	0	0	0	0
	Total	34,54,814	21,94,432	63.5180939	21,94,432	0	100	0
Public Non Institutions	E-Voting	15,39,564	4,27,633	27.7762405	4,27,631	2	99.9995	0.0005
	Poll		NA	NA	NA	NA	NA	NA
	Postal ballot		1,118	0.07261796	1,118	0	100	0
	Total	15,39,564	4,28,751	27.8488585	4,28,749	2	99.9995	0.0005
Total		1,00,00,000	76,28,805	76.28805	76,28,803	2	99.99997	0.00003

The Company had appointed Advocate Ashok Kumar Juneja, Bar Enrolment No. D/579/2005, as a Scrutinizer for conducting the Postal Ballot process.

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, 2016. As required under Schedule V of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions, which has been uploaded on the website of the Company at <http://www.icra.in/Files/Content/ICRA-PolicyonRelatedPartyTransactions.pdf>.

(ii) Details of Non-Compliance

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

(iii) Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Schedule V of the Listing Regulations, 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. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Further, no Member of Staff has been denied access to the Audit Committee. The said Whistle Blower Policy has been uploaded on the website of the Company at <http://www.icra.in/Files/Content/ICRA-WhistleBlowerPolicy.pdf>.

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SERVICE COMPANY

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(iv) Policy for determining “material” subsidiaries

As required under Regulation 16 (1) (c) and 46 (2) (h) of the Listing Regulations, the Company has formulated a Policy for determining “material” subsidiaries, which has been put up on the website of the Company at [http://www.icra.in/Files/Content/Policy%20on%20Material%20Subsidiary\(29-01-2015\)Board%20Approved.pdf](http://www.icra.in/Files/Content/Policy%20on%20Material%20Subsidiary(29-01-2015)Board%20Approved.pdf).

(v) Materiality Policy

As required under Regulation 30(4)(ii) of the Listing Regulations, the Company has formulated a policy for determination of materiality of an event or information for the purpose of making disclosures to the stock exchanges. Further, according to this Policy, any transaction, event or information relating to the Company and/or its Subsidiaries that might fall within the Section-Scope is to be reported immediately by the employees of the Company and/or its Subsidiaries to either the Group CFO or the General Counsel of the Company. The Group CFO and the General Counsel together will determine the materiality of the event/information in consultation with the Managing Director & Group CEO. The Group CFO and the General Counsel will ensure that adequate disclosures with respect to such material events/information are made to the stock exchanges within the timeline prescribed under the Listing Regulations. This Policy has been put up on the website of the Company at http://icra.in/Files/Content/ICRA_Materiality%20Policy_01-12-15.pdf.

(vi) Record Retention Policy

As required under Regulation 9 of the Listing Regulations, the Company has formulated a Policy on preservation of documents, which has been put up on the website of the Company at http://icra.in/Files/Content/ICRA%20-%20Record%20Retention%20Policy_December%201,%202015.pdf.

(vii) Adoption of Mandatory and Discretionary Requirements

SEBI has notified Listing Regulations on September 2, 2015, replacing the erstwhile Listing Agreement with effect from December 1, 2015 with an aim to consolidate and streamline the provision of erstwhile Listing Agreement for different segments of the capital market viz. equity, debentures and debt instruments etc.

Further, Listing Regulations prescribed various corporate governance recommendations in line with the corporate governance committee constituted by SEBI. These recommendations were eventually incorporated in Clause 49 of the Listing Agreement, and the revised Clause 49 was made effective from October 1, 2014. Listing Regulations have incorporated these recommendations.

During the year 2015-16, your Company has complied with all the mandatory requirements of the erstwhile Listing Agreement upto November 30, 2015 and with effect from December 1, 2015 the Company has complied with all the mandatory requirements of Listing Regulations. The Company has also complied with the following discretionary requirements under Regulation 27(1) of the Listing Regulations:

- (i) Audit qualifications: Your Company's financial statements are unqualified.
- (ii) Separate posts of Chairman and CEO: The Company has appointed separate persons to the posts of Chairman and Managing Director/CEO.
- (iii) Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.

(viii) Management Discussion and Analysis Report

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

(ix) Separate meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on November 5, 2015, without the attendance of the Executive Director, Non-Independent Directors and members of management. All the Independent Directors attended the said meeting.

(x) Policy on Board Diversity

The Board of Directors of your Company based on the recommendations of the Nomination and Remuneration Committee of your Company has devised a policy on Board Diversity to provide for having a broad experience and diversity on the Board.

(xi) Performance Evaluation

The Board of Directors of your Company based on the recommendations of the Nomination and Remuneration

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Committee of your Company has laid down the criteria for performance evaluation of Independent Directors and other directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation covers the areas relevant to their functioning as independent directors or other directors, member of Board or Committees of the Board.

Means of Communication

1. Your Company's corporate website www.icra.in has an "Investors" section, which provides comprehensive information to Members. The quarterly and annual financial results 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 and on the websites of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).
3. The official news releases issued by the Company including presentations made to institutional investors and to analysts are also displayed on the Company's website www.icra.in. As required under Regulation 46 of the Listing Regulations, your Company maintains a functional website www.icra.in, which, *inter alia*, presents the following information in compliance with the said Regulation:
 - (a) Details of business
 - (b) Terms and conditions of appointment of independent directors
 - (c) Composition of various committees of board of directors
 - (d) Code of conduct of board of directors and senior management personnel
 - (e) Details of establishment of vigil mechanism/whistle blower policy
 - (f) Criteria of making payments to non-executive directors
 - (g) Policy on dealing with related party transactions
 - (h) Policy for determining 'material' subsidiaries
 - (i) Details of familiarization programmes imparted to independent directors
 - (j) Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances
 - (k) Email address for grievance redressal and other relevant details
 - (l) Financial results
 - (m) Shareholding pattern
 - (n) Details of agreements, if any, entered into with the media companies and/or their associates
 - (o) New name and the old name of the Company

G. Disclosure of Compliance with Corporate Governance

Particulars	Regulation	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes



Corporate Governance Report

Particulars	Regulation	Compliance status (Yes/No/NA)
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Obligations of Directors and Senior Management	26(2) & 26(5)	Yes

H. Auditors' Certificate on Corporate Governance

The Auditors' certificate with respect to compliance with Schedule V (E) of the Listing Regulations, relating to Compliance Certificate on 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 and CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the CEO and CFO certificate has been annexed to the Directors' Report.

J. Reconciliation of Share Capital Audit

As stipulated by the Securities and Exchange Board of India (Depositories and Participants) Regulations 1996, 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.

K. General Shareholders' Information

1. Annual General Meeting	
Date	August 11, 2016
Time	3:30 p.m.
Venue	Air Force Auditorium, Subroto Park; New Delhi 110 010

Corporate Governance Report

2. Financial Year	Financial Year is April 1, 2015 to March 31, 2016
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, 2016 Financial reporting for the half year ending September 30, 2016 Financial reporting for the quarter ending December 31, 2016 Financial reporting for the year ending March 31, 2017 	First fortnight of August 2016 First fortnight of November 2016 First fortnight of February 2017 Second fortnight of May 2017
3. Dates of Book Closure	August 9, 2016 to August 10, 2016 (both days inclusive)
4. Proposed Dividend	The Board of Directors has recommended a dividend of Rs. 25 per equity share of the face value of Rs. 10 each for the financial year ended March 31, 2016
5. Dividend Payment Date	August 19, 2016
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 2016-17 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 44 Community Centre, 2 nd 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
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 Regulation 7(3) of the Listing Regulations, and files a copy of the certificate with the Stock Exchanges.
10. Compliance Officer	Mr. S. Shakeb Rahman Company Secretary & Compliance Officer ICRA Limited Building No. 8, 2 nd Floor, Tower A DLF Cyber City, Phase-II Gurgaon-122002, Haryana Tel: +91 124 4545300 Fax: +91 124 4050424 Email: investors@icraindia.com



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11. Dematerialisation of Shares and Liquidity	99.98% shares of your Company are held in the electronic mode.
12. National Electronic Clearing Service (NECS)	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.
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, 2016 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. S. Shakeb Rahman, Compliance Officer, at the relevant address, as mentioned earlier.
15. Address for correspondence	Registrar and Share Transfer Agent, or to Mr. S. Shakeb Rahman, Compliance Officer, at the relevant address, as mentioned earlier.

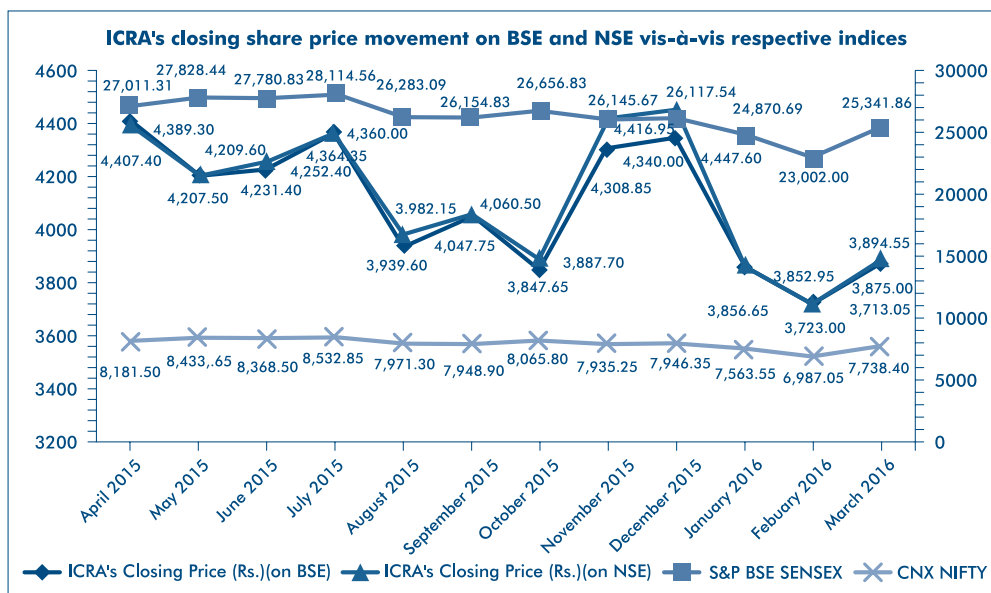
16. Market Price Data for the year 2015-16

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, 2015 to March 31, 2016 are presented in the following table.

	BSE			NSE			Total Volume on BSE and NSE
Month	Share Price (Rs.)		Volume	Share Price (Rs.)		Volume	
	High	Low		High	Low		
April 2015	4,992.85	3,987.00	20,949	4,998.90	3,990.10	87,978	108,927
May 2015	4,462.45	4,044.45	10,602	4,500.00	4,035.05	77,654	88,256
June 2015	4,320.10	3,990.00	4,372	4,325.00	3,951.05	56,679	61,051
July 2015	4,499.00	4,134.90	9,131	4,498.95	4,121.00	41,485	50,616
August 2015	4,450.00	3,665.00	163,934	4,460.00	3,655.00	147,920	311,854
September 2015	4,282.70	3,730.00	38,273	4,160.80	3,761.05	29,056	67,329
October 2015	4,100.00	3,805.00	28,806	4,150.00	3,822.95	32,474	61,280
November 2015	4,415.00	3,733.45	1,807	4,549.00	3,751.05	20,190	21,997
December 2015	4,450.00	3,930.35	1,197	4,549.85	4,080.00	20,059	21,118
January 2016	4,475.00	3,830.00	724	4,450.20	3,776.05	25,564	26,288
February 2016	3,960.00	3,235.00	1,417	4,099.00	3,560.10	34,564	35,981
March 2016	3,970.00	3,450.00	11,029	3,971.10	3,470.00	39,162	50,191

Corporate Governance Report

17. Performance in Comparison with Broad-based Indices

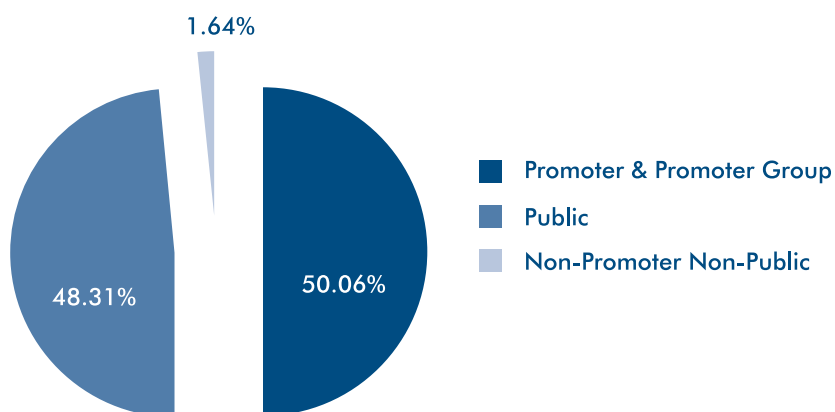


18. Distribution of Shareholding as on March 31, 2016

No. of Equity Shares	No. of Shareholders	%	No. of Shareholders				%
			Physical	National Securities Depository Limited	Central Depository Services (India) Limited	Total	
Up to 500	14,539	98.38%	317	10,433	3,789	14,539	98.38%
501 - 1000	90	0.61%	1	77	12	90	0.61%
1001 - 2000	51	0.35%	-	44	7	51	0.35%
2001 - 3000	28	0.19%	-	26	2	28	0.19%
3001 - 4000	11	0.07%	-	10	1	11	0.07%
4001 - 5000	7	0.05%	-	7	-	7	0.05%
5001 - 10000	19	0.13%	-	17	2	19	0.13%
10001 & Above	34	0.23%	-	30	4	34	0.23%
Total	14,779	100%	318	10,644	3,817	14,779	100%

19. Shareholding Pattern as on March 31, 2016

Shareholding Pattern





Corporate Governance Report

Statement of Shareholding Pattern as on March 31, 2016

Sr.	Category & Name of the Shareholders (I)	Nos. Of share-holders (III)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group										
A	Indian					No of Voting Rights	Class eg: X	Total	Total as a % of Total Voting rights	
(1)	Individuals/Hindu undivided Family									
(a)	Individuals/Hindu undivided Family									
(b)	Central Government/ State Government(s)									
(c)	Financial Institutions/ Banks									
(d)	Any Other (specify)	1	2850900	2850900	28.51	2850900.00	2850900	28.51	28.51	2850900
	Sub-Total (A)(1)	1	2850900	2850900	28.51	2850900.00	2850900	28.51	28.51	2850900
(2)	Foreign									
(a)	Individuals (NonResident Individuals/ Foreign Individuals)									
(b)	Government									
(c)	Institutions									
(d)	Foreign Portfolio Investor									
(e)	Any Other (specify)	1	2154722	2154722	21.55	2154722.00	2154722	21.55	21.55	2154722
	Sub-Total (A)(2)	1	2154722	2154722	21.55	2154722.00	2154722	21.55	21.55	2154722
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1) +(A)(2)	2	5005622	5005622	50.06	5005622.00	5005622	50.06	50.06	5005622
	Details of Shares which remain unclaimed for Promoter & Promoter Group									
B	Table III - Statement showing shareholding pattern of the Public shareholder									
(1)	Institutions									
(a)	Mutual Funds	18	1000713	1000713	10.01	1000713.00	1000713	10.01	10.01	1000713
(b)	Venture Capital Funds									
(c)	Alternate Investment Funds									
(d)	Foreign Venture Capital Investors									
(e)	Foreign Portfolio Investors	18	873745	873745	8.74	873745.00	873745	8.74	8.74	873745
(f)	Financial Institutions/ Banks	8	524543	524543	5.25	524543.00	524543	5.25	5.25	524543
(g)	Insurance Companies	3	1191740	1191740	11.92	1191740.00	1191740	11.92	11.92	1191740
(h)	Provident Funds/ Pension Funds									

Corporate Governance Report

Sr.	Category & Name of the Shareholders (I)	Nos. Of share-holders (III)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)
						No of Voting Rights	Total	Total as a % of Total Voting rights		
(i)	Any Other (specify)									
	Sub-Total (B)(1)	47	3590741	3590741	35.91	3590741.00	3590741	35.91	35.91	3590741
(2)	Central Government/ State Government(s)/ President of India									
	Sub-Total (B)(2)									
(3)	Non-institutions									
(a)(i)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	13655	597979	597979	5.98	597979.00	597979	5.98	5.98	596458
(a)(ii)	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	5	144611	144611	1.45	144611.00	144611	1.45	1.45	144611
(b)	NBFCs registered with RBI									
(c)	Employee Trusts									
(d)	Overseas Depositories (holding DRs) (balancing figure)									
(e)	Any Other (specify)	1069	497380	497380	4.97	497380.00	497380	4.97	4.97	497380
	Sub-Total (B)(3)	14729	1239970	1239970	12.40	1239970.00	1239970	12.40	12.40	1238449
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	14776	4830711	4830711	48.31	4830711.00	4830711	48.31	48.31	4829190
	Details of the shareholders acting as persons in Concert for Public									
	Details of Shares which remain unclaimed for Public									
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder									
(1)	Custodian/DR Holder - Name of DR Holders (If Available)									
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	1	163667	163667	1.64	163667.00	163667	1.64	1.64	163667
	Total NonPromoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	1	163667	163667	1.64	163667.00	163667	1.64	1.64	163667
	Total (A+B+C2)	14779	10000000	10000000	100.00	10000000.00	10000000	100.00	100.00	9998479
	Total (A+B+C)	14779	10000000	10000000		10000000.00	10000000	100.00		9998479



ICRA

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Corporate Governance Report

Auditors' Certificate on Corporate Governance

To the Members of ICRA Limited

We have examined the compliance of conditions of Corporate Governance by ICRA Limited ('the Company'), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. 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, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/ Listing Regulations, as applicable.

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

This certificate is issued solely for the purpose of complying with the aforesaid Listing Agreement/ Listing Regulations and may not be suitable for any other purposes.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Pravin Tulsyan

Partner

Membership Number: 108044

Place : Gurgaon

Date : May 19, 2016

Corporate Governance Report

Certificate by Chief Executive Officer and Chief Financial Officer

(Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015)

We, Naresh Takkar, Managing Director & Group CEO, and Vipul Agrawal, Group Chief Financial Officer, of ICRA Limited, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ending March 31, 2016 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 the 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 in violation 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 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 : Gurgaon
Date : May 19, 2016

(Naresh Takkar)
Managing Director & Group CEO
DIN: 00253288

(Vipul Agrawal)
Group Chief Financial Officer

Declaration Regarding Compliance by Board Members and Senior Management Personnel with Company's Code of Conduct

(Pursuant to Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015)

The Board of Directors of ICRA Limited adopted the Code of Conduct to be followed by all Members of the Board and Senior Management Personnel of the Company in compliance with Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").

As provided under Regulation 26(3) of the Listing Regulations, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year 2015-16.

Place : Gurgaon
Date : May 19, 2016

(Naresh Takkar)
Managing Director & Group CEO
DIN: 00253288

Annexure IV

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

A. Industry Structure and Developments

Despite the mild uptick in economic growth and several policy measures taken by the Government, investment activity did not show broad-based revival. As a result, the pickup in growth of bank credit in 2015-16 was modest.

Apart from sluggish growth in the bank loan ratings business, bond issuances declined during the year under review as against the robust growth reported the previous fiscal. The decline is attributable to several factors like increased risk aversion, a few high profile defaults in the corporate bond markets and weak credit growth, besides concerns over the asset quality of banks (which led to a decline in issuances from the banking sector as well). On the positive side, the trend of corporates accessing short-term financing through the commercial paper (CP) route continued to gain strength, with the CP outstandings increasing by 35% in 2015-16 over the previous fiscal. In the small and medium enterprises (SMEs) segment, however, business suffered following a cutback in the subsidy available from the National Small Scale Industries Corporation for the rating of SMEs. During 2015-16, volumes in the securitisation market recovered (up by around 30%) while bilateral assignment of loan pools also continued to report good growth during the year under review.

GDP growth is expected to improve to 7.8% in 2016-17 from 7.4% (estimated) last year. This, combined with the trend of increasing disintermediation being seen in high issuances of debt capital market instruments such as Bonds and CPs, is likely to have a positive impact on the ratings business. However, the increasing tilt of bank loan ratings towards smaller ticket issuances would also have a moderating effect on growth in this segment.

(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. 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 a gradual pickup in the economy following increased governmental spending in certain infrastructure sectors (which should increase overall resource mobilisation); expansion of bank credit; and continued implementation of Basel III norms. The private investment cycle is also expected to pick up gradually, the pace depending *inter alia* on the revival in the global as well as the domestic economy. In the longer run, opportunities are expected to arise from governmental initiatives 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 include the rich database and research support that our products and services draw upon; 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.

Threats

The threats confronting our business have their foundation in such risks and concerns as are discussed in Section E of this report.

C. Segment-wise or Product-wise Performance

Details on the performance of the Company's operating activities are presented in the section titled "Review of Operations" in the Directors' Report.

D. Outlook

The long-term outlook for the ratings business remains positive, given the large funding requirements and the gradual uptick in bond issuances both by highly rated corporates as well as financial sector entities. With the banking system facing challenges on the capital adequacy front, they would also need to raise more bonds subject to investor appetite. Also,



Management Discussion and Analysis Report (Annexure to the Directors' Report)

given the trend of softening interest rates and the need to diversify funding sources, more corporates including the higher rated ones in the infrastructure sector are expected to refinance through the bond markets. Your Company continues to take initiatives to retain its competitive edge and is confident of meeting the challenges posed inevitably by changing business requirements.

E. Risks and Concerns

(1) Business Risk

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

Your Company's services are dependent on the condition of the financial markets in India. Any increase in interest rates and credit spreads, 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.

Specifically, the bank loan rating business would get impacted if there is a credit slowdown or change in rating related regulation resulting in transition to internal rating models for providing capital. The domestic debt capital market, on the other hand, is skewed towards higher-category credit-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.

Further, our market share or profitability may be affected by competition, which remains 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 appropriately assess the creditworthiness of instruments rated by us could negatively affect our reputation and, hence, our positioning as a quality credit rating agency. 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 and gradings while at the same time promoting brand ICRA through seminars, and conferences, apart from the publication of research reports.
- 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.

Management Discussion and Analysis Report (Annexure to the Directors' Report)

(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.
- 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, SEBI credit rating regulations, accounting standards, tax laws, and/or any other applicable rules and regulations as may be amended from time to time.

Risk mitigation

- The Company has put in place a comprehensive compliance framework to manage compliance-related issues. Compliance Officers track regulatory and statutory requirements and notify changes to stakeholders periodically. Detailed checklists are available with the compliance officers to ensure compliance with the legal requirements applicable.
- Compliance Officers of the Company endeavour to keep themselves abreast of all amendments in the various laws applicable.
- 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 the various laws and rules in force.
- Regulatory and statutory audits are conducted to ensure compliance with the relevant provisions of the applicable laws and regulations.
- 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.

The Company's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its businesses. This may include a disruption involving physical or technological infrastructure whether due to human error, hardware failure, natural disasters, power loss, telecommunication failures, break-ins, sabotage, intentional acts of vandalism, acts of terrorism, political unrest, war or otherwise.

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 or natural disasters, the Company has established appropriate backup facilities.



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Management Discussion and Analysis Report (Annexure to the Directors' Report)

- 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.

(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 reward employees based on performance and merit. Deserving employees are eligible to participate in the Long term/ deferred incentive plan focused on retaining critical talent in the Company. 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 controls and procedures for the Company following review by the Audit Committee and the Board of Directors. Accordingly, the Management has designed such controls and procedures, or caused such controls and procedures to be designed under its supervision, as to ensure that material information relating to the Company, including its subsidiaries, is made known to the Management 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 its supervision, as to provide reasonable assurance regarding the reliability of the financial statements. The financial statements of the Company are prepared and presented under the historical cost convention on a going concern basis on an accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013, and accounting principles generally accepted in India. Further, the financial statements comply with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable.

(An overview of Internal Control Systems and their adequacy, is presented in the section titled "Internal Control Systems and their adequacy" in the Directors' Report.)

G. Discussion on Financial Performance with respect to Operational Performance

The key features of the Company's financial performance for the year ended March 31, 2016 are presented in the accompanying financial statements, which have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

Companies (Accounts) Rules, 2014, the other relevant provisions of the Act (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. ICRA's Management accepts responsibility for the integrity and objectivity of these financial statements.

The financial information discussed in this section is derived from the Company's audited financial statements.

I. Results of operation

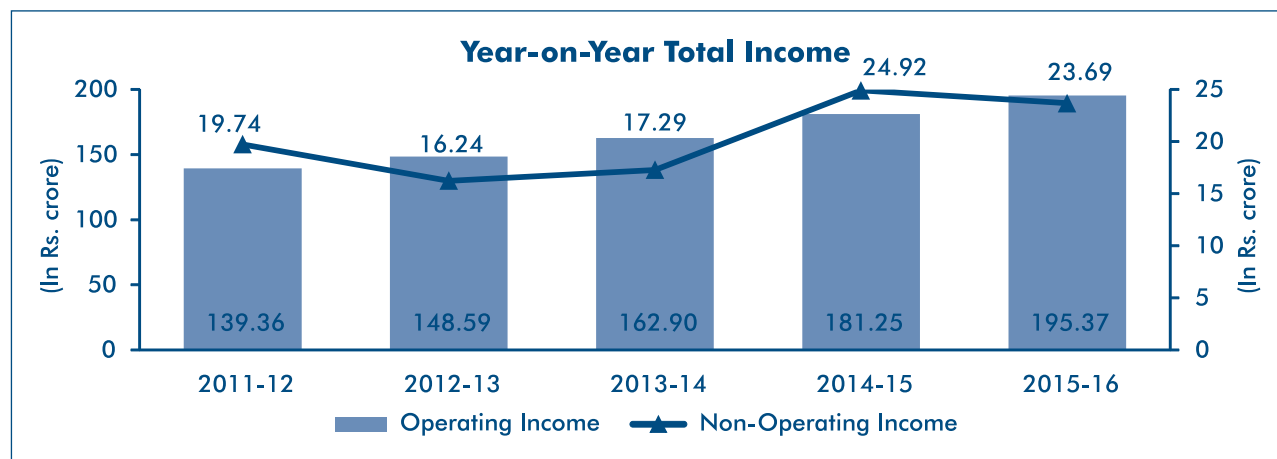
The financial performance of the Company is summarised as under:

(a) Incomes

(in Rs. crore)

Particulars	For the Year ended on 31.03.2015	For the Year ended on 31.03.2016	Growth (%)
Revenue from operations	180.18	193.90	8%
Other operating income	1.07	1.47	37%
Other income	24.92	23.69	-5%
Total Income	206.17	219.06	6%

In terms of business segments, the growth in operating revenue during 2015-16 was mainly supported by higher income from ratings of debt instruments across all sectors. Bank loan ratings remained subdued during 2015-16. Bank loan ratings accounted for 38% of the overall rating revenues for 2015-16. 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.

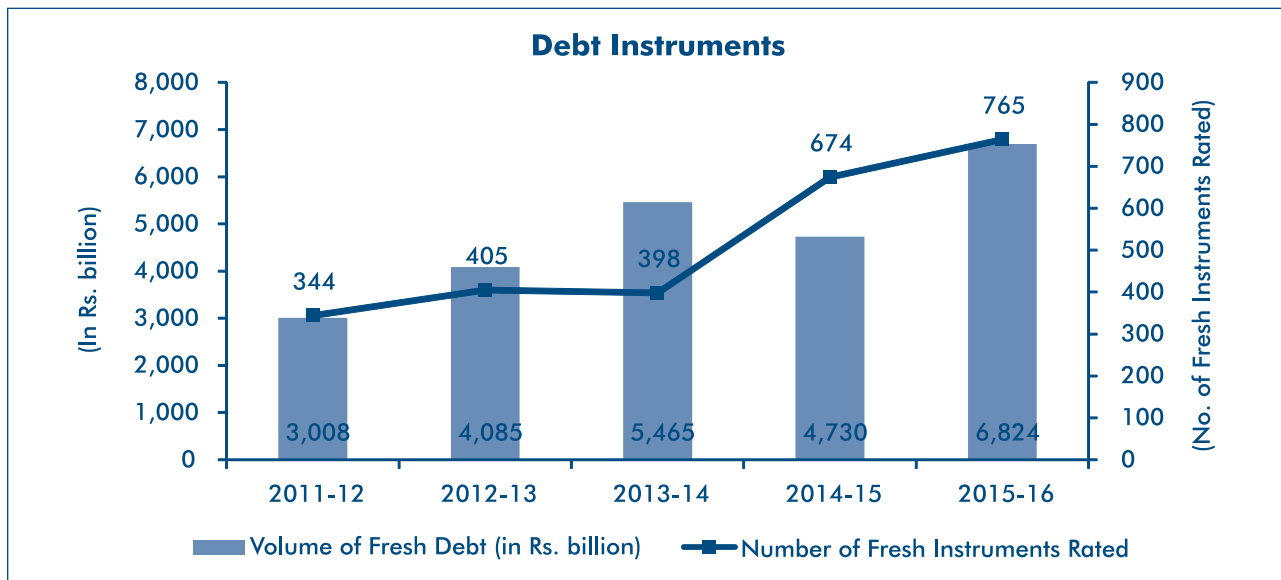




Management Discussion and Analysis Report (Annexure to the Directors' Report)

Debt Instruments

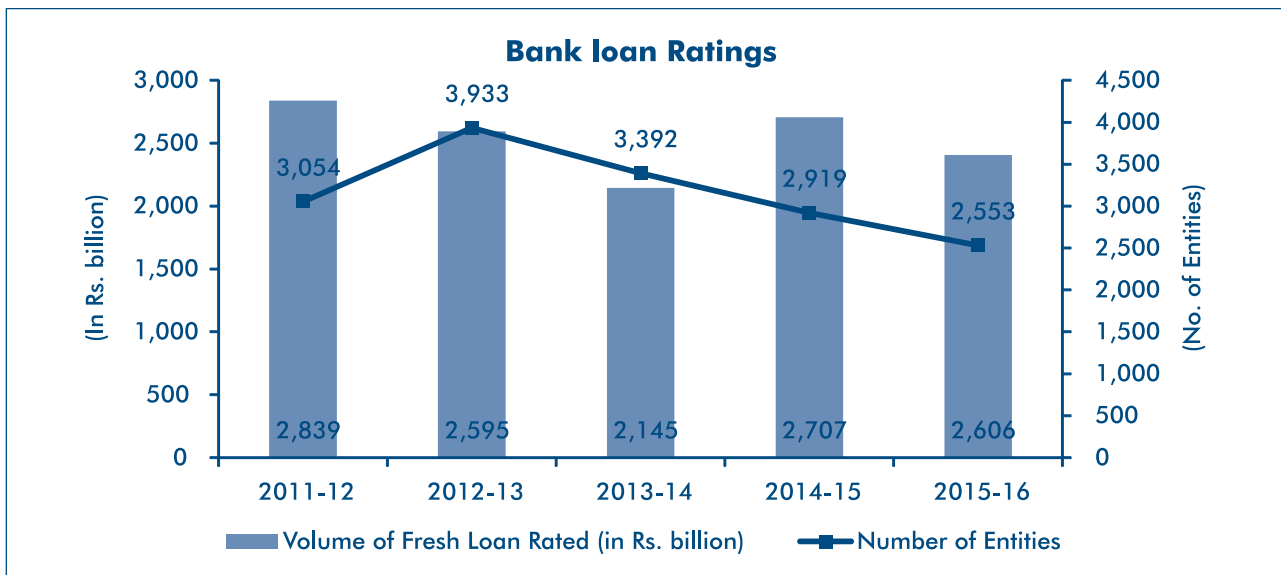
The number of instruments and the volume of debt rated by the Company during the last five years are as under:



1 billion = 100 crore

Bank Loan Ratings

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



Other operating revenue

Other operating revenue consists mainly of advance fee outstanding for more than three years written back, besides bad debts recovered and royalty income from subsidiary company.

Management Discussion and Analysis Report (Annexure to the Directors' Report)

Non-operating income

Non-operating income consists mainly of interest received on deposits with banks, interest received on loans to subsidiaries, gain on sale or redemption of investments and rental income. During the financial year 2015-16, the Company's non-operating income was lower by 5% over the previous fiscal, mainly due to lower capital gains on redemption of mutual fund investments.

(b) Expenses

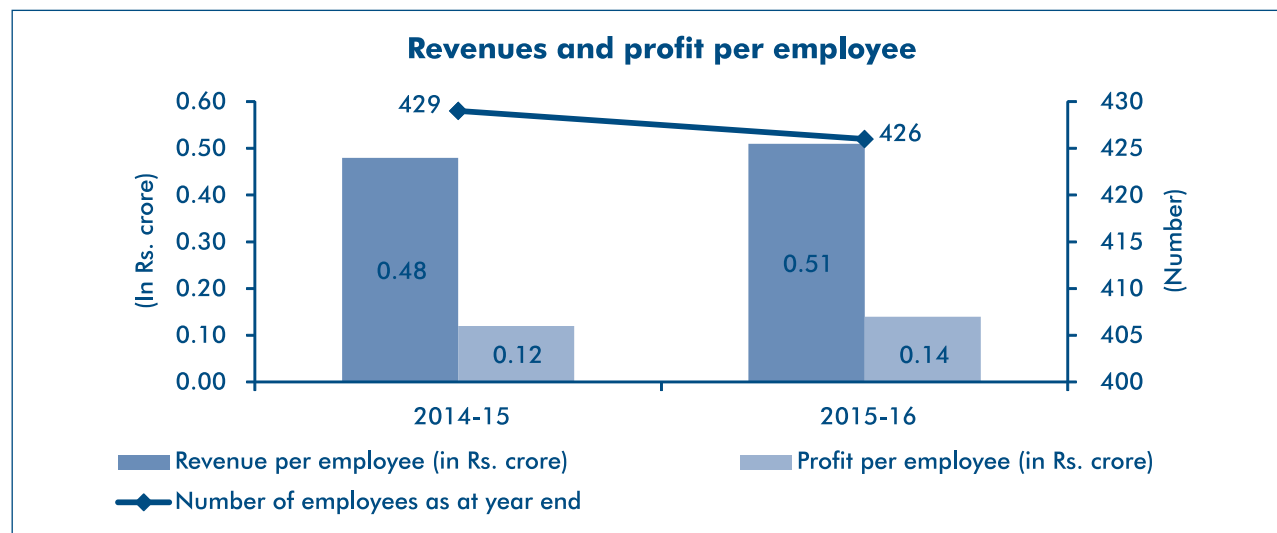
(in Rs. crore)

Particulars	2014-15	2015-16	Growth (%)
Employee benefits expenses	76.24	83.32	9%
Depreciation and amortisation	3.69	3.56	-4%
Other expenses	30.94	34.64	12%
Total expenses	110.87	121.52	10%
Profit before prior period adjustments, exceptional items and tax	95.30	97.54	2%
Profit & loss statement—some indicators (%)			
Total revenue	206.17	219.06	6%
Profit before prior period adjustment, exceptional items and tax/total revenue	46%	45%	
Employee benefits expenses/total revenue	37%	38%	
Depreciation and amortisation/total revenue	2%	2%	
Other expenses/total revenue	15%	16%	
Total expenses/total revenue	54%	55%	

Total expenses increased 10% to Rs. 121.46 crore in 2015-16 from Rs. 110.87 crore in 2014-15.

Employee benefits expenses increased 9% to Rs. 83.33 crore in 2015-16 from Rs. 76.24 crore in 2014-15. The increase is primarily on account of 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 increased from 37% during 2014-15 to 38% during 2015-16.

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





Management Discussion and Analysis Report (Annexure to the Directors' Report)

Depreciation and amortisation expenses decreased 4% during 2015-16 over the previous fiscal. The decrease in depreciation and amortisation expenses during the year under review was mainly due to higher depreciation was charged during 2014-15 because of revision in the depreciation rates on tangible fixed assets in accordance with the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013. However, there was no change in depreciation and amortisation expenses as a percentage of total revenue during the period under review as compared with previous fiscal year.

Other expenses increased 12% during 2015-16 over the previous fiscal. Increase in other expenses is mainly because of substantial increase in bad debts written off (net of provisions). The Company for the financial year 2015-16 spent Rs. 1.30 crore towards Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013, however, during 2014-15, no amount was spent on the CSR. Other Expenses as a percentage of total revenue increased from 15% during 2014-15 to 16% during 2015-16.

II. Financial Position

(a) Share capital

The capital structure of the Company as on March 31, 2016 is as follows:

(in Rs. crore)

Particulars	As on 31/03/2015	As on 31/03/2016
Authorized: 1,50,00,000 Equity Shares of Rs. 10 each	15.00	15.00
Issued, subscribed and fully paid up: 1,00,00,000 Equity Shares of Rs. 10 each	10.00	10.00

(b) Reserves and surplus

Reserves and surplus of the Company stood at Rs. 398.36 crore as on March 31, 2016, after appropriation for dividend and dividend distribution tax as against Rs. 366.99 crore as on March 31, 2015.

(c) Fixed assets

At the end of fiscal 2015-16, the fixed assets of the Company were as under:

(in Rs. crore)

Particulars	As on 31/03/2015	As on 31/03/2016	Growth (%)
Tangible Assets	38.02	37.40	-2%
Intangible Assets	2.31	2.31	0%
Gross Value	40.33	39.71	-2%
Less: Accumulated Depreciation	(23.64)	(24.22)	2%
Net Carrying Value	16.69	15.49	-7%
Accumulated Depreciation as % of Gross Value	59%	60%	2%

The Company purchased assets for Rs. 2.59 crore and disposed of surplus/obsolete assets amounting to Rs. 3.21 crore during fiscal 2015-16.

Management Discussion and Analysis Report (Annexure to the Directors' Report)

(d) Non-current and current investments

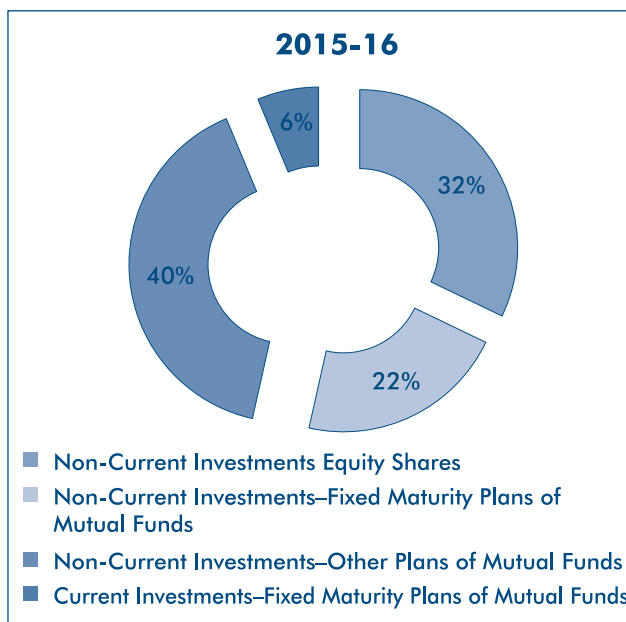
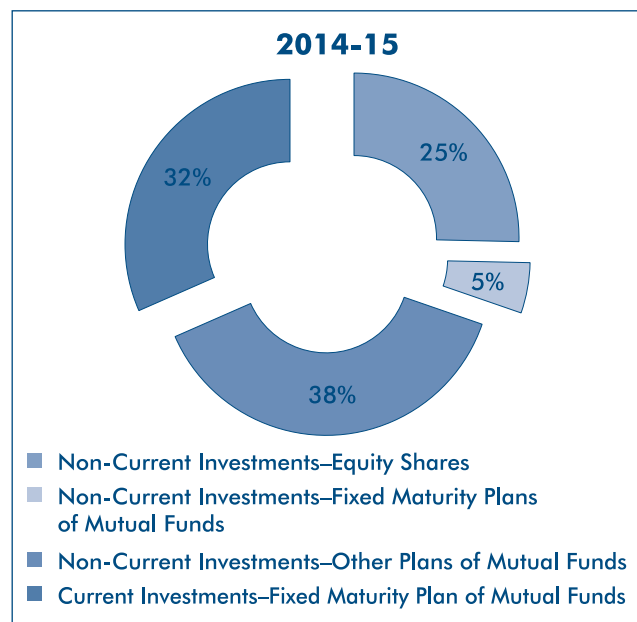
(in Rs. crore)

Particulars	As on 31/03/2015	% of Total	As on 31/03/2016	% of Total	Growth (%)
Non-Current Investments:					
(A) Investments in Equity Instruments					
In Equity Shares of Subsidiaries and Others	98.31	29%	102.06	38%	4%
Less: Diminution due to change in carrying value of investments	11.22	3%	14.97	6%	33%
Sub Total (A)	87.09	25%	87.09	32%	0%
(B) Investments in Mutual Funds					
In Fixed Maturity Plans	17.00	5%	57.94	22%	241%
In Debt and Other Plans	131.00	38%	109.00	40%	-17%
Sub Total (B)	148.00	43%	166.94	62%	13%
(C) Total Non-Current Investments (A+B)	235.09	68%	254.03	94%	8%
Current Investments:					
(D) Total Current Investments in Mutual Funds					
In Fixed Maturity Plans	108.50	32%	17.00	6%	-84%
(E) Total Current Investments	108.50	32%	17.00	6%	-84%
Total Investments (C+E)	343.59	100%	271.03	100%	-21%

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

During 2015-16, the Company has recognised an impairment loss of Rs. 3.46 crore (previous year Rs. 11.52 crore) in relation to its investment in PT. ICRA Indonesia, a subsidiary company at Indonesia. This decision was taken by the Company based on extensive review of results, continuous losses in Indonesia entity and path of scalability, which presents significant challenges in the current environment. During 2015-16, PT. ICRA Indonesia discontinued the rating services business activity in Indonesia.

Investment Profile





ICRA

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SERVICE COMPANY

Management Discussion and Analysis Report (Annexure to the Directors' Report)

(e) Current assets, loans and advances

(in Rs. crore)

Particulars	As on 31/03/2015	As on 31/03/2016	Growth (%)
(a) Trade receivables			
• Total receivables	23.68	19.82	-16%
• Provision for doubtful trade receivables	(2.07)	(3.33)	61%
Net trade receivables	21.61	16.49	-24%
Trade receivables as % of operating income	12%	8%	
(b) Cash and bank balances	77.59	181.09	133%
(c) Other non-current assets	7.91	16.74	112%
(d) Other current assets	1.62	7.41	357%
(e) Long-term loans and advances	17.85	17.17	-4%
(f) Total short-term loans and advances	4.32	4.08	-6%
Provision for doubtful short-term loans and advances	(0.21)	(0.09)	-57%
Net short-term loans and advances	4.11	3.99	-3%

Net trade receivables were Rs. 16.49 crore as on March 31, 2016 as against Rs. 21.61 crore as on March 31, 2015. The decrease in trade receivables was mainly due to higher provisions and write offs during the year under review due to change in billing practice for surveillance fee in respect of bank loan ratings. Trade Receivables as a percentage of Operating Income decreased from 12% during 2014-15 to 8% during 2015-16.

Cash and bank balances as on March 31, 2016 mainly consisted of Rs. 180.05 crore in bank deposits, Rs. 0.81 crore in current accounts, Rs. 0.07 crore as earmarked balance with bank (unpaid dividend), and Rs. 0.07 crore as cash on hand. The bank deposits have grown with the surplus funds generated from the internal accruals of the Company.

Other non-current assets as on March 31, 2016 consist of bank deposits of Rs. 16.74 crore with maturity for more than 12 months as against Rs. 7.91 crore as on March 31, 2015.

Long-term loans and advances declined 4% at the end of fiscal 2015-16 primarily because of repayment of long term loan by subsidiary company.

Net short-term loans and advances declined 3% at the end of fiscal 2015-16 over the previous fiscal primarily because of repayment of short term loan by subsidiary company.

(f) Non-current and current liabilities

Particulars	As on 31/03/2015	As on 31/03/2016	Growth (%)
(a) Other long-term liabilities	1.60	1.05	-34%
(b) Long-term provisions	6.43	7.26	13%
(c) Trade payables	1.43	3.46	142%
(d) Other current liabilities	56.67	63.57	12%
(e) Short-term provisions	51.30	49.88	-3%
Total non-current and current liabilities	117.43	125.22	7%

Other current liabilities mainly consist of unearned revenue and advances received from customers.

Short term provisions consist of provisions for proposed dividend, dividend distribution tax and employee benefits.

Total non-current and current liabilities increased 7% as on March 31, 2016 as compared to previous year

Management Discussion and Analysis Report (Annexure to the Directors' Report)

primarily on account of higher dividend including dividend distribution tax and employees retiral provisions.

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

The Company, with a total employee strength of 426 as of year-end 2015-16, 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. 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

Place : Gurgaon
Date : May 19, 2016

(Arun Duggal)
Chairman
DIN: 00024262

Forward-Looking Statements May Prove Inaccurate

This Annual Report contains certain forward-looking statements that may be identified by words, phrases, or expressions including, but not limited to, "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.



Annexure V

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L74999DL1991PLC042749
2.	Registration Date	16/01/1991
3.	Name of the Company	ICRA Limited
4.	Category/Sub-Category	Public Company
5.	Address of the Registered office and contact details	1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi – 110001 Tel: (11) 23357940-50 Fax: (11) 23357014 Email Id: investors@icraindia.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. Link Intime India Private 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the company are:-

Sl. No.	Name and Description of main products/services	NIC Code of the product/ service	% of total turnover of the company
1.	Rating/Grading Services	66190	99.25

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	ICRA Management Consulting Services Limited 1105, 11th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi 100 001, India	U74140DL2004PLC131454	Subsidiary	100	2(87)
2.	ICRA Techno Analytics Limited Infinity Benchmark, 17th Floor, Plot -G1, Block-GP, Sector-V, Salt Lake Kolkata, West Bengal-700091 India	U30009WB1992PLC056060	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	ICRA Online Limited Infinity Benchmark, 17th Floor, Plot -G1, Block-GP, Sector-V, Salt Lake Kolkata, West Bengal-700091 India	U72900WB1999PLC109180	Subsidiary	100	2(87)
4.	PT ICRA Indonesia Menara Rajawali, 6th Floor Podium, Jl DR ide Anak Agung Gde Agung Lot #51.1 Jakarta Selatan 12950 Indonesia	NA	Subsidiary	99	2(87)
5	ICRA Lanka Limited 10-02, East Tower, World Trade Center, Colombo 1, Sri Lanka	NA	Subsidiary	100	2(87)
6	ICRA Nepal Limited Sunrise Bizz Park, 6th Floor, Dillibazar, Kathmandu-33, Nepal	NA	Subsidiary	51	2(87)
7	Pragati Development Consulting Services Limited 1105, 11th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi 100 001, India	U74140DL2011PLC213174	Subsidiary	100	2(87)
8	ICRA Sapphire, Inc. 101, Merritt Boulevard Suite 107, Trumbull CT 06611, USA	NA	Subsidiary	100	2(87)
9	ICRA Global Capital, Inc. 101, Merritt Boulevard Suite 107, Trumbull CT 06611, USA	NA	Subsidiary	100	2(87)
10	BPA Technologies, Inc. 7041 Koll Center Pkwy Ste 235, Pleasanton, CA 94566, USA	NA	Subsidiary	100	2(87)
11	BPA Technologies Pvt. Ltd. A-106, Sujatha Nagar Visakhapatnam Andhra Pradesh 530051, India	U72200AP2006FTC050269	Subsidiary	100	2(87)



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SERVICE COMPANY

IV. SHARE HOLDING PATTERN

(EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	28,50,900	0	28,50,900	28.51	28,50,900	0	28,50,900	28.51	0
e) Banks/FI									
f) Any Other									
Sub-total (A)(1) :-	28,50,900	0	28,50,900	28.51	28,50,900	0	28,50,900	28.51	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	21,54,722	-	21,54,722	21.55	21,54,722	0	21,54,722	21.55	0
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	21,54,722	0	21,54,722	21.55	21,54,722	0	21,54,722	21.55	0
Total Shareholding of promoter (A)=(A)(1)+(A)(2)	50,05,622	0	50,05,622	50.60	50,05,622	0	50,05,622	50.06	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	854238	0	854238	8.54	1000713	0	1000713	10.01	17.21%
b) Banks/FI	1203927	0	1203927	12.04	524543	0	524543	5.24	(-)/56.48%
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	522999	0	522999	5.23	1191740	0	1191740	11.92	127.91%
g) FIs	847348	0	847348	8.47	873745		873745	8.74	3.16%
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B)(1) :-	3428512		3428512	34.29	3590741		3590741	35.91	4.72%
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	224532	-	224532	2.45	407961	-	407961	4.08	66.51%
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals	0	0	0	0.00	0	0	0	0.00	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
iv) Individual shareholders holding nominal share capital upto Rs.1 lakh	665923	1388	667311	6.67	596458	1521	597979	5.98	(-)10.35%
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	120304	0	120304	1.20	144611	-	144611	1.45	20.83%
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Clearing Members	2951	0	2951	0.03	6162		6162	0.06	46.67%
Non-Resident Indians (Repat)	30573	0	30573	0.33	27300		27300	0.27	(-)17.27%
Non-Resident Indians (Non Repat)	25529	0	25529	0.26	21173		21173	0.21	(-)18.58%
Trusts	175340	0	175340	1.75	3023		3023	0.03	(-)98.27%
Directors/Relatives	34000	0	34000	0.34	38250		38250	0.38	11.76%
Qualified foreign investor individual	0	0	0	0	0	0	0	0	0
Qualified foreign investor corporate	0	0	0	0	0	0	0	0	0
Foreign portfolio investor (ind)	0	0	0	0	0	0	0	0	0
Foreign portfolio investor (corp)	285326	0	285326	2.85	0	0	0	0	0
Hindu undivided family	-	-	-	-	31761		31761	0.32	0.3176
Sub-total (B)(2) :-	1564478	1388	1565866	15.66	1238449	1521	1239970	12.40	20.82%
Total Public Shareholding (B)=(B)(1)+(B)(2)	4992990	1388	4994378	49.94	4829190	1521	4830711	48.31	3.27%
C. Shares held by Custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	9998612	1388	10000000	100	9834812*	1521	9836333*	98.37	(-)1.63%

*Does not include 163667 equity shares held by employee benefit trust under SEBI (Share Based Employee Benefits) Regulations, 2014

Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Moody's Investment Company India Private Limited	28,50,900	28.51	Nil	28,50,900	28.51	Nil	Nil
2.	Moody's Singapore Pte Ltd	21,54,722	21.55	Nil	21,54,722	21.55	Nil	Nil
	Total	50,05,622	50.06	Nil	50,05,622	50.06	Nil	Nil



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SERVICE COMPANY**Change in Promoters' Shareholding:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Moody's Investment Company India Private Limited				
	At the beginning of the year	28,50,900	28.51	28,50,900	28.51
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year	28,50,900	28.51	28,50,900	28.51
2	Moody's Singapore Pte Ltd				
	At the beginning of the year	21,54,722	21.55	21,54,722	21.55
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year	21,54,722	21.55	21,54,722	21.55

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Birla Sun Life Trustee Company Private limited A/C				
	At the beginning of the year	622916	6.229	622916	6.229
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	225248	2.253	225248	2.253
	At the end of the year (or on the date of separation, if separated during the year)	848164	8.482	848164	8.482
2	Life Insurance Corporation of India				
	At the beginning of the year	668741	6.687	668741	6.687
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	668741	6.687	668741	6.687
3	General Insurance Corporation of India				
	At the beginning of the year	522999	5.230	522999	5.230
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	522999	5.230	522999	5.230
4	Punjab National Bank				
	At the beginning of the year	434745	4.347	434745	4.347
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	(9477)	(0.094)	(9477)	(0.094)

Sl. No.	For each Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the end of the year (or on the date of separation, if separated during the year)	425268	4.253	425268	4.2527
5	Ashok Pte Ltd				
	At the beginning of the year	295952	2.960	295952	2.960
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	295952	2.960	295952	2.960
6	Smallcap World Fund INC				
	At the beginning of the year	300000	3.00	300000	3.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	(4675)	(0.04675)	(4675)	(0.04675)
	At the end of the year (or on the date of separation, if separated during the year)	295325	2.9533	295325	2.9533
7	ICRA Employees Welfare Trust				
	At the beginning of the year	172317	1.723	172317	1.723
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	(8650)	(0.0865)	(8650)	(0.0865)
	At the end of the year (or on the date of separation, if separated during the year)	163667	1.6367	163667	1.6367
8	HDFC Standard Life Insurance Company				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	159866	1.5987	159866	1.5987
	At the end of the year (or on the date of separation, if separated during the year)	159866	1.5987	159866	1.5987
9	Mondrain Emerging Markets Small Cap Equity Fund LP				
	At the beginning of the year	144257	1.443	144257	1.443
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	(22614)	0.2261	(22614)	0.2261
	At the end of the year (or on the date of separation, if separated during the year)	121643	1.2164	121643	1.2164
10.	M3 Investment Private Limited				
	At the beginning of the year	100000	1.00	100000	1.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	(5340)	(0.0534)	(5340)	(0.0534)
	At the end of the year (or on the date of separation, if separated during the year)	94660	0.9466	94660	0.9466
10.	PPFAS Long Term Value Fund				
	At the beginning of the year	112186	1.122	112186	1.122
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	(23758)	(0.23758)	(23758)	(0.23758)
	At the end of the year (or on the date of separation, if separated during the year)	88428	0.88442	88428	0.88442



Shareholding of Directors and Key Managerial Personnel

Name of the Director(s)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Mr. Arun Duggal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Ms. Ranjana Agarwal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Ms. Radhika Vijay Haribhakti	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Dr. Min Ye	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Simon Richard Hastilow	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Robert Scott Fauber	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA

Name of the Director(s)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Mr. Thomas John Keller Jr.	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Naresh Takkar	At the beginning of the year	34,000	0.34	34,000	0.34
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	4,250 (ESOPs)	0.043	4,250	0.043
	At the end of the year (or on the date of separation, if separated during the year)	38,250	0.38	38,250	0.38
Mr. Vipul Agarwal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Amit Kumar Gupta	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. S. Shakeb Rahman	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY**INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payments**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Not Applicable			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition	Not Applicable			
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	Not Applicable			
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**Remuneration of managing director (MD), whole-time directors (WTD) and/ or manager:***(in Rs. lakh)*

Sl. No.	Particulars of Remuneration	Mr. Naresh Takkar
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	249.59
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3.28
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	As 1% of net profit	95.00
	Others	-
5.	Others	-
	Total (A)	347.87
	Ceiling as per the Act	499.06

Remuneration to other Directors:*(in Rs. lakh)*

Particulars of Remuneration	Mr. Arun Duggal	Ms. Ranjana Agarwal	Ms. Radhika Haribhakti	Dr. Min Ye	Mr. Simon Richard Hastilow	Mr. Robert Scott Fauber	Mr. Thomas John Keller Jr.	Total Amount
Independent Directors:								
Fees for attending Board/ Committee meetings (sitting fee)	3.60	8.10	6.60	-	-	-	-	18.30
Commission	20.00	15.00	15.00	-	-	-	-	50.00
Others	-	-	-	-	-	-	-	-
Total (1)	23.60	23.10	21.60	-	-	-	-	68.30
Other Non Executive Directors:								
Fees for attending Board/ Committee meetings (sitting fee)	-	-	-	0.40*	0.40*	0.20*	0.20*	1.20*

Particulars of Remuneration	Mr. Arun Duggal	Ms. Ranjana Agarwal	Ms. Radhika Haribhakti	Dr. Min Ye	Mr. Simon Richard Hastilow	Mr. Robert Scott Fauber	Mr. Thomas John Keller Jr.	Total Amount
Commission	-	-	-	Nil*	Nil*	Nil*	Nil*	Nil*
Others	-	-	-	-	-	-	-	-
Total (2)	-	-	-	0.40	0.40	0.20	0.20	1.20
Total (B)=(1+2)	23.60	23.10	21.60	0.40	0.40	0.20	0.20	69.50
Total Managerial Remuneration [§]	20.00	15.00	15.00	-	-	-	-	50.00
Overall Ceiling as per the Act								99.81

[§]Excluding Sitting Fee

*Non-Executive Non Independent Directors have waived sitting fees since June 1, 2015 and also waived commission payable to them for the financial year 2015-16.

Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(in Rs. lakh)

Sl. No.	Particulars of Remuneration	Mr. Vivek Mathur* (Chief Financial Officer)	Mr. Vipul Agarwal** (Group Chief Financial Officer)	Mr. Amit Kumar Gupta*** (General Counsel)	Mr. S. Shakeb Rahman (Company Secretary & Compliance Officer)	Total Amount
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	19.20	164.04	42.46	9.60	235.30
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.15	2.00	0.56	0.10	2.81
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	As 1% of net profit	-	-	-	-	-
	Others	-	-	-	-	-
5.	Others	-	-	-	-	-
	Total (A)	19.35	166.04	43.02	9.70	238.11
	Ceiling as per the Act	-	-	-	-	-

*Ceased to be a Chief Financial Officer with effect from May 21, 2015.

**Appointed Key Managerial Personnel with effect from May 22, 2015.

***Appointed Key Managerial Personnel with effect from August 14, 2015.

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment					
Compounding					

Annexure VI

Annual Report on Corporate Social Responsibility Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

I. ICRA's Corporate Social Responsibility Policy

ICRA's Corporate Social Responsibility Policy shall act as a guideline for the Company for undertaking Corporate Social Responsibility ("CSR") activities enumerated under Schedule VII of the Companies Act, 2013.

Our focus is both in the field of education and skill development with specific emphasis on special education and mental health. There is also a provision in its CSR policy to support projects/programmes in areas other than education and skill development as may be approved by the CSR committee from time to time and which are permissible under Law.

ICRA has responded whole heartedly to the CSR mandate and aspires to move from being a compliant organization to a socially responsible entity.

Our endeavor is to provide primary education to underprivileged children and provide skill training to youth with the sole objective to make them employable. Multiple outreach initiatives have been started with the help of our partners. In order to support other equally important social initiatives of the Government we have also contributed a part of our CSR budget for the Prime Minister's National Relief fund.

Under the policy, the CSR Committee prepares a plan of action during the first quarter of every Financial Year (FY), which includes purposes/ programmes/ projects to be supported during that FY and the amount to be allocated to that purpose. This plan is then implemented after approval from the Board.

The CSR Policy has been uploaded on the website of the Company at <http://www.icra.in/Files/Content/ICRACSRPolicy.pdf>.

II. Composition of CSR Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the allied rules, the Company has duly constituted the CSR Committee, comprising of the following members:

1. Ms. Ranjana Agarwal (Independent Director), Chairperson
2. Dr. Min Ye (Non-Independent Director), Member
3. Mr. Naresh Takkar (Managing Director & Group C.E.O.), Member

III. Average net profit of the Company for last three financial years (2012-13; 2013-14; 2014-15): Rs. 6,480.91 lakhs.

IV. Prescribed CSR expenditure (two per cent of the amount as in item 3 above): Rs. 129.62 lakhs.

V. Details of CSR spend during the financial year:

- (a) Total amount to be spent for the financial year: Rs. 129.62 lakhs
- (b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

1.	2.	3.	4.	5.	6.		7.	8.
S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period	Amount spent : Directly or Through Implementing Agency
					Direct expenditure on programmes or projects (Rs.)	Overheads (Rs.)		
1.	Residential learning camp	CI (ii) Promoting education	Rajasthan: District Udaipur – Kaya village, block Girwa.	2,771,160	2,771,160	36,398	2,807,558	Implementing agency- Seva Mandir
2	Market Aligned Skill Training (MAST)	CI (ii) employment enhancing vocational skills especially children, women, elderly	West Bengal: District- South 24 Pragnas-Diamond Harbour; District- North 24 Pragnas-Habra; District- Nadia	1,320,000	1,313,740	22,634	1,336,374	Implementing agency – Anudip Foundation for Social Welfare
3	i) Sponsorship towards education of underprivileged children ii) Computer education	CI (ii) Promoting education, including special education and the differently abled	New Delhi; Karkardooma	2,575,000	2,560,915	7,120	2,568,035	Implementing agency- Amar Jyoti Charitable Trust
4	Sponsorship towards education of underprivileged children	CI (ii) Promoting education	Haryana: District- Gurgaon	900,000	874,000	N.A	874,000	Implementing agency- Vidya Integrated Development for Youths and Adults (VIDYA)
5	PMNRF	CI (viii) contribution to PMNRF	-	-	-		5,375,844	N.A

VI. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

N.A

VII. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

For ICRA Limited

(Naresh Takkar)
Managing Director & Group CEO

For CSR Committee of ICRA Limited

(Ranjana Agarwal)
Chairperson of the CSR Committee

Place: Gurgaon
Date: May 19, 2016



Annexure VII

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not on an arm's length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	1.	2.	3.	4.	5.	6.	7.	8.
	Nil							

2. Details of material contracts or arrangement or transactions on an arm's length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
	1.	2.	3.	4.	5.	6.
1.	Nil					

For and on behalf of the Board of Directors

Place : Gurgaon
Date : May 19, 2016

(Arun Duggal)
Chairman
DIN: 00024262

Annexure VIII

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

ICRA Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICRA Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit period covering the Financial Year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2016 according to the provisions of:-

- i) The Companies Act, 2013 and the Rules made thereunder ;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit period);**
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period);**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit period);** and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit period).**

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- ii) The erstwhile Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the period under review except that Five (5) Additional Directors were regularized and Mr. Naresh Takkar was elevated and appointed as CEO of ICRA Group and reappointed as Managing Director and CEO of the Company which were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all Directors of the scheduled Board Meetings. Agenda and detailed notes on Agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for a meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and others Rules made thereunder, the Company has adopted new set of Articles of Association which is in conformity with the Companies Act, 2013.

For Y. J. Basrar & Associates
Company Secretaries

Y. J. Basrar
Proprietor
FCS No. 2754
C.P. No. 3528

Date: May 19, 2016
Place: New Delhi

ANNEXURE 'A'

To

The Members

ICRA Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Y. J. Basrar & Associates
Company Secretaries

Y. J. Basrar
Proprietor
FCS No. 2754
C.P. No. 3528

Date: May 19, 2016
Place: New Delhi



Independent Auditor's Report

TO THE MEMBERS OF ICRA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements ("financial statements") of **ICRA Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
- (ii) As required by section 143(3) of the Act, we report that:
 - a. We have sought and 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.

Independent Auditor's Report

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-II".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note 25 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no delay in transferring the amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration number: 101248 W/W-100022

Pravin Tulsyan
Partner
Membership No.: 108044

Place: Gurgaon
Date: May 19, 2016



Independent Auditor's Report

Annexure I of the Independent Auditor's Report to the Members of ICRA Limited on the standalone financial statements for the year ended March 31, 2016.

We report that:

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the Company is a service company, primarily rendering Rating, research and other services to corporate and non-corporate customers. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company, has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under Section 189 of the Act. Further, there are no firms and limited liability partnerships covered in the register required under Section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans, investments, guarantees, and security where provisions of Section 185 and 186 of the Act are required to be complied with. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits covered under Section 73 to 76 of the Act.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records by the Company under sub-section (1) of Section 148 of the Act for any of the activities carried out by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales tax, Value Added Tax, Service tax, Cess and other material statutory dues as applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of customs and Duty of excise.
According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales tax, Value Added Tax, Service tax, Cess and other material statutory dues as applicable to it, were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the Company did not have any dues on account of Sales tax and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanation given to us, the following dues of Income-tax and Service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount in (Rupees in lakhs)*	Payment under protest in (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	18.10	Nil	F.Y 2000-01	The Assessing Officer
		0.44	Nil	F.Y 2002-03	
		2.00	Nil	F.Y 2003-04	
		37.86	Nil	F.Y 2003-04	
		181.90	11.00	F.Y 2005-06	The Commissioner of Income Tax (Appeals)
		232.52	Nil	F.Y 2010-11	
		147.64	Nil	F.Y 2011-12	
		262.15	Nil	F.Y 2012-13	

Independent Auditor's Report

Name of the statute	Nature of dues	Amount in (Rupees in lakhs)*	Payment under protest in (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1.99	Nil	F.Y. 2001-2002	Assistant. Commissioner of Central Excise
		8.60	8.60	F.Y. 1998-1999 to 2001-2002	Appellate Tribunal (Customs, Excise and Service Tax)
		11.40	11.40	F.Y. 2001-2002 to 2004-2005	The Commissioner (Appeals) of Central Excise

*amount as per demand orders including interest and penalty, wherever indicated in the order.

- (viii) According to the information and explanations given to us, the Company did not have any outstanding dues to any financial institutions, banks, government or debenture holders during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid/ provided by the Company in accordance with provisions of Section 197 read with Schedule V of the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required, by the applicable accounting standards.
- (xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration number: 101248 W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Place: Gurgaon

Date: May 19, 2016



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Independent Auditor's Report

Annexure II to the Independent Auditor's Report to the Members of ICRA Limited on the standalone financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ICRA Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration number: 101248 W/W-100022

Pravin Tulsyan

Place: Gurgaon

Date: May 19, 2016

Partner

Membership No.: 108044

Balance Sheet as at March 31, 2016

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	(3)	1,000.00	1,000.00
Reserves and surplus	(4)	39,836.19	36,698.58
Non-current liabilities			
Other long-term liabilities	(5)	105.08	160.18
Long-term provisions	(6)	725.54	642.73
Current liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	(26)	2.17	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		344.21	143.36
Other current liabilities	(7)	6,357.26	5,666.62
Short-term provisions	(8)	4,988.24	5,130.47
Total		53,358.69	49,441.94
ASSETS			
Non-current assets			
Fixed assets	(9)		
Tangible assets		1,522.86	1,620.75
Intangible assets		26.35	48.23
Non-current investments	(10)	25,402.74	23,508.85
Deferred tax assets (net)	(11)	418.30	343.84
Long-term loans and advances	(12)	1,716.93	1,785.52
Other non-current assets	(13)	1,674.35	791.22
Current assets			
Current investments	(14)	1,700.00	10,850.00
Trade receivables	(15)	1,648.57	2,161.33
Cash and bank balances	(16)	18,108.60	7,759.45
Short-term loans and advances	(17)	398.75	410.86
Other current assets	(18)	741.24	161.89
Total		53,358.69	49,441.94

Significant accounting policies

(2)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ICRA Limited**For **B S R & Co. LLP**

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Arun Duggal

Chairman

(DIN: 00024262)

Place : Gurgaon

Dated : May 19, 2016

S. Shakeb Rahman

Company Secretary

Vipul Agarwal

Group Chief Financial Officer

**ICRA**A MOODY'S INVESTORS
SERVICE COMPANY**Statement of Profit and Loss for the year ended March 31, 2016****(Rupees in lakh)**

Particulars	Note No.	2015-16	2014-15
Income			
Revenue from operations	(19)	19,389.42	18,017.83
Other operating income	(20)	147.21	106.70
Other income	(21)	2,369.31	2,492.54
Total		21,905.94	20,617.07
Expenses			
Employee benefits expenses	(22)	8,332.60	7,623.61
Depreciation and amortisation	(9)	355.60	369.08
Other expenses	(23)	3,463.77	3,094.49
Total		12,151.97	11,087.18
Profit before prior period adjustments, exceptional items and tax		9,753.97	9,529.89
Prior period adjustments	(33)	-	764.82
Profit before exceptional items and tax		9,753.97	8,765.07
Exceptional items	(35)	(345.52)	(1,151.95)
Profit before tax		9,408.45	7,613.12
Tax expense:	(34)		
Current tax		3,336.36	2,746.83
Deferred tax		(74.46)	(175.59)
Total tax expense		3,261.90	2,571.24
Profit for the year		6,146.55	5,041.88
Earnings per equity share:	(32)		
(Face value of Rs. 10 per share):			
Basic		62.53	51.44
Diluted		62.25	51.09

Significant accounting policies

(2)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ICRA Limited**For **B S R & Co. LLP**

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Arun Duggal

Chairman

(DIN: 00024262)

Place : Gurgaon

Dated : May 19, 2016

S. Shakeb Rahman

Company Secretary

Vipul Agarwal

Group Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2016

(Rupees in lakh)

Particulars	2015-16	2014-15
A. Cash flow from operating activities		
Profit before tax	9,408.45	7,613.12
Adjustments for:		
Depreciation and amortisation	355.60	369.08
Bad debts written off	499.11	74.96
Provision for doubtful debts	139.50	87.51
Provision for doubtful advances (net)	7.22	-
Provision for diminution in value of investments	345.52	1,151.95
Loss on fixed assets sold/ written off (net)	8.72	5.82
Profit on sale/ redemption of investments	(965.14)	(2,029.37)
Interest income on fixed deposits	(1,349.49)	(284.59)
Interest income on loan to subsidiaries	(11.48)	(24.69)
Dividend income	(0.69)	(0.60)
Advances received from customers written back	(129.63)	(99.17)
Operating cash flow before working capital changes	8,307.69	6,864.02
Adjustments for:		
Increase in trade receivables	(99.58)	(1,143.34)
(Increase) / decrease in loans and advances	(233.34)	139.03
Increase in other assets	(3.15)	(8.30)
Increase in trade payables	160.34	37.52
Increase in other liabilities	426.94	2,212.86
Increase in provisions	325.37	311.26
Cash generated from operations before tax	8,884.27	8,413.05
Taxes paid	(3,321.70)	(2,631.69)
Net cash generated from operating activities (A)	5,562.57	5,781.36
B. Cash flow from investing activities:		
Purchase of fixed assets (tangible and intangible) and capital advances	(266.79)	(293.65)
Sale proceeds from fixed assets	14.79	19.25
Investments in mutual funds	-	(18,100.00)
Investments in subsidiaries	(345.52)	(232.54)
Sale proceeds from disposal of mutual funds	8,221.25	22,080.54
Increase in fixed deposits (having maturity of more than three months), net	(11,640.86)	(6,694.03)
Loan repaid by ICRA employees welfare trust	-	117.13
Repayment of loan by a subsidiary	150.00	-
Interest received on fixed deposits	774.19	148.31
Other interest income	11.48	24.69
Dividend income	0.69	0.60
Net cash used in investing activities (B)	(3,080.77)	(2,929.70)



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Contd.

(Rupees in lakh)

Particulars	2015-16	2014-15
C. Cash flow from financing activities:		
Dividend paid	(2,400.00)	(2,300.00)
Dividend distribution tax paid	(488.58)	(390.89)
(Decrease) / increase in unclaimed dividend	(0.90)	0.13
Net cash used in financing activities (C)	(2,889.48)	(2,690.76)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(407.68)	160.90
Add: Cash and cash equivalents at the beginning of year	503.80	342.90
Cash and cash equivalents at the end of the year	96.12	503.80
Components of cash and cash equivalents (Refer note 16)		
Cash on hand	7.16	13.12
Balances with banks		
On current accounts	80.78	482.01
On deposit accounts (with original maturity of 3 months or less)	8.18	8.67
Cash and cash equivalents at the end of the year	96.12	503.80
Add: Other bank balances		
On unpaid dividend account *	7.40	8.30
Deposit with maturity for more than 3 months and less than 12 months from the reporting date	18,005.08	7,247.35
Cash and bank balances at the end of the year	18,108.60	7,759.45

* Rs. 7.40 lakh (Previous year Rs. 8.30 lakh) on dividend account has restricted use.

Note:

Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3)- "Cash Flow Statements"

Significant accounting policies

(2)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ICRA Limited**

For **B S R & Co. LLP**

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Arun Duggal

Chairman

(DIN: 00024262)

Place : Gurgaon

Dated : May 19, 2016

S. Shakeb Rahman

Company Secretary

Vipul Agarwal

Group Chief Financial Officer

Notes to financial statements for the year ended March 31, 2016

1 Background

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, incorporated under the Companies Act, 1956, having its registered office in Delhi. It is listed on BSE Limited and the National Stock Exchange of India Limited. It has various subsidiaries involved in rating, management consulting, software solutions, information services etc.

During the financial year 2014-15, Moody's Corporation (the ultimate holding company of Moody's Group including Moody's Singapore Pte Ltd and Moody's Investment Company India Private Limited), on successful completion of February 2014-initiated Open Offer, acquired through Moody's Singapore Pte Ltd, 2,154,722 equity shares representing 21.55% of the share capital of ICRA. Consequently, the shareholding of Moody's Group in ICRA increased from 28.51% to 50.06%.

2 Significant accounting policies:**a) Basis of preparation and presentation of financial statements**

The accounts of the Company are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Act (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India, guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable.

b) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of financial statements. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, provision for doubtful debts and advances etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Operating cycle

Based on the nature of activities of the Company, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The financial statements are presented as per Schedule III to the Act. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Act.

d) Fixed assets and depreciation / amortization**Tangible fixed assets**

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation / amortisation for the year has been provided on written down value over the useful life of the assets as prescribed in Schedule II of the Act except for leasehold improvements.

The leasehold improvements are depreciated using straight line method over the remaining primary period of the lease or useful life of the assets whichever is shorter. The remaining primary lease period for this purpose includes any lease period extendable at the discretion of the lessee.

Assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.

Depreciation is provided on a pro-rata basis on assets acquired, sold or discarded during the year.

Intangible fixed assets

- (i) Intangible assets are stated at cost less any accumulated amortisation and impairment losses, if any. The cost includes taxes and other incidental expenses related to the acquisition and implementation of the respective assets.



Notes to financial statements for the year ended March 31, 2016

- (ii) Amortisation for the year has been provided @ 40% p.a. on written down value of the assets. Amortisation is provided on a pro-rata basis on assets acquired, sold or discarded during the year.

e) Impairment of assets

In accordance with Accounting Standard 28 (AS 28) on 'Impairment of assets', the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. If any such indication exists, the cash generating unit's recoverable amount is estimated as higher of its net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is recognised in the Statement of Profit and Loss.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash and deposits with bank and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

g) Foreign Currency Transactions

Foreign currency transactions are recorded into Indian rupees by applying to the foreign currency amount the exchange rate between Indian rupees and the foreign currency on/or closely approximating to the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date or at the time of settlement are translated into Indian rupees at the exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

h) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of Schedule III.

Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investments in foreign subsidiary companies are expressed in Indian currency at the rates prevailing on the date when the remittance for the purpose was made/ foreign currency balance lying abroad was used, as the case may be.

i) Revenue Recognition

Revenue from services is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the specific contracts. The Company recognises revenue as:

- i) The Company provides rating/ grading services to its customers wherein the first year rating/ grading fees includes free surveillance for first twelve months/ or the period of instrument, whichever is shorter, from the date of rating/ grading. A portion of the fee is allocated towards this free surveillance on the basis of management's estimate. The fee relating to rating/ grading is recognised in the month of assigning the rating/ grading by the rating/ grading committee of the Company. Surveillance fee for first year and subsequent period, to the extent of reasonable certainty of collection, is recognised on the basis of time elapsed (ignoring fractions of months).
- ii) Revenue from other service arrangements is recognised as and when services are rendered in accordance with the terms of the specific contracts.

Notes to financial statements for the year ended March 31, 2016

- iii) The dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate basis.
- iv) Profit/loss on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.
- v) Unearned revenue represents fees received in advance or advance billing for which services have not been rendered.

j) Employee benefits**Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service and measured accordingly.

Long term employee benefits**(i) Defined contribution plan**

Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans**Gratuity plan**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation as at the Balance Sheet date under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method by an independent actuary, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iii) Other Long-term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date using Projected Unit Credit method by an independent actuary. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the Balance Sheet date.

k) Employees Stock Option Scheme (ESOS)

The cost of employees stock option is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Statement of Profit and Loss of that period.

SEBI vide notification no. LAD-NRO/GN/2014-15/16/1729 dated 28 October 2014, issued Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 repealing Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. According to the these guidelines, any company implementing any of the share based schemes should follow the requirements of



Notes to financial statements for the year ended March 31, 2016

the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein. Consequentially w.e.f. October 28, 2014 in respect of vested options expire unexercised, the cost which was accounted as reversal in the Statement of Profit and Loss of that period will now be accounted as reversal to General Reserve.

l) Leases

Lease rentals under an operating lease, are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

m) Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax law) and deferred tax charge or credit. Income taxes are accrued in the same period the related revenues and expenses arise.

Differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on tax rates that have been enacted or substantially enacted by the Balance Sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

n) Earnings per share

The basic earnings per share is calculated by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored in the calculation of earnings per share.

o) Provisions and contingent liabilities

The Company creates a provision when there exist a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in financial statements.

Notes to financial statements for the year ended March 31, 2016

Particulars	(Rupees in lakh)	
	As at March 31, 2016	As at March 31, 2015
3 Share Capital		
Authorised		
15,000,000 equity shares of Rs. 10/- each		
(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 equity shares of Rs. 10/- each fully paid up		
(previous year 10,000,000 equity shares of Rs. 10/- each fully paid up)	1,000.00	1,000.00

3.1 Reconciliation of number of equity shares

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
At the commencement and at the end of the year	10,000,000	1,000.00	10,000,000	1,000.00

3.2 Employees stock option scheme (Also refer note 38)

- 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 representing 9.06% of the equity share capital of the Company have been issued to the ICRA Employees Welfare Trust ('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.
- 8,650 equity shares (previous year 47,097 equity shares) of Rs. 10 each transferred from trust to employees on exercise of the vested stock options in accordance with the terms of exercise under the "Employees Stock Option Scheme, 2006".
- Under the Employees Stock Option Scheme, 2006, as at March 31, 2016 - 43,706 options (previous year 52,356 options) are outstanding for exercise out of total options granted under Tranche 2.
- 119,961 equity shares (previous year 119,961) are held by trust which were issued by the Company but not yet granted under ESOS Scheme.

3.3 Rights, preferences and restrictions attached to 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.

3.4 Shares held by subsidiaries of the ultimate holding company

Equity shares of Rs. 10 each fully paid-up held by	As at March 31, 2016		As at March 31, 2015	
	Number	% of total shares	Number	% of total shares
Moody's Investment Company India Private Limited	2,850,900	28.51%	2,850,900	28.51%
Moody's Singapore Pte Limited	2,154,722	21.55%	2,154,722	21.55%



Notes to financial statements for the year ended March 31, 2016

3.5 Shares held by each shareholder holding more than 5 per cent shares

Equity shares of Rs. 10 each fully paid-up held by	As at March 31, 2016		As at March 31, 2015	
	Number	% of total shares	Number	% of total shares
Moody's Investment Company India Private Limited	2,850,900	28.51%	2,850,900	28.51%
Moody's Singapore Pte Limited	2,154,722	21.55%	2,154,722	21.55%
Life Insurance Corporation of India	668,086	6.68%	668,741	6.69%
Birla Sun Life Trustee Company Private Limited A/c- Birla Sun Life MNC Fund	534,962	5.35%	622,916	6.23%
General Insurance Corporation of India	522,999	5.23%	522,999	5.23%

3.6 During the five years immediately preceding the current year and previous year, neither any bonus shares or shares issued for consideration other than cash that have been issued nor any shares that have been bought back.

(Rupees in lakh)		
Particulars	As at March 31, 2016	As at March 31, 2015
4 Reserves and surplus		
Securities premium account		
At the commencement of the year	8,608.94	8,459.63
Add: Transfer from employee stock options outstanding account on exercise of employee stock options	94.62	149.31
	8,703.56	8,608.94
Employees stock options outstanding		
At the commencement of the year	572.69	722.00
Options exercised during the year	(94.62)	(149.31)
	478.07	572.69
General reserve		
At the commencement of the year	10,545.58	10,040.58
Add: Transfer from Surplus	615.00	505.00
	11,160.58	10,545.58
Surplus (Profit and loss balance)		
At the commencement of the year	16,971.37	15,343.25
Add: Profit after tax for the year	6,146.55	5,041.88
Less: Adjustment of on account of depreciation [net of deferred tax of Rs. Nil (previous year Rs. 10.39 lakh)] (Refer note 27)	-	(20.18)
Amount available for appropriation	23,117.92	20,364.95
Less: Appropriation		
Proposed dividend on equity shares *	2,500.00	2,400.00
Distribution tax on proposed equity dividend	508.94	488.58
Transfer to general reserve	615.00	505.00
Total appropriations	3,623.94	3,393.58
Total surplus	19,493.98	16,971.37
Total reserves and surplus	39,836.19	36,698.58

* The Company declares dividends in Indian rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended March 31, 2016, dividend of 250% (previous year 240%) i.e. Rs. 25 (previous year Rs. 24) per fully paid up equity share has been recognised as distributions to equity shareholders.

Notes to financial statements for the year ended March 31, 2016

		(Rupees in lakh)	
Particulars	As at March 31, 2016	As at March 31, 2015	
5 Other long-term liabilities			
Deposit for vehicles	27.24	25.11	
Rent equalisation reserve	77.84	135.07	
	105.08	160.18	
6 Long-term provisions			
Provision for employee benefits			
Provision for gratuity (Refer note 39)	499.78	433.40	
Provision for compensated absence (Refer note 39)	225.76	209.33	
	725.54	642.73	
7 Other current liabilities			
Creditors for capital supplies and services	17.96	49.84	
Advance received from customers	922.80	927.14	
Due to related parties (Refer note 40)	36.47	15.97	
Unearned revenue	4,049.00	4,083.54	
Unpaid dividend	7.40	8.30	
Rent equalisation reserve	39.60	28.62	
Statutory dues	237.99	233.77	
Payable to employees	986.68	238.17	
Other liabilities	59.36	81.27	
	6,357.26	5,666.62	
8 Short-term provisions			
Provision for employee benefits			
Provision for gratuity (Refer note 39)	87.05	69.01	
Provision for compensated absence (Refer note 39)	64.07	59.83	
Other employees benefits	1,698.99	2,021.02	
Others			
Provision for income tax [net of advance tax of Rs. 3,241.38 lakh (previous year Rs. 2,715.10 lakh)]	107.56	70.40	
Proposed dividend on equity shares	2,500.00	2,400.00	
Distribution tax on proposed equity dividend	508.94	488.58	
Others	21.63	21.63	
	4,988.24	5,130.47	

Notes to financial statements for the year ended March 31, 2016



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9 Fixed assets										(Rupees in lakh)	
S. No.	Particulars	Gross block				Depreciation / Amortisation				Net block	
		As at March 31, 2015	Additions	Disposals/ adjustments	As at March 31, 2016	As at March 31, 2015	For the year	Disposals/ adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
(i)	Tangible assets										
1	Buildings *	1,956.03	-	(2.17)	1,953.86	1,025.97	49.17	(1.02)	1,074.12	879.74	930.06
2	Computers and data processing units	471.81	76.76	(238.40)	310.17	418.13	56.61	(231.51)	243.23	66.94	53.68
3	Furniture and fittings	462.35	17.14	(8.57)	470.92	203.24	84.50	(7.57)	280.17	190.75	259.11
4	Office equipment	237.50	12.54	(38.81)	211.23	187.14	27.90	(36.78)	178.26	32.97	50.36
5	Electrical installation and equipments	172.60	4.29	(2.68)	174.21	64.78	33.38	(2.21)	95.95	78.26	107.82
6	Vehicles	115.57	67.77	(22.89)	160.45	62.23	22.95	(16.18)	69.00	91.45	53.34
7	Leasehold improvements	386.06	80.84	(7.32)	459.58	219.68	59.21	(2.06)	276.83	182.75	166.38
	Sub-total	3,801.92	259.34	(320.84)	3,740.42	2,181.17	333.72	(297.33)	2,217.56	1,522.86	1,620.75
(ii)	Intangible assets										
1	Computer softwares	231.28	-	(0.10)	231.18	183.05	21.88	(0.10)	204.83	26.35	48.23
	Total	4,033.20	259.34	(320.94)	3,971.60	2,364.22	355.60	(297.43)	2,422.39	1,549.21	1,668.98
	Previous year	3,760.92	412.06	(139.78)	4,033.20	2,079.28	369.08	(84.14)	2,364.22	1,668.98	

* (Refer note 28)

Notes to financial statements for the year ended March 31, 2016

(Rupees in lakh)

10 Non-current investments

(Valued at cost unless stated otherwise)

Particulars	Face Value (Rupees Unless otherwise stated)	Quantity As at March 31, 2016 (Numbers)	Quantity As at March 31, 2015 (Numbers)	Amount As at March 31, 2016	Amount As at March 31, 2015
Long term investment					
I. Trade investments (unquoted)					
a) Investment in equity instruments of subsidiaries (fully paid up)					
i ICRA Online Limited	10	8,951,458.00	8,951,458.00	871.76	871.76
ii ICRA Management Consulting Services Limited	10	15,000,000.00	15,000,000.00	1,500.00	1,500.00
iii ICRA Techno Analytics Limited	10	21,453,351.00	21,453,351.00	6,016.61	6,016.61
iv PT ICRA Indonesia	IDR 10,000	2,833,125.00	2,053,351.00	1,497.47	1,121.86
v ICRA Lanka Limited	LKR 10	5,948,900.00	5,948,900.00	256.58	256.58
vi ICRA Nepal Limited	NPR 100	102,000.00	102,000.00	63.75	63.75
				10,206.17	9,830.56
Provision for diminution in value of investments (Refer note 35)				(1,497.47)	(1,121.86)
Total (I)				8,708.70	8,708.70
II. Other investments (quoted)					
a) Investment in equity instruments (fully paid up)					
i Equity shares of CRISIL Limited	1	3,000.00	3,000.00	0.15	0.15
Total (a)				0.15	0.15
b) Investment in mutual funds					
Fixed maturity plans					
i Birla Sun Life Fixed Term Plan-Series HM (1099 days) - Growth Direct	10	-	8,000,000.00	-	800.00
ii Birla Sun Life Fixed Term Plan Series KD (1099 Days) - Growth Direct	10	-	9,000,000.00	-	900.00
iii DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series - 62 - Direct Plan Growth)	10	7,000,000.00	-	700.00	-
iv Principal PNB Fixed Maturity Plan - Series B-10-476 Days - Direct Plan Growth	10	4,444,997.60	-	444.50	-
v Axis Fixed Term Plan - Series 52 (428 days) Direct Growth	10	4,493,937.68	-	449.39	-
vi DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series 45 - Direct Plan Growth)	10	15,000,000.00	-	1,500.00	-
vii Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	10	10,000,000.00	-	1,000.00	-
viii Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	10	10,000,000.00	-	1,000.00	-
ix Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth	10	7,000,000.00	-	700.00	-
Sub-total				5,793.89	1,700.00
Other plans					
i Religare Invesco Ultra Short Term Fund - Growth	1,000	-	78,851.22	-	1,200.00
ii DHFL Pramerica Premier Bond Fund - Direct Plan - Growth (Formerly known as DWS Premier Bond Fund - Direct Plan - Growth)	10	4,607,849.01	4,607,849.01	1,000.00	1,000.00
iii Religare Invesco Bank Debt Fund - Direct Plan - Growth	1,000	-	86,611.15	-	1,000.00



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Notes to financial statements for the year ended March 31, 2016

(Rupees in lakh)

10 Non-current investments

(Valued at cost unless stated otherwise)

Particulars	Face Value (Rupees Unless otherwise stated)	Quantity As at March 31, 2016 (Numbers)	Quantity As at March 31, 2015 (Numbers)	Amount As at March 31, 2016	Amount As at March 31, 2015
iv Reliance Yearly Interval Fund Series 9 - Direct Plan Growth Plan	10	10,124,718.12	10,124,718.12	1,100.00	1,100.00
v Principal Bank CD Fund - Direct Plan Growth	1,000	88,664.29	88,664.29	1,500.00	1,500.00
vi Birla Sun Life Interval Income Fund - Annual Plan IX - Gr - Direct	10	18,205,319.59	18,205,319.59	2,000.00	2,000.00
vii JP Morgan India Banking & PSU Debt Fund - Direct Plan - Growth Option	10	18,264,673.38	18,264,673.38	2,000.00	2,000.00
viii DHFL Pramerica Short Term Floating Rate Fund - Direct Plan - Growth (Formerly known as DWS Treasury Fund Investment - Direct Plan - Growth)	10	10,503,245.50	10,503,245.50	1,500.00	1,500.00
ix Sundaram Flexible Fund Short Term Plan - Direct Plan-Gr	10	8,885,904.98	8,885,904.98	1,800.00	1,800.00
Sub-total				10,900.00	13,100.00
Total (b)				16,693.89	14,800.00
Total (II) = (a+b)				16,694.04	14,800.15
Total (I + II)				25,402.74	23,508.85
Aggregate amount of quoted investments					
- cost				16,694.04	14,800.15
- market value				19,615.28	16,260.47
Aggregate amount of unquoted investments				10,206.17	9,830.56
Aggregate amount of provision for diminution in value of investments				(1,497.47)	(1,121.86)

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

(Rupees in lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
11 Deferred tax assets (net)		
Deferred tax assets*		
Provision for employees benefits	303.39	306.99
Rent equalisation reserve	40.65	55.64
Provision for doubtful debts	115.41	62.68
Provision for doubtful loans and advances	5.59	6.29
	465.04	431.60
Deferred tax liabilities		
Depreciation	46.74	87.76
	46.74	87.76
	418.30	343.84

* excluding deferred tax assets of Rs. 345.50 lakh (previous year Rs. 261.03 lakh) for item of capital nature resulted from recording of impairment loss on investment in one of the wholly owned subsidiary (Refer note 35) which is not recorded in absence of virtual certainty for realisation thereof.

Notes to financial statements for the year ended March 31, 2016

(Rupees in lakh)		
Particulars	As at March 31, 2016	As at March 31, 2015
12 Long-term loans and advances		
(Secured and considered good)		
To parties other than related parties		
Loans to employees	125.83	94.21
To related parties #		
Loans to employees	15.80	17.83
(Unsecured and considered good)		
To parties other than related parties		
Capital advances	0.44	24.87
Security deposits	261.30	237.13
Prepaid expenses	24.23	20.04
Advance tax (net of provision of Rs. 18,955.45 lakh (previous year Rs. 16,161.81 lakh))	1,283.72	1,261.22
Advances recoverable in cash or kind	5.61	5.22
To related parties #		
Loan to a subsidiary	-	125.00
(Unsecured and considered doubtful)		
To parties other than related parties		
Capital advances	7.22	-
To related parties #		
Other advances	-	30.09
	1,724.15	1,815.61
Less: Provision for doubtful long-term loans and advances	(7.22)	(30.09)
	1,716.93	1,785.52
# (Refer note 40)		
13 Other non-current assets		
Bank deposits		
- Deposit with maturity for more than 12 months from the reporting date	1,674.35	791.22
(Refer note 16)		
	1,674.35	791.22

(Rupees in lakh)					
14 Current investments (at lower of cost or fair value)					
Particulars	Face Value (Rupees)	Quantity As at March 31, 2016 (Numbers)	Quantity As at March 31, 2015 (Numbers)	Amount As at March 31, 2016	Amount As at March 31, 2015
Current portion of long-term investments (quoted)					
I. Investment in mutual funds					
Fixed maturity plans					
i Principal PNB Fixed Maturity Plan - Series B-10-476 Days - Direct Plan Growth	10	-	10,000,000.00	-	1,000.00
ii Axis Fixed Term Plan - Series 52 (428 days) Direct Growth	10	-	10,000,000.00	-	1,000.00



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Notes to financial statements for the year ended March 31, 2016

(Rupees in lakh)

14 Current investments (at lower of cost or fair value) (Contd.)

Particulars	Face Value (Rupees)	Quantity As at March 31, 2016 (Numbers)	Quantity As at March 31, 2015 (Numbers)	Amount As at March 31, 2016	Amount As at March 31, 2015
iii DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series 45 - Direct Plan Growth)	10	-	15,000,000.00	-	1,500.00
iv Religare Invesco FMP Series 22 Plan L (14 Months) - Direct Plan Growth	10	-	4,500,000.00	-	450.00
v DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series - 62 - Direct Plan Growth)	10	-	7,000,000.00	-	700.00
vi DSP Black Rock FMP Series 163 - 12M - Dir - Growth	10	-	25,000,000.00	-	2,500.00
vii Principal PNB Fixed Maturity Plan - Series B17 - Direct Plan Growth	10	-	10,000,000.00	-	1,000.00
viii Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	10	-	10,000,000.00	-	1,000.00
ix Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	10	-	10,000,000.00	-	1,000.00
x Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth	10	-	7,000,000.00	-	700.00
xi Birla Sun Life Fixed Term Plan-Series HM (1099 days) - Growth Direct	10	8,000,000.00	-	800.00	-
xii Birla Sun Life Fixed Term Plan Series KD (1099 Days) - Growth Direct	10	9,000,000.00	-	900.00	-
Total				1,700.00	10,850.00
Aggregate amount of quoted investments					
- cost				1,700.00	10,850.00
- market value				2,103.37	11,902.24
Aggregate amount of quoted investments (non-current and current)					
- cost				18,394.04	25,650.15
- market value				21,718.65	28,162.71
Aggregate amount of unquoted investments (non-current and current)				10,206.17	9,830.56
Aggregate amount of provision for diminution in value of investments (non-current and current)				(1,497.47)	(1,121.86)

(Rupees in lakh)

Particulars	As at March 31, 2016	As at March 31, 2015
15 Trade receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	430.91	299.70
- considered doubtful	227.61	118.53
	658.52	418.23
Others		
- considered good	1,217.66	1,861.63
- considered doubtful	105.89	88.72
	1,323.55	1,950.35
Total	1,982.07	2,368.58
Less: provision for doubtful trade receivables	(333.50)	(207.25)
	1,648.57	2,161.33

Notes to financial statements for the year ended March 31, 2016

Particulars	(Rupees in lakh)	
	As at March 31, 2016	As at March 31, 2015
16 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	7.16	13.12
Balances with banks		
- On current accounts	80.78	482.01
- On deposit accounts (with original maturity of 3 months or less)	8.18	8.67
Other bank balances		
Bank deposits		
- Deposit with maturity for more than 3 months and less than 12 months from the reporting date **	18,005.08	7,247.35
Earmarked balance with bank		
- On unpaid dividend account	7.40	8.30
	18,108.60	7,759.45
Deposit accounts with maturity of 3 months or less from the original maturity date	8.18	8.67
Deposit with maturity for more than 3 months and less than 12 months from the reporting date *, **	18,005.08	7,247.35
Deposit with maturity for more than 12 months from the reporting date *	1,674.35	791.22
* (Deposit includes fixed deposits with banks Rs. 0.56 lakh (previous year Rs. 37.82 lakh) marked as lien for guarantees issued by bank on behalf of the Company)		
** includes book overdraft of Rs. 87.43 lakh (previous year Rs. Nil) for uncleared cheques issued in pursuance to sweep in facilities with various banks.		
17 Short-term loans and advances		
(Secured and considered good)		
To parties other than related parties		
Loans to employees	24.87	30.03
To related parties		
Loans to employees	2.03	1.95
(Unsecured and considered good)		
To parties other than related parties		
Security deposits	9.85	39.55
Prepaid expenses	232.53	82.14
Advances recoverable in cash or kind	87.31	217.56
To related parties		
Loans to subsidiary	-	25.00
Other recoverable	42.16	14.63
(Unsecured and considered doubtful)		
To parties other than related parties	8.94	20.81
	407.69	431.67
Less: provision for doubtful short-term loans and advances	(8.94)	(20.81)
	398.75	410.86



Notes to financial statements for the year ended March 31, 2016

(Rupees in lakh)		
Particulars	As at March 31, 2016	As at March 31, 2015
18 Other current assets		
Interest accrued but not due on fixed deposits	737.19	161.89
Accrued revenue	4.05	-
	<u>741.24</u>	<u>161.89</u>

(Rupees in lakh)		
Particulars	2015-16	2014-15
19 Revenue from operations		
Rating, research and other services fees	19,389.42	18,017.83
	<u>19,389.42</u>	<u>18,017.83</u>
20 Other operating income		
Advances received from customers written back	129.63	99.17
Professional services	10.90	2.10
Royalty	5.40	3.68
Bad debts recovered	1.28	1.75
	<u>147.21</u>	<u>106.70</u>
21 Other income		
Interest income on fixed deposits	1,349.49	284.59
Interest income on loan to subsidiaries	11.48	18.07
Other interest income	6.16	6.62
Dividend income	0.69	0.60
Profit on sale/ redemption of investments	965.14	2,029.37
Foreign exchange gain (net)	0.20	0.67
Rental income	23.39	100.75
Other non-operating income	12.76	51.87
	<u>2,369.31</u>	<u>2,492.54</u>
22 Employee benefit expenses		
Salaries, wages and bonus	7,830.61	7,140.54
Contribution to provident fund (Refer note 39)	260.43	259.97
Staff welfare expenses	241.56	223.10
	<u>8,332.60</u>	<u>7,623.61</u>

Notes to financial statements for the year ended March 31, 2016

		(Rupees in lakh)	
Particulars	2015-16	2014-15	
23 Other expenses			
Electricity and water	135.11	121.90	
Rent (Refer note 28)	291.39	417.90	
Repairs and maintenance - building	0.38	0.25	
Repairs and maintenance - others	312.35	249.72	
Insurance	4.40	9.47	
Rates and taxes	70.39	20.20	
Communication expenses	155.87	183.01	
Printing and stationery	65.10	119.67	
Books and periodicals	53.65	49.46	
Travelling and conveyance	322.97	387.81	
Directors' sitting fees	19.50	26.50	
Legal and professional charges	945.12	1,111.85	
Conference and meeting expenses	53.65	53.24	
Advertisement expenses	3.59	10.20	
Auditors' remuneration and expenses (Refer note 30)	51.73	29.20	
Technical services	22.72	20.25	
Bad debts written off	499.11	74.96	
Provision for doubtful debts	139.50	87.51	
Provision for doubtful advances (net)	7.22	-	
Fees and subscription	11.15	17.02	
Remuneration to non executive directors	50.00	42.68	
Recruitment expenses	19.67	24.90	
Corporate social responsibility expenses (Refer note 37)	129.62	-	
Loss on fixed assets sold/ written off (net)	8.72	5.82	
Miscellaneous expenses	90.86	30.97	
	3,463.77	3,094.49	

24 Commitments as at year end (to the extent not provided for):

	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	21.46
Total	-	21.46

25 Contingent Liabilities (to the extent not provided for):

	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
Claims against the Company disputed and not acknowledged as debts.		
Income Tax *	882.61	620.46
Provident Fund	15.37	-
Total	897.98	620.46

* The Company had deposited an amount of Rs. 11 lakh (previous year Rs. 11 lakh) under protest against the above claims.

The Company is contesting the demand and the management including its tax advisors believe that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.



Notes to financial statements for the year ended March 31, 2016

- 26** Based on the information available with the Company, four suppliers (previous year Nil) have been identified who are registered under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED), to whom the Company owes dues, but the same are not outstanding for more than 45 days as at March 31, 2016. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
a.1) The principal amount payable to suppliers at the year end	2.17	-
a.2) The amount of interest due on the remaining unpaid amount to the suppliers as at the year end	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED.	-	-

- 27** Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company had revised depreciation rate on fixed assets as per the useful life specified in Part 'C' of Schedule II to the Act. As a result of this change, the depreciation charge for the year ended March 31, 2015 was higher by Rs. 117.23 lakh. In respect of assets whose useful life already expired as on April 1, 2014, depreciation of Rs. Nil (previous year Rs 20.18 lakh) [net of deferred tax impact of Rs. Nil (previous year Rs.10.39 lakh)] had been adjusted from reserves and surplus in accordance with the requirements of Schedule II of the Act.

28 Leases:

As Lessee

The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). The lease term for these leases ranges between 11 months and 12 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

The schedule of lease rental payments in respect of operating leases is set out below:

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Rental recognised in the Statement of Profit and Loss *	341.38	449.01

	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
Future minimum lease rental payments for non-cancellable operating leases:		
Not later than one year	448.20	449.01
Later than one year but not later than 5 years	704.24	1,093.80
Later than 5 years	146.89	94.07

* Includes rental for parking space, guest house, office premises etc. which has been accounted in the respective heads.

As Lessor

The Company has given a part of its premises under cancellable operating lease arrangement. Lease rentals amounting to Rs. 23.39 lakh (previous year Rs. 99.64 lakh) has been recognised in the Statement of Profit and Loss. As only a portion of these premises has been let out, the gross carrying amount, depreciation for the year and the accumulated depreciation of leased premises/ assets is not separately identifiable.

Notes to financial statements for the year ended March 31, 2016

29 Segment reporting:

As the Company's business activities falls within a single primary business segment and a geographical segment, the disclosure requirements of Accounting Standard 17 "Segment Reporting" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 are not applicable.

30 Remuneration to auditors (excluding service tax):

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Audit fees	19.72	11.40
Limited review *	14.45	10.00
Tax audit	5.59	5.10
Other audit services	7.16	1.20
Reimbursement of expenses *	4.81	1.50
Total	51.73	29.20

* Includes payment made to erstwhile auditor for limited review Rs. Nil (previous year Rs. 1 lakh) and for reimbursement of expenses Rs. Nil (previous year Rs. 0.70 lakh)

31 Foreign currency transactions:

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
(1) Expenditure in foreign currency(on accrual basis)		
- Technical services	21.54	15.29
- Professional charges	22.28	3.94
- Foreign travel	1.83	9.84
- Others	4.01	1.01
(2) Remittance in foreign currency on account of final dividend		
- Amount of dividend remitted	517.13	495.59
- Number of Non-resident shareholders	1	1
- Number of equity shares held by Non-resident shareholders	2,154,722	2,154,722
- The year to which dividend related	2014-15	2013-14
(3) Earnings in foreign exchange		
- Professional fees	96.56	27.89

32 Earning Per Share (Basic and diluted)

		2015-16	2014-15
I. Profit/(loss) for basic and diluted earnings per share of Rs. 10 each	Rupees in lakh	6,146.55	5,041.88
II. Weighted average number of equity shares for earnings as per share computation			
A) For basic earnings per share	Nos.	9,830,239	9,802,106
B) For diluted earnings per share	Nos.	9,874,261	9,868,975
No. of shares for basic earning per share as per II A	Nos.	9,830,239	9,802,106
Add: weighted average outstanding options related to employee stock options.	Nos.	44,022	66,869
No of shares for diluted earnings per share	Nos.	9,874,261	9,868,975
III. Earnings per share (face value of Rs 10 each)			
Basic	Rupees	62.53	51.44
Diluted	Rupees	62.25	51.09



Notes to financial statements for the year ended March 31, 2016

33 Prior period adjustments

Prior period adjustments represent aggregate impact of adjustment for certain accounting practices in relation to items as mentioned below:

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Compensated absences	-	37.08
Rent equalisation reserve	-	155.79
Revenue	-	571.95
Total	-	764.82

The consequential tax impact has been accounted in the Statement of Profit and Loss for the year.

34 Tax expense

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Current tax		
Income tax for current year	3,348.94	2,786.13
Income tax for earlier years	(12.58)	(39.30)
Deferred tax	(74.46)	(175.59)
Total	3,261.90	2,571.24

- 35** The exceptional items represent provision for other than temporary diminution of Rs. 345.52 lakh (previous year Rs. 1,151.95 lakh) in the value of non-current investment in PT ICRA Indonesia (including advance given for allotment of shares, if any). This decision was taken by the Company based on extensive review of results, continuous losses in Indonesia entity and path of scalability, which presents significant challenges in the current environment. During current year, the Company has withdrawn the rating services business activity in Indonesia.
- 36** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has maintained adequate documentation for the international transactions entered into with the associated enterprises and domestic transactions entered into with the specified person during the financial year and expect such records to be in existence in accordance with the requirements of the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

37 Corporate social responsibility expenditure

As per Section 135 of the Act, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee was formed during the year 2014-15 and expenditure has been incurred on activities which are specified in Schedule VII of the Act.

- (a) Gross amount required to be spent by the Company during the year ended March 31, 2016 was Rs. 129.62 lakh (previous year Rs. 123.41 lakh)
- (b) Amount spent during the year on:

	In cash (Rupees in lakh)	Yet to be paid in cash (Rupees in lakh)	Total (Rupees in lakh)
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	129.62	-	129.62
	(-)	(-)	(-)

[Previous year figures are in ()]

Notes to financial statements for the year ended March 31, 2016

38 Employee Stock Option Scheme

The Company has a stock option plan in place namely:

Employee Stock Option Scheme 2006

The Board of Directors had constituted ESOS Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Scheme.

In 2006-07, members approved constitution of ICRA Employees Welfare trust ('Trust') for the purpose of welfare of the Employees and for administration of ESOS 2006. The Trust provides a convenient method for transferring shares to the eligible employees upon exercise of the options by such employees. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches as agreed between the Board and the Trust.

Type of arrangement	Employee stock option Plan 2006	
	Tranche 1	Tranche 2
Date of grant	March 24, 2007	November 9, 2010
Number granted	615,763	272,500
Fair value of option	138.00	1,153.00
Exercise Price	330.00	330.00
Contractual life from the date of vesting	5	5
Method used for valuation	Intrinsic value method	
Method of settlement	Equity Shares	

Under ESOS 2006, each option, upon vesting, shall entitle the holder to acquire one equity share of Rs. 10 each.

Summary of vesting provisions:

ESOS 2006		
Vesting date	% of options vested	Lock-in period
1 year from grant date	40	Nil
2 years from grant date	30	Nil
3 years from grant date	30	Nil

Out of total options in force as on March 31, 2015, 8650 shares (previous year - 47,097 share) were transferred to the employees on exercise of Options during the year ended March 31, 2016.

The unissued and lapsed options lying as at March 31, 2016 is 119,961. The movement of the stock options in force under the ESOS 2006 is set out below:

A. Tranche 1:

	As at March 31, 2016	
	Number of options	Weighted Average Exercise Price(Rs.)
Options outstanding at the beginning of the year	-	-
	(33,447)	(330)
Granted during the year	-	-
	-	-
Exercised during the year	-	-
	(33,447)	(330)
Options forfeited during the year	-	-
	-	-
Options expired during the year	-	-
	-	-
Options outstanding at the end of the year	-	-
	-	-

Previous year figures are in (])



Notes to financial statements for the year ended March 31, 2016

B. Tranche 2:

	As at March 31, 2016	
	Number of options	Weighted Average Exercise Price(Rs.)
Options outstanding at the beginning of the year	52,356	330
	(66,006)	(330)
Granted during the year	-	-
	-	-
Exercised during the year	8,650	330
	(13,650)	(330)
Options forfeited during the year	-	-
	-	-
Options expired during the year	-	-
	-	-
Options outstanding at the end of the year	43,706	330
	(52,356)	(330)

[Previous year figures are in ()]

Other information regarding employee share	2015-16	2014-15
ESOP outstanding as at year end (Rupees in lakh)	478.07	572.69
Weighted average share price during the year (In Rupees)	4,091.60	2,771.75
Weighted average remaining contractual life (In Years)	2.61	3.61

39 Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 (Revised) "Employee Benefits" prescribed by the Companies (Accounts) Rules, 2014.

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employee towards Provident fund and Employees State Insurance fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds for the year aggregated to Rs. 260.43 lakh (previous year Rs. 259.97 lakh) and is included in "Employee benefits".

Defined benefit plans

The Company operates post-employment defined benefit plan that provides gratuity. The gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement in terms of the provisions of the payment of Gratuity Act or as per the Company's scheme, whichever is more beneficial.

The liability with regard to gratuity and compensated absences is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary.

a) Gratuity Plan

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

	2015-16 (Rupees in lakh)	2014-15 (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	502.41	430.49
Interest cost	38.58	35.83

Notes to financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Current service cost	69.54	55.87
Benefit paid	(15.61)	(64.72)
Actuarial (gain)/loss	(8.09)	44.94
Present value of obligation at the year end	586.83	502.41
Long-term gratuity provision	499.78	433.40
Short-term gratuity provision	87.05	69.01
Table showing fair value of plan assets		
Fund status	(586.83)	(502.41)
Actuarial gain /loss recognised for the year		
Actuarial gain /(loss) recognised for the year- obligation	8.09	(44.94)
Total (gain) / loss for the year	(8.09)	44.94
Actuarial (gain) / loss recognised in the year	(8.09)	44.94
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	586.83	502.41
Funded status	(586.83)	(502.41)
Net liability recognised in Balance Sheet	586.83	502.41
Expenses recognised during the year		
Current service cost	69.54	55.87
Interest cost	38.58	35.83
Actuarial (gain)/loss	(8.09)	44.94
Expenses recognised in the Statement of Profit and Loss	100.03	136.64
Amount for the current year		
Present value of obligation	586.83	502.41
Surplus (deficit)	(586.83)	(502.41)
Experience adjustments on plan liabilities - (loss)/gain	14.06	(15.16)
Reconciliation statement of expense in the Statement of Profit and Loss		
Present value of obligation as at the end of the year	586.83	502.41
Present value of obligation as at the beginning of the year	(502.41)	(430.49)
Benefits paid directly paid by the enterprise	15.61	64.72
Expenses recognised in the Statement of Profit and Loss	100.03	136.64
Movement in the liability recognised in Balance Sheet		
Opening net liability	502.41	430.49
Expenses as above	100.03	136.64
Benefits directly paid by Company	(15.61)	(64.72)
Closing net liability	586.83	502.41
Actuarial assumptions		
Discount rate (per annum)	7.60%	7.80%
Expected rate of return on plan assets (per annum)	NA	NA
Rate of increase in compensation levels:	11.00%	11.00%



Notes to financial statements for the year ended March 31, 2016

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Particulars	As at March 31, 2016	As at March 31, 2015
Retirement Age		
- for Chairman and Group C.E.O.	-	69
- for others	60	60
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal rate	16%	16%

Particulars	2015-2016 (Rupees in lakh)	2014-2015 (Rupees in lakh)	2013-14 (Rupees in lakh)	2012-13 (Rupees in lakh)	2011-2012 (Rupees in lakh)
Obligations at year end	586.83	502.41	430.49	357.02	269.97
Experience adjustment on plan liability	14.06	(15.16)	(9.83)	6.75	5.19
Experience adjustment on plan assets	-	-	-	-	-

b) Other long-term benefits

The Company provides compensated absences benefits to the employees of the company which can be carried forward to future years.

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Present value of obligation at the end of the year		
Earned leaves	263.21	227.73
Casual leaves	26.62	41.43

40 Disclosures as required by the Accounting Standard 18 on "Related Party Disclosures" are given below:

A. Related Parties where control exists:

Ultimate holding company:

Moody's Corporation

Fellow subsidiary companies:

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

B. Subsidiaries including step-down subsidiaries

ICRA Management Consulting Services Limited

ICRA Techno Analytics Limited

ICRA Online Limited

PT ICRA Indonesia

ICRA Nepal Limited

ICRA Lanka Limited

ICRA Sapphire Inc.

ICRA Global Capital Inc.

BPA Technologies Inc.

BPA Technologies Private Limited

IMaCS Virtus Global Partners, Inc.

Pragati Development Consulting Services Limited

Notes to financial statements for the year ended March 31, 2016

C. Ultimate holding company/ fellow subsidiary companies with whom transactions taken place during the year:

Moody's Investment Company India Private Limited
 Moody's Singapore Pte Limited
 Moody's Investors Service India Private Limited
 Moody's Investors Service Inc.
 Moody's Investors Service Limited
 Moody's Investors Service Singapore Pte Limited
 Moody's Asia Pacific Limited
 MIS Quality Management Corp.
 Moody's Investors Service Hong Kong Limited

D. Key management personnel:

Mr. Naresh Takkar
 Mr. P.K. Choudhury (till January 29, 2015)
 Mr. Vipul Agarwal (w.e.f. May 22, 2015)
 Mr. Vivek Mathur (March 2, 2015 to May 21, 2015)
 Mr. Amit Kumar Gupta (w.e.f. August 14, 2015)
 Mr. S. Shakeb Rahman (w.e.f. March 2, 2015)
 Mr. Vijay Wadhwa (till September 29, 2014)

E. Transactions and balance with related parties:

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
ICRA Management Consulting Services Limited		
Professional services received	69.98	45.09
Professional services provided	4.50	-
Rental income	23.39	87.57
Other non-operating income	0.10	0.30
Reimbursement of expenses received/receivable	154.25	15.21
Amount received by IMaCS on behalf of the Company	4.76	71.28
Reimbursement of expenses paid/payable	1.21	8.72
Amount received on behalf of IMaCS	0.75	-
Amount of security deposit transferred by IMaCS	0.47	-
Short-term loans and advances	27.97	-
Other current liabilities	-	3.91
Accrued revenue	4.05	-
ICRA Techno Analytics Limited		
Professional services received	19.75	11.10
Purchase of intangible assets	-	9.16
Other non-operating income	-	1.15
Interest income on loan	11.48	18.07
Reimbursement of expenses received/receivable	9.75	0.03
Long-term loan repaid during the year	125.00	-
Short-term loan repaid during the year	25.00	-
Long-term loan receivable #	-	125.00
Short-term loan receivable #	-	25.00
(Maximum loan amount during the year Rs. 150 lakh (previous year Rs. 150 lakh))		
Other current liabilities	9.76	3.38
ICRA Online Limited		
Professional services received	8.91	14.60



Notes to financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Rent	-	0.42
Other non-operating income	-	0.79
Reimbursement of expenses received/receivable	15.21	0.15
Reimbursement of expenses paid/payable	20.25	36.60
Other current liabilities	7.17	4.26
PT ICRA Indonesia		
Equity shares issued during the year	345.52	232.54
Advance given converted into equity shares	30.09	-
Advance given for investment in equity shares	-	30.09
Provision for diminution in value of investments	345.52	1,121.86
Provision for doubtful loans and advances	-	30.09
ICRA Nepal Limited		
Royalty	5.40	3.68
Professional services provided	-	2.09
Reimbursement of expenses received/receivable	-	0.36
Trade receivables	4.51	3.68
Short-term loans and advances	0.71	0.71
ICRA Lanka Limited		
Reimbursement of expenses received/receivable	2.34	2.70
Short-term loans and advances	5.21	2.87
Moody's Corporation		
Technical services received	11.44	2.76
Reimbursement of expenses received/receivable	1.68	-
Other current liabilities	9.88	2.13
Moody's Investment Company India Private Limited		
Dividend paid	684.22	655.71
Moody's Singapore Pte Limited		
Dividend paid	517.13	495.59
Moody's Investors Service India Private Limited		
Rental income	-	12.07
Reimbursement of expenses	11.18	7.36
Short-term loans and advances	7.64	11.05
Moody's Investors Service Inc.		
Technical services received	-	8.49
Directors' sitting fees	0.40	0.20
Other current liabilities	-	0.12
Short-term loans and advances	0.63	-
Moody's Investors Service Limited		
Directors' sitting fees	0.40	3.00
Other current liabilities	-	0.47

Notes to financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Moody's Investors Service Singapore Pte Limited		
Rating and research services fees	63.30	19.30
Unearned revenue	24.32	38.75
Moody's Asia Pacific Limited		
Directors' sitting fees	0.40	2.80
Other current liabilities	-	0.59
MIS Quality Management Corp.		
Trademark license fees	6.73	3.59
Other current liabilities	6.81	1.12
Moody's Investors Service Hong Kong Limited		
Technical services received	3.37	4.55
Other current liabilities	2.85	-
Mr. P.K. Choudhury (till January 29, 2015)		
Managerial remuneration *	-	258.32
Other employees benefits payable	-	74.15
Mr. Naresh Takkar		
Managerial remuneration *, \$	347.87	319.26
Loan outstanding	17.83	19.78
Short-term provisions - other employees benefits	95.00	74.15
Other current liabilities	70.69	5.76
Mr. Vipul Agarwal (w.e.f. May 22, 2015)		
Remuneration *	166.04	-
Other current liabilities - payable to employees	44.78	-
Trade payable	0.11	-
Mr. Vivek Mathur (March 2, 2015 to May 21, 2015)		
Remuneration *	19.35	9.58
Loan outstanding	-	8.97
Other current liabilities - payable to employees	-	2.80
Mr. Amit Kumar Gupta (w.e.f. August 14, 2015)		
Remuneration *	43.02	-
Other current liabilities - payable to employees	11.12	-
Trade payable	0.14	-
Mr. S. Shakeb Rahman (w.e.f. March 2, 2015)		
Remuneration *	9.70	0.56
Other current liabilities - payable to employees	1.26	0.26
Mr. Vijay Wadhwa (till September 29, 2014)		
Remuneration *	-	69.65

* As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.



ICRA Techno Analytics Limited has taken unsecured loan at the rate of interest of 12% per annum for purchase of Office at Kolkata.

\$ Employees Stock options expense in Statement of Profit and Loss is Rs. Nil (previous year Rs. Nil).

41 Foreign currency exposure not hedged by derivative instrument:

	Amount (foreign currency in lakh)	
	As at March 31, 2016	As at March 31, 2015
Amount receivable on account of sale of services and loans and advances	USD 0.08	USD 0.05
Amount payable on account of purchase of services etc.	USD 0.61	USD 0.07
Amount outstanding as deposits with banks	USD 0.01	USD 0.01

42 During the current year, amount payable to employees Rs. 591.46 lakh (previous year Rs. 499.63 lakh) and commission payable to Non-executive Directors Rs. 45.00 lakh (previous year Rs. 42.68 lakh) have been presented as 'Other current liability' and 'Trade payable' respectively instead of previous year classification of 'Short term provision'. The classification for the previous year amounts has been retained as presented in previous year's financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **ICRA Limited**

For **B S R & Co. LLP**

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Place : Gurgaon

Dated : May 19, 2016

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

S. Shakeb Rahman

Company Secretary

Arun Duggal

Chairman

(DIN: 00024262)

Vipul Agarwal

Group Chief Financial Officer

Financial Highlights of ICRA Limited

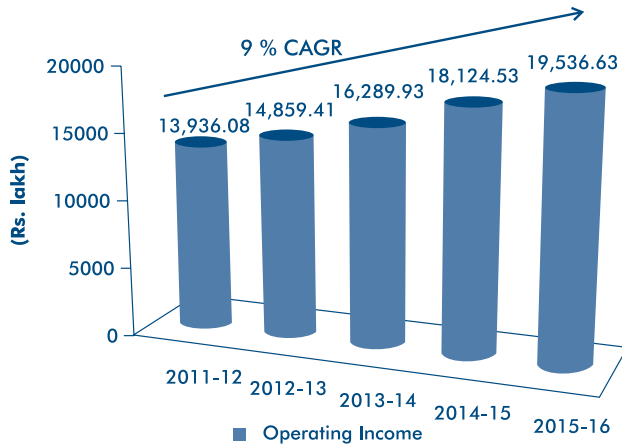
Particulars		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Operating Income	3,978.99	6,069.53	8,872.80	10,616.39	12,930.51	13,936.08	14,859.41	16,289.93	18,124.53	19,536.63
2	Non-Operating Income	697.94	793.73	1,270.78	2,177.99	1,254.26	1,973.77	1,624.12	1,728.71	2,492.54	2,369.31
3	Total Income	4,676.93	6,863.26	10,143.58	12,794.38	14,184.77	15,909.85	16,483.53	18,018.64	20,617.07	21,905.94
4	PBDIT	2,387.67	3,967.27	5,443.74	7,606.80	7,083.74	7,762.39	7,498.60	8,437.01	9,898.97	10,109.57
5	Depreciation	(160.02)	(181.40)	(177.55)	(195.56)	(203.23)	(189.64)	(210.74)	(245.20)	(369.08)	(355.60)
6	Interest	(4.51)	-	-	-	-	-	-	-	-	-
7	Prior Period Adjustments (See Note)	-	(0.50)	(0.24)	-	-	-	-	-	(764.82)	-
8	Exceptional Items	-	-	-	-	-	-	-	-	(1,151.95)	(345.52)
9	Profit Before Tax	2,223.14	3,785.37	5,265.95	7,411.24	6,880.51	7,572.75	7,287.86	8,191.81	7,613.12	9,408.45
10	Tax Provision	(613.13)	(1,119.51)	(1,650.85)	(2,410.87)	(2,389.15)	(2,482.77)	(1,249.53)	(2,318.66)	(2,571.24)	(3,261.90)
11	Profit After Tax	1,610.01	2,665.86	3,615.10	5,000.37	4,491.36	5,089.98	6,038.33	5,873.15	5,041.88	6,146.55
12	Prior Period Adjustments (See Note)	(0.06)	-	-	-	-	-	-	-	-	-
13	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	1,000.00	1,000.00
14	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	8,608.94	8,703.56
15	Net Worth	14,232.02	15,730.09	17,941.25	20,959.74	24,234.13	28,291.65	32,236.74	35,565.46	37,698.58	40,836.19
16	Dividend (%)	45%	100%	120%	170%	170%	200%	220%	230%	240%	250%
17	Basic Earnings Per Share (Rs.)	18.23	26.66	36.15	50.00	44.91	50.90	60.38	58.73	51.44	62.53
18	Book Value Per Share (Rs.)	142.32	157.30	179.41	209.60	242.34	282.92	322.37	355.65	376.99	408.36

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".

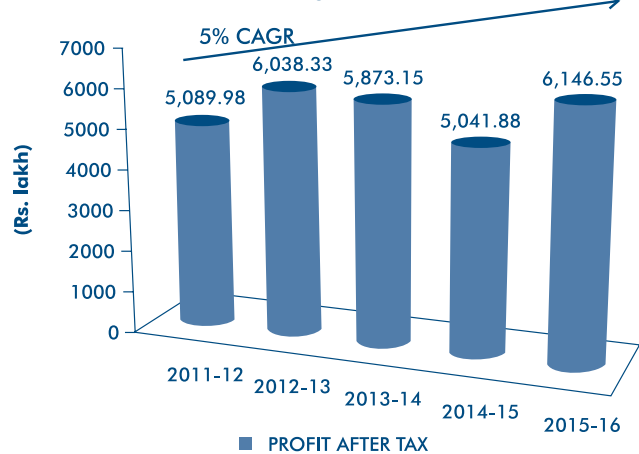


ICRA: Selective Data/Ratio Analysis

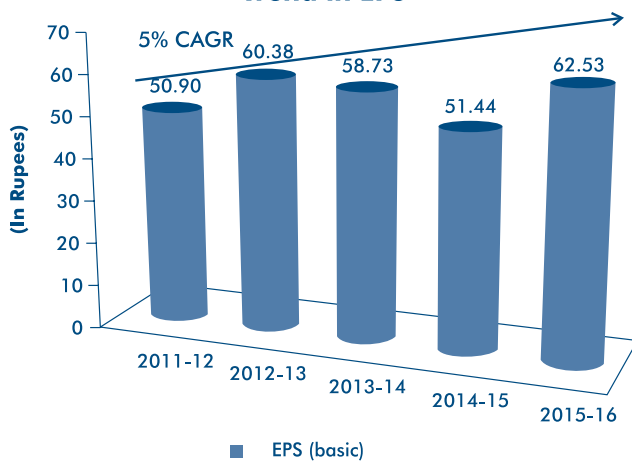
TREND IN OPERATING INCOME



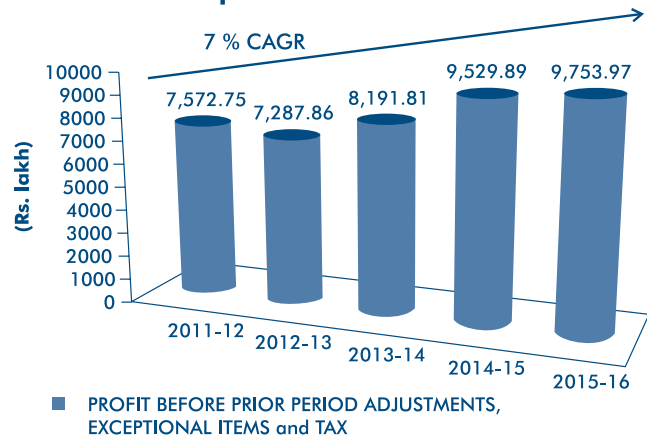
TREND IN PROFIT AFTER TAX

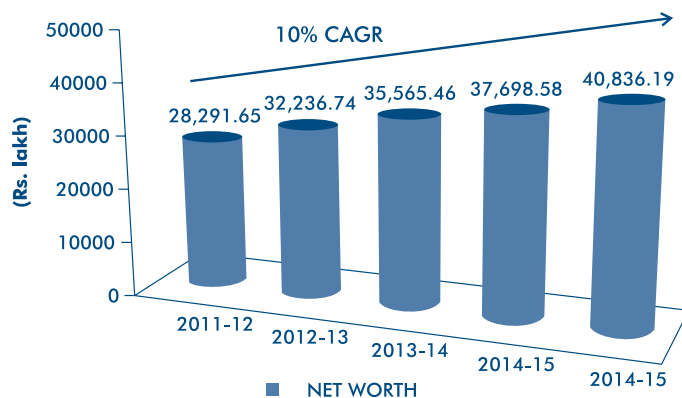
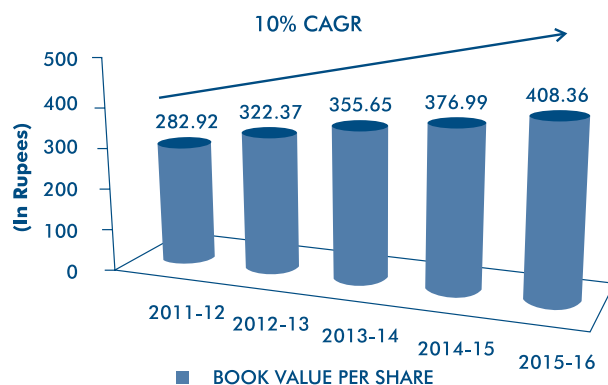
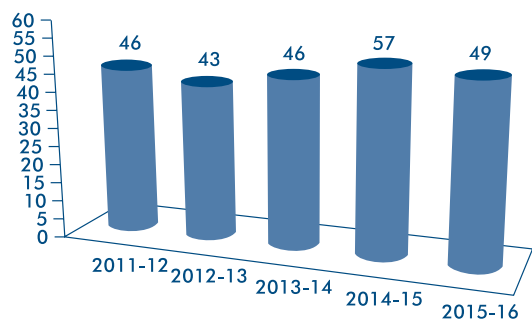


Trend in EPS

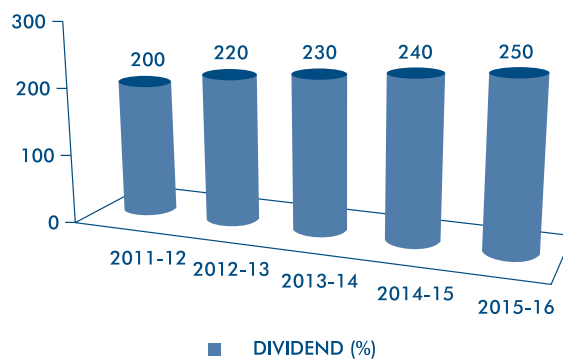


Trend in Profit before Prior Period Adjustments, exceptional items and tax



Trend in Net Worth**Trend in Book Value per Share****Trend in Dividend Payout Ratio (%)**
(Including Corporate Dividend Tax)**Trend in Dividend (%)**

(Dividend for the year 2015-16 is subject to approval of Shareholders)





ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

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- 400001
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, 2016 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 2014-15, a Dividend of 240%
For the financial year 2013-14, a Dividend of 230%
For the financial year 2012-13, a Dividend of 220%

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 Company Secretary & Compliance Officer, Mr. S. Shakeb Rahman, 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/demand draft 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 facilitate 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 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.

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

Frequently Asked Questions

Or, ICRA's Company Secretary & Compliance Officer:

Mr. S. Shakeb Rahman

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.

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. As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity has to effect transfer of securities within 15 days and as per the Companies Act, 2013, it is one month.

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

A As per Regulation 40(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") read with Schedule VII of the Listing Regulations, the requirement of PAN is as under:

- i. For registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the listed entity for registration of transfer of securities.
- ii. For securities market transactions and/or for off-market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) shall furnish copy of PAN card to the listed entity for registration of such transfer of securities.
- iii. In cases where PAN card is not available i.e. in case of residents of Sikkim, the requirement of PAN Card may be substituted with Identity proof.
- iv. In case of mismatch in PAN card details as well as difference in maiden name and current name, in case of married women, of the holder(s) of securities, the listed entity may collect the PAN card as submitted by the transferee(s) or transferor(s) as the case maybe:
Provided that this shall be subject to the listed entity verifying the veracity of the claim of such transferee(s) or transferor(s) by collecting sufficient documentary evidence in support of the identity of the transferee(s) or transferor(s).



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Frequently Asked Questions

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.

Q Who should be contacted for complaints?

A Our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, or our Company Secretary & Compliance Officer, Mr. S. Shakeb Rahman, at the relevant address as mentioned above.

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 Auditor's Report

TO THE MEMBERS OF ICRA LIMITED

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of **ICRA Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') 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, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgment, 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, 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 on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- (i) As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Independent Auditor's Report

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Director of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a Director of that company in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-I".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no delay in transferring amounts, that were required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by subsidiary companies incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration number: 101248W/ W-100022

Pravin Tulsyan

Place: Gurgaon

Date: May 19, 2016

Partner

Membership No.: 108044

Independent Auditor's Report

Annexure I to the Independent Auditor's Report to the Members of ICRA Limited on the consolidated financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on 'Audit of Internal Financial Controls Over Financial Reporting' (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Independent Auditor's Report

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248 W/W-100022

Pravin Tulsyan

Partner

Membership No.: 108044

Place: Gurgaon

Date: May 19, 2016

Consolidated Balance Sheet as at March 31, 2016

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	(3)	1,000.00	1,000.00
Reserves and surplus	(4)	46,623.77	41,877.56
Minority interest		80.19	61.62
Non-current liabilities			
Long-term borrowings	(5)	-	960.04
Deferred tax liabilities (net)	(6)	-	67.43
Other long-term liabilities	(7)	106.38	161.53
Long-term provisions	(8)	1,221.19	1,238.65
Current liabilities			
Trade payables	(29)		
Total outstanding dues of micro enterprises and small enterprises		2.17	0.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		911.78	707.13
Other current liabilities	(9)	7,562.07	6,800.54
Short-term provisions	(10)	5,222.51	5,446.96
Total		62,730.06	58,321.98
ASSETS			
Non-current assets			
Fixed assets	(11)		
Tangible assets		4,366.21	4,428.87
Intangible assets		519.81	437.50
Capital work-in-progress		-	5.60
Intangible assets under development		70.82	30.06
Goodwill on consolidation		4,308.37	4,249.57
Non-current investments	(12)	16,744.04	14,850.15
Deferred tax assets (net)	(13)	614.73	472.14
Long-term loans and advances	(14)	2,365.81	2,667.87
Other non-current assets	(15)	1,855.25	1,051.18
Current assets			
Current investments	(16)	1,731.22	10,881.22
Trade receivables	(17)	4,782.56	5,370.11
Cash and bank balances	(18)	22,589.33	11,963.38
Short-term loans and advances	(19)	1,118.10	969.94
Other current assets	(20)	1,663.81	944.39
Total		62,730.06	58,321.98
Significant accounting policies			
	(2)		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of ICRA Limited

For B S R & Co. LLP

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Arun Duggal

Chairman

(DIN: 00024262)

Place : Gurgaon

Dated : May 19, 2016

S. Shakeb Rahman

Company Secretary

Vipul Agarwal

Group Chief Financial Officer



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(Rupees in lakh)

Particulars	Note No.	2015-16	2014-15
Income			
Revenue from operations	(21)	33,976.23	32,087.81
Other operating income	(22)	139.25	103.61
Other income	(23)	2,707.79	2,623.23
Total		36,823.27	34,814.65
Expenses			
Employee benefits expenses	(24)	15,886.76	14,743.08
Finance costs	(25)	55.15	198.30
Depreciation and amortisation	(11)	957.69	965.36
Other expenses	(26)	8,123.85	7,554.69
Total		25,023.45	23,461.43
Profit before prior period adjustments, exceptional items, tax and minority interest		11,799.82	11,353.22
Prior period adjustments	(36) (i)	-	896.63
Profit before exceptional items, tax and minority interest		11,799.82	10,456.59
Exceptional items	(37)	-	(413.15)
Profit before tax and minority interest		11,799.82	10,043.44
Tax expense:	(42)		
Current tax		4,371.56	3,670.43
Deferred tax	(36) (ii)	(214.66)	(185.33)
Total tax expense		4,156.90	3,485.10
Profit after tax and before minority interest		7,642.92	6,558.34
Minority interest		(18.57)	(13.45)
Profit after tax and minority interest		7,624.35	6,544.89
Earnings per equity share:	(34)		
(Face Value of Rs. 10 per share):			
Basic		77.56	66.77
Diluted		77.21	66.32

Significant accounting policies

(2)

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ICRA Limited**For **B S R & Co. LLP**

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Arun Duggal

Chairman

(DIN: 00024262)

Place : Gurgaon

Dated : May 19, 2016

S. Shakeb Rahman

Company Secretary

Vipul Agarwal

Group Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2016

(Rupees in lakh)

Particulars	2015-16	2014-15
A. Cash flow from operating activities		
Profit before taxation	11,799.82	10,043.44
Adjustments for:		
Depreciation and amortisation	957.69	965.36
Bad debts written off	828.90	877.59
Provision for doubtful debts (net)	273.13	(266.84)
Provision for doubtful advances (net)	(5.47)	-
Loss on sale/ write off of fixed assets (net)	14.31	34.96
Interest expenses	55.15	198.30
Impairment of goodwill	-	413.15
Interest income on fixed deposits	(1,540.00)	(386.84)
Other interest income	-	(56.86)
Dividend income	(5.00)	(6.19)
Profit on sale/ redemption of investments	(965.14)	(2,029.37)
Provision/ liability no longer required written back	(29.72)	(25.77)
Unrealised foreign exchange gain (net)	(84.44)	(313.78)
Reversal in diminution in carrying value of investments	-	(6.70)
Other non-operating income	(9.89)	-
Advances received from clients written back	(129.63)	(99.17)
Operating cash flow before working capital changes	11,159.71	9,341.28
Adjustments for:		
Increase in trade receivables	(459.04)	(1,317.82)
Increase in loans and advances	(22.15)	(265.47)
Increase in other current assets	(100.50)	(440.24)
Decrease in trade payables	183.00	333.03
Decrease in other liabilities	537.22	1,588.77
Decrease in provisions	186.88	631.64
Cash generated from operations	11,485.12	9,871.19
Taxes paid (net)	(4,366.25)	(3,169.75)
Net cash generated from operating activities (A)	7,118.87	6,701.44
B. Cash flow from investing activities:		
Purchase of fixed assets (tangible and intangible) and capital advances	(1,037.00)	(474.66)
Sale proceeds from fixed assets	21.66	47.64
Investments in mutual funds	-	(18,100.00)
Sale proceeds from disposal of mutual funds	8,221.25	22,080.54
Increase in fixed deposits (having maturity of more than three months), net	(12,306.11)	(7,061.08)
Loan repaid by ICRA employees welfare trust	-	117.13
Interest received on fixed deposits	947.04	296.51
Dividend income	5.00	6.19
Increase in goodwill	-	(390.23)
Increase in capital reserve	-	255.34
Net cash used in investing activities (B)	(4,148.16)	(3,222.62)

**ICRA**A MOODY'S INVESTORS
SERVICE COMPANY**Contd.****(Rupees in lakh)**

Particulars	2015-16	2014-15
C. Cash flow from financing activities:		
Repayment of secured loan	(1,012.50)	-
Interest paid	(55.15)	(198.30)
Dividend paid	(2,400.00)	(2,300.00)
Dividend distribution tax paid	(488.58)	(390.89)
(Decrease)/ increase in unclaimed dividend	(0.90)	0.13
Net cash used in financing activities (C)	(3,957.13)	(2,889.06)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(986.42)	589.76
Add: Cash and cash equivalents at the beginning of year	3,321.50	2,653.26
Effect of exchange gain/ (loss) on cash and cash equivalents	111.23	78.48
Cash and cash equivalents at the end of the year	2,446.31	3,321.50
Components of cash and cash equivalents (refer note no 18)		
Cash on hand	9.39	15.18
Balances with banks		
On current accounts	1,820.67	2,970.86
On deposit accounts (with original maturity of 3 months or less)	616.25	335.46
Cash and cash equivalents at the end of the year	2,446.31	3,321.50
Add: Other bank balances		
Margin money @	162.86	150.99
Deposit with maturity for more than 3 months and less than 12 months from the reporting date	19,972.76	8,482.59
On unpaid dividend account *	7.40	8.30
	22,589.33	11,963.38

Note:

Consolidated Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statements"

Significant accounting policies

(2)

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ICRA Limited**For **B S R & Co. LLP**

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Arun Duggal

Chairman

(DIN: 00024262)

Place : Gurgaon

Dated : May 19, 2016

S. Shakeb Rahman

Company Secretary

Vipul Agarwal

Group Chief Financial Officer

Notes to consolidated financial statements for the year ended March 31, 2016

1. Background

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) ('the Company' or 'Holding Company') 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, incorporated under the Companies Act, 1956, having its registered office in New Delhi. The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited.

During the financial year 2014-15, Moody's Corporation (the ultimate holding company of Moody's Group including Moody's Singapore Pte Ltd and Moody's Investment Company India Private Limited), on successful completion of February 2014-initiated Open Offer, acquired through Moody's Singapore Pte Ltd, 2,154,722 equity shares representing 21.55% of the share capital of ICRA. Consequently, the shareholding of Moody's Group in ICRA increased from 28.51% to 50.06%.

The Company has various subsidiaries involved in rating, management consulting, software solutions, outsourcing and information services etc.

2. Significant accounting policies**a. Basis of preparation and presentation of consolidated financial statements**

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards ("AS") specified under section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Act (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable), pronouncements of the Institute of Chartered Accountants of India ("ICAI"), guidelines issued by the Securities and Exchange Board of India ("SEBI"), to the extent applicable. The consolidated financial statements are presented as per Schedule III to the Act and in Indian rupees rounded off to the nearest lakh.

b. Principles of consolidation

The consolidated financial statement are prepared in accordance with the principles and procedures required for the preparation and presentation of the consolidated financial statements as laid down under the AS - 21, 'Consolidated Financial Statements'.

The consolidated financial statements includes financial statements of the Company and its Subsidiary (collectively known as "the Group") and have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after duly eliminating intra-group balances and transactions resulting in unrealised profits or losses.

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. In this respect, the Group has disclosed such policies and notes as explain the required disclosure.

The excess/ deficit of cost to the Holding Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognised in the consolidated financial statements as goodwill on consolidation/ capital reserve. The Holding Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

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 as stated above. In case of losses applicable to minority exceeding the minority interest in equity of the subsidiary, the excess and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.



Notes to consolidated financial statements for the year ended March 31, 2016

The consolidated financial statements represent consolidation of accounts of the Company, its subsidiaries and step-down subsidiaries as detailed below:

Name of the Entities	Country of Incorporation	Ownership in % either directly or through subsidiaries
ICRA Management Consulting Services Limited	India	100%
Pragati Development Consulting Services Limited	India	100%
IMaCS Virtus Global Partners, Inc*	USA	67%
ICRA Online Limited	India	100%
ICRA Techno Analytics Limited	India	100%
ICRA Sapphire Inc.	USA	100%
ICRA Global Capital, Inc.	USA	100%
BPA Technologies Inc.	USA	100%
BPA Technologies Private Limited	India	100%
ICRA Online Limited	India	100%
PT. ICRA Indonesia**	Indonesia	99%
ICRA Lanka Limited	Sri Lanka	100%
ICRA Nepal Limited	Nepal	51%

* Dissolved during the current year.

** During 2015-16, the Company, after extensive review of results to-date and in light of continuous losses of PT. ICRA Indonesia, has discontinued the rating services business activity in Indonesia and surrendered its rating license to regulator. The entity has received the approval of the Indonesian regulator for surrender of its rating license and liquidation proceedings has been initiated.

c. Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of consolidated financial statements. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of tangible assets and intangible assets, impairment of assets, provision for doubtful debts and advances etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

d. Operating cycle

Based on the nature of activities of the each entity of the Group, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The consolidated financial statements are presented as per Schedule III of the Act. All assets and liabilities have been classified as current or non-current as per each entity of the Group's operating cycle and other criteria set out in the revised Schedule III to the Act.

e. Fixed assets and depreciation / amortization

Tangible fixed assets

- Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Any amount recovered from customer against value of asset is netted off with value of asset.
- Depreciation / amortisation for the year has been provided on written down value over the useful life of the assets as prescribed in Schedule II of Act except for leasehold improvements.

The leasehold improvements are depreciated using straight line method over the remaining primary period of the lease or useful life of the assets whichever is shorter. The remaining primary lease period for this purpose includes any lease period extendable at the discretion of the lessee.

Assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.

Depreciation is provided on a pro-rata basis on assets acquired, sold or discarded during the year.

Notes to consolidated financial statements for the year ended March 31, 2016

- (iii) Tangible fixed assets acquired wholly or partly with specific grant/ subsidy from government, are recorded at the net acquisition cost to the Company.
- (iv) Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss.

Intangible fixed assets*Acquired intangible fixed assets*

- (i) Intangible assets are stated at cost less any accumulated amortisation and impairment losses, if any. The cost of intangible assets includes taxes (other than those subsequently recoverable from tax authorities) duties and other incidental expenses related to the acquisition and implementation of the respective assets.
- (ii) Amortisation for the year has been provided @ 40% p.a. on written down value of the assets (except in ICRA Techno Analytics Limited and ICRA Online Limited). Amortisation is provided on a pro-rata basis on assets acquired, sold or discarded during the year.

In ICRA Techno Analytics Limited and ICRA Online Limited, intangible assets ("softwares") are amortised over the estimated life of ten years using written down value method.

Internally generated intangibles fixed assets

- (i) Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible fixed assets, expenditure on research activities undertaken with the prospect of developing new product (software, algorithms and framework), is recognised in the Consolidated Statement of Profit and Loss as incurred.

Development activities involve a plan or design for the new product (software, algorithms and framework). Development expenditure including regulatory cost, if any and legal expenses leading to development of new product (software's, algorithms and framework) are capitalised only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the respective entity intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

Internally generated intangible fixed assets developed are amortised over the estimated life of 3-5 years from the date of capitalization.

Amortisation is provided on a pro-rata basis on assets acquired, sold or discarded during the year.

f. Impairment of assets

In accordance with AS - 28 'Impairment of assets', the carrying amounts of the assets are reviewed at each Balance Sheet date to determine whether there is any impairment. For assets in respect of which any such indication exists, the cash generating unit's recoverable amount is estimated as higher of its net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is recognised in the Consolidated Statement of Profit and Loss.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash and deposits with bank and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.



Notes to consolidated financial statements for the year ended March 31, 2016

h. Foreign currency transactions

Foreign currency transactions are recorded into Indian rupees by applying to the foreign currency amount the exchange rate between Indian rupees and the foreign currency on/ or closely approximating to the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date or at the time of settlement are translated into Indian rupees at the exchange rates on that date. The resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

Non-integral operations

The reporting currency of the Group is the Indian rupee. All entities of the Group are considered as non-integral operations and their local currencies are different from the reporting currency of the Group.

The consolidated financial statements of the foreign non integral subsidiaries (collectively referred to as the 'foreign non integral operations') are translated into Indian rupees as follows:

- (i) Share capital and opening reserves and surplus are carried at historical cost.
- (ii) All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- (iii) Profit and Loss items are translated at the respective yearly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- (iv) The resulting net exchange difference is credited or debited to the foreign currency translation reserve.

The items of Consolidated Cash Flow Statement are translated at the respective average rates (yearly for profit and loss related items and annual for Balance Sheet related items) or the exchange rate that approximates the actual exchange rate on date of specific transaction. The effect of changes in exchange rates on cash and cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during the period.

i. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/ non-current classification scheme of Schedule III.

Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

j. Revenue Recognition

Revenue from services is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the specific contracts. The Group recognises revenue as:

- (i) The Group provides rating/ grading services to its customers wherein the first year rating/ grading fees includes free surveillance for first twelve months/ or the period of instrument, whichever is shorter, from the date of rating/ grading. A portion of the fee is allocated towards this free surveillance on the basis of management's estimate. The fee relating to rating/ grading is recognised in the month of assigning the rating/ grading by the rating/ grading committee of the respective entity. Surveillance fee for first year and subsequent period, to the extent of reasonable certainty of collection, is recognised on the basis of time elapsed (ignoring fractions of months).
- (ii) In consulting, revenue from:
 - a. contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.
 - b. time bound fixed price contracts are recognised over the life of the contract using the Proportionate Completion Method, with contract costs determining the degree of completion. When reliable estimates

Notes to consolidated financial statements for the year ended March 31, 2016

of revenue cannot be made or when revenue is contingent on events that are beyond the control of the Company, revenue is recognised under the Completed Contract Method. Foreseeable losses on contracts are recognised when probable.

When there is uncertainty with regards to ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

- (iii) Revenue earned from services performed for software development and consultancy, licensing and sub-licensing fee, annual maintenance charges for software support, web development and hosting which is recognised to the extent services are performed.
- (iv) Revenue from sales of software is recognised as and when delivery of the branded software is made and is booked net of trade discount.
- (v) Revenue related to subscription fees of data products, research reports and any other periodic charges are spread over the period of contract on straight line basis.
- (vi) Revenue from outsourced services in respect of period based assignments of maintenance and management of data income is recognised "on raising of periodical invoices as per agreement with client". In respect of other assignments income is recognised on raising of invoices on completion or reaching milestones as per agreement with client. Unbilled revenue for the reporting period is recognised on the basis of stage of completion.
- (vii) Revenue from other service arrangements is recognised as and when services are rendered in accordance with the terms of the specific contracts.
- (viii) The dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on time proportionate basis.
- (ix) Profit on sale of investments is recorded on transfer of title from the respective entity and is determined as the difference between the sale price and carrying value of the investment.
- (x) Unearned revenue represents fees received in advance or advance billing for which services has not been rendered.
- (xi) Out of pocket expenses invoiced to the customer are excluded from revenue and routed through recoverable account.

k. Employee benefits

Short term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service and measured accordingly.

Long term employee benefits

(i) Defined contribution plan

Provident fund is a defined contribution scheme. Contributions payable to the provident fund are charged to the Consolidated Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity plan

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation as at the balance sheet date under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method by an independent actuary, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



Notes to consolidated financial statements for the year ended March 31, 2016

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

(iii) Other long-term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date using Projected Unit Credit method by an independent actuary. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

l. Employees stock option scheme (ESOS)

The cost of employees stock option is calculated based on the intrinsic value method i.e. the excess of market price of underlying equity shares as of the date of the grant of options over the exercise price of such options is regarded as employee compensation and in respect of the number of options that are expected to ultimately vest, such cost is recognised on a straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares. The cost recognised at any date at least equals the intrinsic value of the vested portion of the option at that date. Adjustment, if any, for difference in initial estimate for number of options that are expected to ultimately vest and related actual experience is recognised in the Consolidated Statement of Profit and Loss of that period.

SEBI vide notification no. LAD-NRO/GN/2014-15/16/1729 dated 28 October 2014, issued SEBI (Share Based Employee Benefits) Regulations, 2014 repealing SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. According to these guidelines, any company implementing any of the share based schemes should follow the requirements of the 'Guidance Note on Accounting for Employee Share-Based Payments' or Accounting Standards as may be prescribed by the ICAI from time to time, including the disclosure requirements prescribed therein. Consequentially w.e.f. October 28, 2014 in respect of vested options expire unexercised, the cost which was accounted as reversal in the Consolidated Statement of Profit and Loss of that period will now be accounted as reversal to General Reserve.

m. Leases

Lease rentals under an operating lease, are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term.

n. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax law) and deferred tax charge or credit. Income taxes are accrued in the same period the related revenues and expenses arise.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the current year and reversal of the timing differences of the earlier years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

o. Earnings per share

The basic earnings per share is calculated by dividing the consolidated net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per

Notes to consolidated financial statements for the year ended March 31, 2016

share, consolidated net profit after tax during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored in the calculation of earnings per share.

p. Provisions and contingent liabilities

The Group recognise a provision when there exist a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised in the consolidated financial statements.

(Rupees in lakh)		
Particulars	As at March 31, 2016	As at March 31, 2015
3 Share Capital		
Authorised		
15,000,000 equity shares of Rs. 10/- each (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 equity shares of Rs. 10/- each fully paid up (previous year 10,000,000 equity shares of Rs. 10/- each fully paid up)	1,000.00	1,000.00

3.1 Reconciliation of number of equity shares

	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
At the commencement and at the end of the year	10,000,000	1,000.00	10,000,000	1,000.00

3.2 Employees stock option scheme (Also refer note 40)

- 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 representing 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 ('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.
- 8,650 equity shares (previous year 47,097 equity shares) of Rs. 10 each transferred from trust to employees on exercise of the vested stock options in accordance with the terms of exercise under the "Employees Stock Option Scheme, 2006".
- Under the Employees Stock Option Scheme, 2006, as at March 31, 2016 - 43,706 options (previous year 52,356 options) are outstanding for exercise out of total options granted under Tranche 2.
- 119,961 equity shares (previous year 119,961) are held by trust which were issued by the Company but not yet granted under ESOS Scheme.

3.3 Rights, preferences and restrictions attached to 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.



Notes to consolidated financial statements for the year ended March 31, 2016

3.4 Shares held by subsidiaries of the ultimate holding company (Refer note 1)

Equity shares of Rs. 10 each fully paid-up held by	As at March 31, 2016		As at March 31, 2015	
	Number	% of total shares	Number	% of total shares
Moody's Investment Company India Private Limited	2,850,900	28.51%	2,850,900	28.51%
Moody's Singapore Pte Limited	2,154,722	21.55%	2,154,722	21.55%

3.5 Shares held by each shareholder holding more than 5 per cent shares

Equity shares of Rs. 10 each fully paid-up held by	As at March 31, 2016		As at March 31, 2015	
	Number	% of total shares	Number	% of total shares
Moody's Investment Company India Private Limited	2,850,900	28.51%	2,850,900	28.51%
Moody's Singapore Pte Limited	2,154,722	21.55%	2,154,722	21.55%
Life Insurance Corporation of India	668,086	6.68%	668,741	6.69%
Birla Sun Life Trustee Company Private Limited A/c- Birla Sun Life MNC Fund	534,962	5.35%	622,916	6.23%
General Insurance Corporation of India	522,999	5.23%	522,999	5.23%

3.6 During the five years immediately preceding the current year and previous year, neither any bonus shares or shares issued for consideration other than cash that have been issued nor any shares that have been bought back.

Particulars	(Rupees in lakh)	
	As at March 31, 2016	As at March 31, 2015
4 Reserves and surplus		
Capital reserve		
At the commencement and at the end of the year	285.77	285.77
Securities premium account		
At the commencement of the year	8,608.94	8,459.63
Add: Transfer from employee stock options outstanding account on exercise of employee stock options	94.62	149.31
	8,703.56	8,608.94
Employees stock options outstanding		
At the commencement of the year	572.69	722.00
Options exercised during the year	(94.62)	(149.31)
	478.07	572.69
General reserve		
At the commencement of the year	11,023.90	10,518.90
Add: Transfer from surplus	615.00	505.00
	11,638.90	11,023.90
Foreign currency translation reserve		
At the commencement of the year	713.34	478.04
- Addition during the year	130.80	235.30
	844.14	713.34
Surplus (Profit and Loss balance)		
At the commencement of the year	20,672.92	17,584.86
Add: Profit after tax for the year	7,624.35	6,544.89
Less: Adjustment on account of depreciation	-	(63.25)
[net of deferred tax of Rs. Nil (previous year Rs. 32.57 lakh)] (Refer note 27)		

Notes to consolidated financial statements for the year ended March 31, 2016

Particulars	(Rupees in lakh)	
	As at March 31, 2016	As at March 31, 2015
Amount available for appropriation	28,297.27	24,066.50
<u>Less: Appropriation</u>		
Proposed dividend on equity shares *	2,500.00	2,400.00
Corporate tax on proposed dividend	508.94	488.58
Transferred to general reserve	615.00	505.00
Total appropriations	3,623.94	3,393.58
Total surplus	24,673.33	20,672.92
Total reserves and surplus	46,623.77	41,877.56
* The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended March 31, 2016, dividend of 250% (previous year 240%) i.e. Rs. 25 (previous year Rs. 24) per fully paid up equity share has been recognised as distributions to equity shareholders.		
5 Long-term borrowings		
Term loans		
- from banks (Refer note 32)	-	960.04
	-	960.04
6 Deferred tax liabilities (net)		
Deferred tax liabilities		
Depreciation	-	48.11
Others	-	110.81
	-	158.92
Deferred tax assets		
Provision for employees benefits	-	84.59
Provision for doubtful debts	-	6.90
	-	91.49
Deferred tax liabilities (net)	-	67.43
7 Other long-term liabilities		
Deposit for vehicles	27.24	25.11
Rent equalisation reserve	77.84	135.07
Others	1.30	1.35
	106.38	161.53
8 Long-term provisions		
Provision for employee benefits		
Provision for gratuity (Refer note 41)	837.29	899.75
Provision for compensated absence (Refer note 41)	383.90	338.90
	1,221.19	1,238.65



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Notes to consolidated financial statements for the year ended March 31, 2016

(Rupees in lakh)		
Particulars	As at March 31, 2016	As at March 31, 2015
9 Other current liabilities		
Current maturities of long term debt (Refer note 32)	-	52.46
Creditors for capital supplies and services	32.83	54.83
Advance received from customers	1,114.19	1,241.30
Due to related parties (Refer note 43)	19.54	4.42
Unearned revenue	4,255.85	4,285.79
Unpaid dividend	7.40	8.30
Rent equalisation reserve	39.60	28.62
Statutory dues	353.51	370.16
Payable to employees	1,645.15	645.37
Book overdraft	28.64	-
Other liabilities	65.36	109.29
	7,562.07	6,800.54
10 Short-term provisions		
Provision for employee benefits		
Provision for gratuity (Refer note 41)	174.96	160.88
Provision for compensated absence (Refer note 41)	128.48	135.57
Other employees benefits	1,698.99	2,036.95
Others		
Provision for income tax (net of advance tax of respective tax jurisdiction to the extent permissible)	164.51	178.34
Proposed dividend on equity shares	2,500.00	2,400.00
Distribution tax on proposed equity dividend	508.94	488.58
Others	46.63	46.64
	5,222.51	5,446.96

Notes to consolidated financial statements for the year ended March 31, 2016

11 Fixed assets (Rupees in lakh)											
S. No.	Particulars	Gross block			Depreciation / Amortisation					Net block	
		As at March 31, 2015	Additions	Disposals/ Adjustments	As at March 31, 2016	As at March 31, 2015	For the year	Disposals/ Adjustments*	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
(i)	Tangible assets										
	Buildings	4,284.96	-	(2.17)	4,282.79	1,194.67	160.77	0.02	1,355.46	2,927.33	3,090.29
	Computers and data processing units	1,481.64	335.30	(346.11)	1,470.83	1,197.77	235.52	(333.65)	1,099.64	371.19	283.87
	Furniture and fittings	793.13	53.44	(10.16)	836.41	365.95	140.40	(8.05)	498.30	338.11	427.18
	Office equipment	444.66	75.90	(49.56)	471.00	302.31	76.91	(44.27)	334.95	136.05	142.35
	Electrical installation and equipments	365.53	6.85	(3.19)	369.19	125.12	57.26	(2.32)	180.06	189.13	240.41
	Vehicles	145.03	67.77	(22.89)	189.91	81.14	26.61	(16.11)	91.64	98.27	63.89
Leasehold improvements	474.50	217.18	(6.99)	684.69	293.62	86.66	(1.72)	378.56	306.13	180.88	
	Sub-Total	7,989.45	756.44	(441.07)	8,304.82	3,560.58	784.13	(406.10)	3,938.61	4,366.21	4,428.87
(ii)	Intangible assets										
1	Computer softwares	1,271.27	191.49	(1.02)	1,461.74	962.72	110.62	(0.02)	1,073.32	388.42	308.55
2	Internally generated intangible assets	255.37	65.38	-	320.75	126.42	62.94	-	189.36	131.39	128.95
	Sub-Total	1,526.64	256.87	(1.02)	1,782.49	1,089.14	173.56	(0.02)	1,262.68	519.81	437.50
(iii)	Capital work-in-progress	5.60	160.12	(165.72)	-	-	-	-	-	-	5.60
(iv)	Intangible assets under development	30.06	106.14	(65.38)	70.82	-	-	-	-	70.82	30.06
	Total	9,551.75	1,279.57	(673.19)	10,158.13	4,649.72	957.69	(406.12)	5,201.29	4,956.84	4,902.03
	Previous year	9,278.33	1,514.49	(1,241.07)	9,551.75	3,875.26	965.36	(190.90)	4,649.72	4,902.03	

* Includes depreciation capitalised against assets under development.



Notes to consolidated financial statements for the year ended March 31, 2016

(Rupees in lakh)

12 Non-current investments

(Valued at cost unless stated otherwise)

Particulars	Face Value (Rupees)	Quantity As at March 31, 2016 (Numbers)	Quantity As at March 31, 2015 (Numbers)	Amount As at March 31, 2016	Amount As at March 31, 2015
Long term investments					
Non- trade investments (quoted)					
a) Investment in equity instruments (fully paid up)					
i Equity shares of CRISIL Limited	1	3000	3000	0.15	0.15
Total (a)				0.15	0.15
b) Investment in mutual funds					
Fixed maturity plans					
i Birla Sun Life Fixed Term Plan-Series HM (1099 days) - Growth Direct	10	-	8,000,000.00	-	800.00
ii Birla Sun Life Fixed Term Plan Series KD (1099 Days) - Growth Direct	10	-	9,000,000.00	-	900.00
iii DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series - 62 - Direct Plan Growth)	10	7,000,000.00	-	700.00	-
iv Principal PNB Fixed Maturity Plan - Series B-10-476 Days - Direct Plan Growth	10	4,444,997.60	-	444.50	-
v Axis Fixed Term Plan - Series 52 (428 days) Direct Growth	10	4,493,937.68	-	449.39	-
vii DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series 45 - Direct Plan Growth)	10	15,000,000.00	-	1,500.00	-
viii Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	10	10,000,000.00	-	1,000.00	-
ix Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	10	10,000,000.00	-	1,000.00	-
x Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth	10	7,000,000.00	-	700.00	-
Sub-total				5,793.89	1,700.00
Other plans					
i Religare Invesco Ultra Short Term Fund - Growth	1,000	-	78,851.22	-	1,200.00
ii DHFL Pramerica Premier Bond Fund - Direct Plan - Growth (Formerly known as DWS Premier Bond Fund - Direct Plan - Growth)	10	4,607,849.01	4,607,849.01	1,000.00	1,000.00
iii Religare Invesco Bank Debt Fund - Direct Plan - Growth	1,000	-	86,611.15	-	1,000.00
iv Reliance Yearly Interval Fund Series 9 - Direct Plan Growth Plan	10	10,124,718.12	10,124,718.12	1,100.00	1,100.00
v Principal Bank CD Fund - Direct Plan Growth	1,000	88,664.29	88,664.29	1,500.00	1,500.00
vi Birla Sun Life Interval Income Fund - Annual Plan IX - Gr - Direct	10	18,205,319.59	18,205,319.59	2,000.00	2,000.00
vii JP Morgan India Banking & PSU Debt Fund - Direct Plan - Growth Option	10	18,264,673.38	18,264,673.38	2,000.00	2,000.00
viii DHFL Pramerica Short Term Floating Rate Fund - Direct Plan - Growth (Formerly known as DWS Treasury Fund Investment - Direct Plan - Growth)	10	10,503,245.50	10,503,245.50	1,500.00	1,500.00
ix Sundaram Flexible Fund Short Term Plan - Direct Plan-Gr	10	8,885,904.98	8,885,904.98	1,800.00	1,800.00
xi HDFC Prudence Fund - Dividend, Option : Payout	10	159,632.21	159,632.21	50.00	50.00
Sub-total				10,950.00	13,150.00
Total (b)				16,743.89	14,850.00
Total (a+b)				16,744.04	14,850.15
Aggregate amount of quoted investments					
- cost				16,744.04	14,850.15
- market value				19,658.58	16,311.59

Notes to consolidated financial statements for the year ended March 31, 2016

		(Rupees in lakh)	
Particulars	As at March 31, 2016	As at March 31, 2015	
13 Deferred tax assets (net)			
Deferred tax assets *			
Provision for employees benefits	548.02	433.37	
Rent equilisation reserve	40.65	55.64	
Provision for doubtful debts	177.83	72.08	
Provision for doubtful loans and advances	7.43	12.19	
	<u>773.93</u>	<u>573.28</u>	
Deferred tax liabilities			
Depreciation	159.20	101.14	
	<u>159.20</u>	<u>101.14</u>	
	<u>614.73</u>	<u>472.14</u>	
* excluding deferred tax assets of Rs. 350.69 lakh (previous year Rs. 261.03 lakh) for item of capital nature resulted from recording of impairment loss on investment in one of the wholly owned subsidiary which is not recorded in absence of virtual certainty for realisation thereof.			
14 Long-term loans and advances (Secured and considered good)			
To parties other than related parties			
Loans to employees	160.62	132.41	
To related parties #			
Loans to employees	15.80	17.83	
(Unsecured and considered good)			
To parties other than related parties			
Capital advances	0.44	33.91	
Security deposits	441.68	446.96	
Prepaid expenses	24.32	48.37	
Advance tax (net of provisions of respective tax jurisdiction to the extent permissible)	1,707.60	1,977.06	
Advances recoverable in cash or kind	15.35	11.33	
Capital advances	7.22	-	
	<u>2,373.03</u>	<u>2,667.87</u>	
Less: Provision for doubtful long-term loans and advances	(7.22)	-	
	<u>2,365.81</u>	<u>2,667.87</u>	
# (Refer note 43)			
15 Other non-current assets			
Bank deposits			
- Deposit with maturity for more than 12 months from the reporting date	1,855.25	1,051.18	
(Refer note 18)			
	<u>1,855.25</u>	<u>1,051.18</u>	



Notes to consolidated financial statements for the year ended March 31, 2016

(Rupees in lakh)

16 Current Investments (At lower of cost and fair market value)

Particulars	Face Value (Rupees)	Quantity		Amount	
		As at		As at	
		March 31, 2016 (Numbers)	March 31, 2015 (Numbers)	March 31, 2016	March 31, 2015
a) Investment in Government or trust securities (unquoted)					
i Citizen Investment Trust				31.22	31.22
Total (a)				31.22	31.22
Current portion of long term investment (quoted)					
b) Investment in mutual funds					
Fixed maturity plans					
i Principal PNB Fixed Maturity Plan - Series B-10-476 Days - Direct Plan Growth	10	-	10,000,000.00	-	1,000.00
ii Axis Fixed Term Plan - Series 52 (428 days) Direct Growth	10	-	10,000,000.00	-	1,000.00
iii DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series 45 - Direct Plan Growth)	10	-	15,000,000.00	-	1,500.00
iv Religare Invesco FMP Series 22 Plan L (14 Months) - Direct Plan Growth	10	-	4,500,000.00	-	450.00
v DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan Growth (Formerly known as DWS Fixed Maturity Plan - Series - 62 - Direct Plan Growth)	10	-	7,000,000.00	-	700.00
vi DSP Black Rock FMP Series 163 - 12M - Dir - Growth	10	-	25,000,000.00	-	2,500.00
vii Principal PNB Fixed Maturity Plan - Series B17 - Direct Plan Growth	10	-	10,000,000.00	-	1,000.00
viii Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	10	-	10,000,000.00	-	1,000.00
ix Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	10	-	10,000,000.00	-	1,000.00
x Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth	10	-	7,000,000.00	-	700.00
xi Birla Sun Life Fixed Term Plan-Series HM (1099 days) - Growth Direct	10	8,000,000.00	-	800.00	-
xii Birla Sun Life Fixed Term Plan Series KD (1099 Days) - Growth Direct	10	9,000,000.00	-	900.00	-
Total (b)				1,700.00	10,850.00
Total (a+b)				1,731.22	10,881.22
Aggregate amount of quoted investments					
- cost				1,700.00	10,881.22
- market value				2,103.37	11,933.46
Aggregate amount of quoted investments (non-current and current)					
- cost				18,444.04	25,700.15
- market value				21,761.95	28,213.83
Aggregate amount of unquoted investments (non-current and current)				31.22	31.22

Notes to consolidated financial statements for the year ended March 31, 2016

Particulars	(Rupees in lakh)	
	As at March 31, 2016	As at March 31, 2015
17 Trade receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	823.06	943.51
- considered doubtful	423.33	190.91
	<u>1,246.39</u>	<u>1,134.42</u>
Others		
- considered good	3,959.50	4,426.60
- considered doubtful	105.89	88.72
	<u>4,065.39</u>	<u>4,515.32</u>
Total	5,311.78	5,649.74
Less: provision for doubtful trade receivables	<u>(529.22)</u>	<u>(279.63)</u>
	<u>4,782.56</u>	<u>5,370.11</u>
18 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	9.39	15.18
Balances with bank		
- On current accounts	1,820.67	2,970.86
- On deposit accounts (original maturity of 3 months or less)	616.25	335.46
Other bank balances		
Margin money @	162.86	150.99
Bank deposits		
- Deposit with maturity for more than 3 months and less than 12 months from the reporting date #	19,972.76	8,482.59
Earmarked balance with bank		
- On unpaid dividend account	7.40	8.30
	<u>22,589.33</u>	<u>11,963.38</u>
Deposit accounts with maturity of 3 months or less from the original maturity date	616.25	335.46
Deposit with maturity for more than 3 months and less than 12 months from the reporting date *, #	20,135.62	8,633.58
Deposit with maturity for more than 12 months from the reporting date *	1,855.25	1,051.18
* (Deposit includes fixed deposits with banks Rs. 163.42 lakh (previous year Rs. 188.81 lakh) marked as lein for guarantees issued by bank on behalf of the company)		
# includes book overdraft of Rs. 87.43 lakh (previous year Rs. 24.49 lakh) for uncleared cheques issued in pursuance to sweep in facilities with various banks.		
@ Deposits against bank guarantees		
19 Short-term loans and advances		
Secured and considered good		
To parties other than related parties		
Loans to employees	56.62	48.66
To related parties \$		
Loans to employees	2.03	1.95
(Unsecured and considered good)		
To parties other than related parties		
Security deposits	55.79	81.26
Prepaid expenses	459.97	217.00



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Notes to consolidated financial statements for the year ended March 31, 2016

Particulars	(Rupees in lakh)	
	As at March 31, 2016	As at March 31, 2015
Other advances and recoverables	285.10	610.02
Advance tax (net of provisions of respective tax jurisdiction to the extent permissible)	250.32	-
To related parties \$		
Other recoverable	8.27	11.05
(Unsecured and considered doubtful)		
To parties other than related parties		
- Security deposits	5.50	18.19
- Others	8.94	20.81
	1,132.54	1,008.94
Less: provision for doubtful short-term loans and advances	(14.44)	(39.00)
	1,118.10	969.94
\$ (Refer note 43)		
20 Other current assets		
Interest accrued but not due on fixed deposits	792.16	199.20
Accrued revenue	868.45	722.39
Other receivables	3.20	22.80
	1,663.81	944.39
21 Revenue from operations		
Rating, research and other services fees	19,609.27	18,214.89
Consulting fees	2,852.38	2,955.90
Outsourced and information services	4,194.34	3,357.65
Professional and I.T. services	7,320.24	7,559.37
	33,976.23	32,087.81
22 Other operating income		
Advances received from customers written back	129.63	99.17
Professional services	6.40	-
Bad debts recovered	3.22	4.44
	139.25	103.61
23 Other income		
Interest income on fixed deposits	1,540.00	386.84
Other interest income	30.69	56.86
Dividend income	5.00	6.19
Profit on sale/ redemption of investments	965.14	2,029.37
Profit on sale of fixed assets (net)	-	2.38
Provision/ liability no longer required written back	29.72	25.77
Foreign exchange gain (net)	110.11	71.92
Rental income	-	13.18
Reversal in diminution in carrying value of investments	-	6.70
Other non-operating income	27.13	24.02
	2,707.79	2,623.23

Notes to consolidated financial statements for the year ended March 31, 2016

		(Rupees in lakh)	
Particulars	2015-16	2014-15	
24 Employee benefits expenses			
Salaries, wages and bonus	14,733.36	13,635.15	
Contribution to provident fund (Refer note 41)	549.09	493.56	
Staff welfare expenses	604.31	614.37	
	15,886.76	14,743.08	
25 Finance costs			
Interest expenses	55.15	198.30	
	55.15	198.30	
26 Other expenses			
Electricity and water	302.87	254.75	
Rent (Refer note 31)	695.90	700.31	
Repairs and maintenance - building	45.32	35.56	
Repairs and maintenance - others	672.12	525.83	
Insurance	44.10	50.66	
Rates and taxes	139.07	52.57	
Communication expenses	311.92	354.14	
Printing and stationery	101.81	161.08	
Books and periodicals	55.50	52.83	
Travelling and conveyance	791.88	995.85	
Directors' sitting fees	24.63	32.98	
Legal and professional charges	1,193.12	1,440.07	
Sub contracting	1,978.16	1,833.03	
Conference and meeting expenses	58.44	65.91	
Advertisement expenses	4.24	11.44	
Auditors' remuneration and expenses (Refer note 35)	89.79	61.41	
Technical services	29.01	20.25	
Bad debts written off	828.90	877.59	
Provision for doubtful debts (net)	273.13	(266.84)	
Provision for doubtful advances (net)	(5.47)	-	
Fees and subscription	45.38	48.58	
Remuneration to non executive directors	50.00	42.68	
Recruitment expenses	40.53	38.19	
Corporate social responsibility expenses (Refer note 39)	153.92	-	
Loss on sale / write off of fixed assets (net)	14.31	37.34	
Miscellaneous expenses	185.27	128.48	
	8,123.85	7,554.69	

27 Commitments as at year end (to the extent not provided for):

	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
Capital commitments:-		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	17.46	264.12
Total	17.46	264.12



Notes to consolidated financial statements for the year ended March 31, 2016

28 Contingent liabilities (to the extent not provided for):

	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
Claims against the Group disputed and not acknowledged as debts.		
Income Tax*	882.61	620.46
Sales Tax	-	0.87
Service Tax	342.59	-
Provident Fund	15.37	-
Total	1,240.57	621.33

* The Group had deposited an amount of Rs. 11 lakh (previous year Rs. 11 lakh) under protest against the above claims.

During the Service tax audit of Pragati Development Consulting Services Limited in the financial year 2011-12 and financial year 2012-13, the Service tax department observed that UNICEF is not exempt under Notification No. 16/2002 dated August 2, 2002 though UN organisations are exempt. Based on this, Service tax department requested the entity to deposit Rs 45.54 lakh and Rs. 136.43 lakh respectively. The entity has contested the said request vide its letter dated January 27, 2014 to which no response has been received till date. The entity 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 entity has strong positions in respect of disputed amounts claimed and accordingly, considers that no provisions are required against these claims.

The Group is contesting the demand and the management including its tax advisors believe that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

- 29** Based on the information available with the Group, some suppliers have been identified, who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) to whom the Group owes but the same is not outstanding for more than 45 days as at March 31, 2016. The information has been determined to the extent such parties have been identified on the basis of information available with the Group.

	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
a.1) The principal amount payable to suppliers at the year end	2.17	0.52
a.2) The amount of interest due on the remaining unpaid amount to the suppliers as at the year end	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED.	-	-

- 30** Pursuant to the Companies Act, 2013 (the Act) being effective from April 1, 2014, the Indian entities of the Group had revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charged for the year ended March 31, 2015 was higher by Rs. 217.41 lakh. In respect of assets whose useful life is already expired as on April 1, 2014, depreciation of Rs. Nil (previous year Rs. 95.82 lakh) [deferred tax impact of Rs. Nil (previous year Rs.32.57 lakh)] had been adjusted in Reserves and surplus in accordance with the requirements of Schedule II of the Act.

Notes to consolidated financial statements for the year ended March 31, 2016

31 Leases:**As Lessee**

The Group's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). The lease term for these leases ranges between 11 months and 12 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Lease payments under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

The schedule of lease rental payments in respect of operating leases is set out below:

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Rental recognised in the Consolidated Statement of Profit and Loss*	745.89	854.85
	As at March 31, 2016 (Rupees in lakh)	As at March 31, 2015 (Rupees in lakh)
Future minimum lease rental payments for non-cancellable operating leases:		
Not later than one year	616.85	661.94
Later than one year but not later than 5 years	828.11	1,459.30
Later than 5 years	146.89	100.43

* Includes rental for parking space, guest house, office premises etc. which has been accounted in the respective heads.

32 During the financial year 2013-14, for acquiring the Office Space on long term sub-lease basis, ICRA Techno Analytics Limited and ICRA Online Limited taken secured loans. The details of the loans are as under:

- (a) Rs. 845.00 lakh from Housing Development Finance Corporation Limited at the rate of interest of 12% per annum against office premise taken by ICRA Techno Analytics Limited.

Out of the above borrowings from Housing Development Finance Corporation Limited, Rs. 568.25 lakh was outstanding as of March 31, 2015 and was repayable in total 123 equal monthly installments.

- (b) Rs. 845.00 lakh from Housing Development Finance Corporation Limited at the rate of interest of 12% per annum against office premise taken by ICRA Online Limited.

Out of the above borrowings from Housing Development Finance Corporation Limited, Rs. 444.25 lakh was outstanding as of March 31, 2015 and was repayable in total 123 equal monthly installments.

During the current year, the entities have repaid the entire outstanding loan alongwith interest expense thereon.

33 Segment reporting:**(a) Information about primary segment- Business segment**

The primary reporting of the Group has been performed on the basis of business segments. The Group is organised into four business segments – (a) Rating, research and other services (b) Consulting services (c) Outsourced and Information services and (d) Professional and I.T. Services etc. Segments have been identified and reported based on the nature of the services, the risks and returns, the organisation structure and the internal financial reporting system.

Segmentwise Revenues, Results and Capital Employed

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
1. External Revenues		
a) Rating, research and other services	19,746.58	18,315.81
b) Consulting services	2,854.32	2,958.59
c) Outsourced and Information services	4,194.34	3,357.65
d) Professional and I.T. services etc.	7,320.24	7,559.37
Total External Revenue	34,115.48	32,191.42



Notes to consolidated financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
2. Inter-segment Revenues		
a) Rating, research and other services	9.90	5.78
b) Consulting services	69.98	45.09
c) Outsourced and Information services	11.25	15.40
d) Professional and I.T. services etc.	20.35	11.10
Total Inter-segment Revenue	111.48	77.37
Total Revenue		
a) Rating, research and other services	19,756.48	18,321.59
b) Consulting services	2,924.30	3,003.68
c) Outsourced and Information services	4,205.59	3,373.05
d) Professional and I.T. services etc.	7,340.59	7,570.47
Total Segment Revenue	34,226.96	32,268.79
Less:- Elimination of Inter-segment Revenue	(111.48)	(77.37)
Total Revenue	34,115.48	32,191.42
2. Segment Results :		
a) Rating, research and other services	7,359.44	5,991.39
b) Consulting services	161.06	445.50
c) Outsourced and Information services	1,118.58	703.75
d) Professional and I.T. services etc.	508.10	477.87
Total of all segments	9,147.18	7,618.51
Interest paid	(55.15)	(198.30)
Other income	2,707.79	2,623.23
Provision for tax	(4,156.90)	(3,485.10)
Profit after tax before minority interest	7,642.92	6,558.34
3. Capital employed (Segment assets - Segment liabilities) :		
Segment assets		
a) Rating, research and other services	4,043.71	4,681.75
b) Consulting services	1,938.65	1,966.99
c) Outsourced and Information services	2,968.69	2,532.53
d) Professional and I.T. services etc.	6,997.79	7,233.61
e) Unallocable	46,781.22	41,907.10
Segment liabilities		
a) Rating, research and other services	9,488.61	9,123.75
b) Consulting services	659.03	626.66
c) Outsourced and Information services	696.65	559.35
d) Professional and I.T. services etc.	1,000.96	1,004.60
e) Unallocable	3,180.85	4,068.44
Total capital employed	47,703.96	42,939.18
Capital expenditure during the year		
a) Rating, research and other services	262.23	415.34
b) Consulting services	189.53	25.91
c) Outsourced and Information services	481.53	227.76
d) Professional and I.T. services etc.	115.18	164.65
Depreciation		
a) Rating, research and other services	361.78	376.32
b) Consulting services	99.99	76.90
c) Outsourced and Information services	269.46	210.41
d) Professional and I.T. services etc.	226.46	301.73

Notes to consolidated financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Non cash expenses other than depreciation		
a) Rating, research and other services	654.56	167.80
b) Consulting services	207.93	94.72
c) Outsourced and Information services	5.72	1.95
d) Professional and I.T. services etc.	242.66	759.43

(b) Information about secondary segment- Geographical segment

In respect of secondary segment information, the Group has identified its geographical segments as:

- (i) Within India
- (ii) Outside India

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Revenue by geographical market		
India	22,823.44	21,992.33
Outside India	11,292.04	10,199.09
Total	34,115.48	32,191.42
Carrying amount of segment assets		
India	55,765.01	51,037.34
Outside India	6,965.05	7,284.64
Total	62,730.06	58,321.98
Capital expenditure		
India	1,041.29	829.34
Outside India	7.18	4.32
Total	1,048.47	833.66

(c) Accounting policies for segment

The accounting principles consistently used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments as set out in this schedule on significant accounting policies. In addition, the accounting policies in relation to segment accounting are as follows:

(i) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of fixed assets, capital work in progress, current and non-current assets and long term and short term loans and advances except advance tax, deferred tax asset, cash and bank balances and investments. Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade payable and accrued liabilities. Segment liabilities do not include share capital, reserves, borrowings, proposed dividend, provision for tax and deferred tax liability.

(ii) Segment revenue and expenses

Segment revenue and expenses are directly attributable to the segment and have been allocated to various segments on the basis of specific identification. However, segment revenue and expenses do not include interest and other income/expense in respect of non segmental activities.

(iii) Inter-segment transactions

Segment revenue, segment expense and segment result include transactions between business segments. Such transactions are accounted for at competitive market prices charged to unaffiliated customers for similar services. Those transactions are eliminated in preparing company-wise results.



Notes to consolidated financial statements for the year ended March 31, 2016

34 Earning Per Share (Basic and diluted):

			2015-16	2014-15
I.	Profit/(loss) for basic and diluted earnings per share of Rs. 10 each	Rs. in lakh	7,624.35	6,544.89
II.	Weighted average number of equity shares for earnings as per share computation			
	A) For basic earnings per share	Nos.	9,830,239	9,802,106
	B) For diluted earnings per share		9,874,261	9,868,975
	No. of shares for basic earning per share as per II A	Nos.	9,830,239	9,802,106
	Add: weighted average outstanding options related to employee stock options.	Nos.	44,022	66,869
	No of shares for diluted earnings per share	Nos.	9,874,261	9,868,975
III.	Earnings per share (face value of Rs. 10 each)			
	Basic	Rupees	77.56	66.77
	Diluted	Rupees	77.21	66.32

35 Remuneration to Auditors (excluding service tax):

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Audit fees	47.91	36.39
Limited review *	14.45	11.28
Tax audit	11.13	10.40
Other audit services	9.02	1.83
Reimbursement of expenses *	7.28	1.51
Total	89.79	61.41

* Includes payment made to erstwhile auditor for limited review Rs. Nil (previous year Rs. 2.28 lakh) and for reimbursement of expenses Rs. Nil (previous year Rs. 0.70 lakh)

36 Prior period adjustments:

- i) Prior period adjustments represent aggregate impact of adjustment for certain accounting practices in relation to items as mentioned below:-

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Compensated absences	-	168.89
Rent equalisation reserve	-	155.79
Revenue	-	571.95
Total	-	896.63

The consequential tax impact has been accounted in the Consolidated Statement of Profit and Loss for the year.

- ii) Tax expense for the year ended March 31, 2015 includes impact of earlier period Deferred tax expense amounting to Rs. 186.62 lakh.

37 The exceptional items represent goodwill impairment loss of Rs. Nil (previous year Rs. 413.15 lakh) recognised, in relation to BPA Technologies Inc., owing to market and economic developments.

38 The Indian entities of the Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Indian entities of the Group have maintained adequate documentation for the international transactions entered into with the associated enterprises and domestic transactions entered into with the specified person during the financial year and expect such records to be in existence in accordance with the requirements of the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to consolidated financial statements for the year ended March 31, 2016

39 In ICRA Limited, ICRA Techno Analytics Limited and ICRA Online Limited has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act, which requires a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The expenditure incurred on activities which are specified in Schedule VII of the Act is as under:

- (a) Gross amount required to be spent by these entities during the year ended March 31, 2016 was Rs. 153.92 lakh (previous year Rs. 142.02 lakh)
- (b) Amount spent during the year on:

	In cash (Rupees in lakh)	Yet to be paid in cash (Rupees in lakh)	Total (Rupees in lakh)
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	153.92	-	153.92
	(-)	(-)	(-)

[Previous year figures are in (l)]

40 Employee Stock Option Scheme

The Group has a stock option plan in place namely:

Employee Stock Option Scheme 2006

The Board of Directors had constituted ESOS Compensation Committee ('Committee') comprising a majority of Independent Directors for administration and supervision of the Stock Option Scheme.

In 2006-07, members approved constitution of ICRA Employees Welfare trust ('Trust') for the purpose of welfare of the Employees and for administration of ESOS 2006. The Trust provides a convenient method for transferring shares to the eligible employees upon exercise of the options by such employees. The members authorised grant of loan(s) from time to time to the Trust in one or more tranches as agreed between the Board and the Trust.

Type of arrangement	Employee stock option Plan 2006	
	Tranche 1	Tranche 2
Date of grant	March 24, 2007	November 9, 2010
Number granted	615,763	272,500
Fair value of option	138.00	1,153.00
Exercise Price	330.00	330.00
Contractual life from the date of vesting	5	5
Method use for valuation	Intrinsic value method	
Method of settlement	Equity Shares	

Under ESOS 2006, each option, upon vesting, shall entitle the holder to acquire one equity shares of Rs. 10 each.

Summary of vesting provisions:

Vesting date	% of options vested	Lock-in period
1 year from grant date	40	Nil
2 years from grant date	30	Nil
3 years from grant date	30	Nil

Out of total options in force as on March 31, 2015, 8650 shares (previous year - 47,097 shares) were transferred to the employees on exercise of Options during the year ended March 31, 2016.

Notes to consolidated financial statements for the year ended March 31, 2016

The unissued and lapsed options lying as at March 31, 2016 is 119,961. The movement of the stock options in force under the ESOS 2006 is set out below:

A. Tranche 1:

	As at March 31, 2016	
	Number of options	Weighted Average Exercise Price(Rs.)
Options outstanding at the beginning of the year	-	-
	(33,447)	-
Granted during the year	-	-
	(-)	(-)
Exercised during the year	-	-
	(33,447)	(330)
Options forfeited during the year	-	-
	(-)	(-)
Options expired during the year	-	-
	(-)	(-)
Options outstanding at the end of the year	-	-
	(-)	(-)

[Previous year figures are in ()]

B. Tranche 2:

	As at March 31, 2016	
	Number of options	Weighted Average Exercise Price(Rs.)
Options outstanding at the beginning of the year	52,356	-
	(66,006)	(-)
Granted during the year	-	-
	(-)	(-)
Exercised during the year	8,650	330
	(13,650)	(330)
Options forfeited during the year	-	-
	(-)	(-)
Options expired during the year	-	-
	(-)	(-)
Options outstanding at the end of the year	43,706	-
	(52,356)	(-)

[Previous year figures are in ()]

Other information regarding employee share based payment plans is as below:		2015-16	2014-15
ESOP outstanding as at year end	(Rupees In lakh)	478.07	572.69
Weighted average share price during the year	(In Rupees)	4,091.60	2,771.75
Weighted average remaining contractual life	(In Years)	2.61	3.61

Notes to consolidated financial statements for the year ended March 31, 2016

41 Disclosure in respect of employee benefits under AS – 15 (Revised) "Employee Benefits" prescribed by the Companies (Accounts) Rules, 2014**Defined contribution plans**

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund and Employees State Insurance fund which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds for the year aggregated to Rs. 549.09 lakh (previous year Rs. 493.56 lakh) and is included in "Employee benefits".

Defined benefit plans

The Group operates post-employment defined benefit plan that provides gratuity. The gratuity is payable to all eligible employees of the Group on superannuation, death or permanent disablement in terms of the provisions of the payment of Gratuity Act or as per the Group's scheme, whichever is more beneficial.

The liability with regard to gratuity and compensated absences is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary.

a) Gratuity Plan

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

	2015-16 (Rupees in lakh)	2014-15 (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	1,060.63	843.88
Interest cost	67.47	59.74
Current service cost	126.68	154.32
Benefit paid	(235.35)	(79.15)
Actuarial (gain)/ loss	(7.18)	81.84
Present value of obligation at the year end	1,012.25	1,060.63
Long-term gratuity provision	837.29	899.75
Short-term gratuity provision	174.96	160.88
Table showing fair value of plan assets		
Fund status	(1,012.25)	(1,060.63)
Actuarial gain/ loss recognised for the year		
Actuarial gain/ (loss) recognised for the year- obligation	7.18	(81.84)
Total (gain)/ loss for the year	(7.18)	81.84
Actuarial (gain)/ loss recognised in the year	(7.18)	81.84
Amount to be recognised in the Consolidated Balance Sheet and Statement of Profit and Loss		
Present value of obligation as at the end of the year	1,012.25	1,060.63
Funded status	(1,012.25)	(1,060.63)
Net liability recognised in balance sheet	1,012.25	1,060.63
Expenses recognised during the year		
Current service cost	126.68	154.32
Interest cost	67.47	59.74
Actuarial (gain)/ loss	(7.18)	81.84
Expenses recognised in the Consolidated Statement of Profit and Loss	186.97	295.90



Notes to consolidated financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Amount for the current year		
Present value of obligation	1,012.25	1,060.63
Surplus (deficit)	(1,012.25)	(1,060.63)
Experience adjustments on plan liabilities - (loss)/ gain	134.72	84.51
Reconciliation statement of expense in the Consolidated Statement of Profit and Loss		
Present value of obligation as at the end of the year	1,012.25	1,060.63
Present value of obligation as at the beginning of the year	(1,060.63)	(843.88)
Benefits paid directly paid by the enterprise	235.35	79.15
Expenses recognised in the Consolidated Statement of Profit and Loss	186.97	295.90
Movement in the liability recognised in Balance Sheet		
Opening net liability	1,060.63	843.88
Expenses as above	186.97	295.90
Benefits directly paid by Group	(235.35)	(79.15)
Closing net liability	1,012.25	1,060.63
Actuarial assumptions		
Discount rate (per annum)	7.40% - 8.00%	7.80% - 8.00%
Expected rate of return on plan assets (per annum)	NA	NA
Rate of increase in compensation levels:	6.00% - 11.00%	6.00% - 11.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Particulars	As at March 31, 2016	As at March 31, 2015
Retirement Age		
- for Chairman and Group C.E.O.	-	69
- for others	58- 60	58- 60
Mortality Table	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Withdrawal rate	1 to 30%	1 to 35%

Experience adjustment on actuarial gain/ (loss) for projected benefit obligation and plan assets

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)	2013-14 (Rupees in lakh)	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Obligations at year ended	1012.24	1060.63	843.88	595.25	467.62

b) Other long-term benefits

The Group provides compensated absences benefits to the employees of the Group which can be carried forward to future years. Amount recognised in Consolidated Statement of Profit and Loss for leave benefits is as under -

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Present value of obligation at the end of the year		
Earned leaves	461.00	424.93
Casual leaves	51.38	49.54

Notes to consolidated financial statements for the year ended March 31, 2016

42 Tax expense

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Current tax		
Income tax for current year	4,385.04	3,707.90
Income tax for earlier years	(13.48)	(37.47)
Deferred tax	(214.66)	(185.33)
Total	4,156.90	3,485.10

43 Disclosures as required by the AS 18 on "Related Party Disclosures" are given below:**A. Related parties where control exists:***Ultimate holding company:*

Moody's Corporation

Fellow subsidiary companies:

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

B. Ultimate holding company/ fellow subsidiary companies with whom transactions taken place during the year:

Moody's Corporation

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

Moody's Investors Service India Private Limited

Moody's Investors Service Inc.

Moody's Investors Service Limited

Moody's Investors Service Singapore Pte Limited

Moody's Asia Pacific Limited

MIS Quality Management Corp.

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc

Moody's Analytics UK Limited

C. Key management personnel:

Mr. Naresh Takkar

Mr. P.K. Choudhury (till January 29, 2015)

Mr. Vipul Agarwal (w.e.f. May 22, 2015)

Mr. Vivek Mathur (March 2, 2015 to May 21, 2015)

Mr. Amit Kumar Gupta (w.e.f. August 14, 2015)

Mr. S. Shakeb Rahman (w.e.f. March 2, 2015)

Mr. Vijay Wadhwa (till September 29, 2014)

D. Transactions and balances with related parties:

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Moody's Corporation		
Technical services received	11.44	2.76
Reimbursement of expenses received/ receivable	1.68	-
Other current liabilities	9.88	2.13
Moody's Investment Company India Private Limited		
Dividend paid	684.22	655.71
Moody's Singapore Pte Limited		
Dividend paid	517.13	495.59



Notes to consolidated financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Moody's Investors Service India Private Limited		
Rental income	-	12.07
Directors' sitting fees	0.10	0.10
Reimbursement of expenses received/ receivable	-	0.03
Reimbursement of expenses paid/ payable	11.18	7.36
Short-term loans and advances	7.64	11.05
Moody's Investors Service Inc.		
Technical services received	-	8.49
Directors' sitting fees	0.40	0.20
Other current liabilities	-	0.12
Outsourced Services Rendered	2,848.08	2,165.49
Short-term loans and advances	0.63	-
Trade receivables	539.02	428.60
Moody's Investors Service Limited		
Directors' sitting fees	0.40	3.00
Other current liabilities	-	0.47
Moody's Investors Service Singapore Pte Limited		
Rating and research services fees	63.30	19.30
Unearned revenue	24.32	38.75
Moody's Asia Pacific Limited		
Directors' sitting fees	0.40	2.80
Other current liabilities	-	0.59
MIS Quality Management Corp.		
Technical services received	6.73	3.59
Other current liabilities	6.81	1.12
Moody's Investors Service Hong Kong Limited		
Technical services received	3.37	4.55
Other current liabilities	2.85	-
Moody's Analytics Inc		
Outsourced services rendered	649.69	592.76
Trade receivables	123.45	1.86
Reimbursement of expenses paid/payable	1.35	-
Moody's Analytics UK Limited		
Outsourced services rendered	-	31.71
Other current liabilities	-	(0.49)
Mr. P.K. Choudhury (till January 29, 2015)		
Managerial remuneration *	-	258.32
Other employees benefits payable	-	74.15
Mr. Naresh Takkar		
Managerial remuneration *, \$	347.87	319.26
Loan outstanding	17.83	19.78
Other employees benefits payable	95.00	74.15
Other current liabilities	70.69	5.76

Notes to consolidated financial statements for the year ended March 31, 2016

	2015-16 (Rupees in lakh)	2014-15 (Rupees in lakh)
Mr. Vipul Agarwal (w.e.f. May 22, 2015)		
Remuneration *	166.04	-
Other current liabilities - payable to employees	44.78	-
Trade payable	0.11	-
Mr. Vivek Mathur (March 02, 2015 to May 21, 2015)		
Remuneration *	19.35	9.58
Loan outstanding	-	8.97
Other current liabilities - payable to employees	-	2.80
Mr. Amit Kumar Gupta (w.e.f. August 14, 2015)		
Remuneration *	43.02	-
Other current liabilities - payable to employees	11.12	-
Trade payable	0.14	-
Mr. S. Shakeb Rahman (w.e.f. March 02, 2015)		
Remuneration *	9.70	0.56
Other current liabilities	1.26	0.26
Mr. Vijay Wadhwa (till September 29, 2014)		
Remuneration *	-	69.65

* As the liabilities for gratuity and compensated absence are provided on an actuarial basis, the amounts pertaining to the key management personnel is not included above.

\$ Employees stock options expense in the Consolidated Statement of Profit and Loss is Rs. Nil (previous year Rs. Nil).

44 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary

Name of the entity	"Net Assets (Total assets–Total liabilities)"		Share in profit or (loss)	
	As % of consolidated net assets	Amount (Rs. in lakh)	As % of Consolidated profit or (loss)	Amount (Rs. in lakh)
Parent				
ICRA Limited	85.75%	40,836.19	80.62%	6,146.55
Subsidiaries				
Indian				
ICRA Management Consulting Services Limited	6.15%	2,931.06	2.65%	201.89
Pragati Development Consulting Services Limited	0.08%	36.32	0.07%	5.27
ICRA Online Limited	6.57%	3,127.95	9.74%	742.82
ICRA Techno Analytics Limited	17.70%	8,431.54	5.41%	412.82
BPA Technologies Private Limited	0.34%	163.93	0.29%	21.73
Foreign				
IMaCS Virtus Global Partners, Inc	0.01%	3.68	-0.07%	(5.55)
ICRA Sapphire Inc.	0.14%	66.11	-5.38%	(410.12)
ICRA Global Capital, Inc.	10.56%	5,030.07	0.22%	17.04
BPA Technologies Inc.	5.03%	2,393.85	3.50%	266.79
PT. ICRA Indonesia	-0.33%	(157.01)	-1.73%	(131.67)
ICRA Lanka Limited	0.16%	74.81	-0.19%	(14.57)
ICRA Nepal Limited	0.34%	163.66	0.50%	37.81
Minority interests included in respective subsidiaries	0.17%	80.19	-0.24%	(18.57)
Total eliminations	-32.67%	(15,558.58)	4.62%	352.11
Total	100.00%	47,623.77	100.00%	7,624.35



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- 45** Effective April 1, 2015, ICRA Management Consulting Services Limited has changed its method of recognising revenue from achievement of milestone basis to proportionate completion method. Management believes that this change will result in more appropriate presentation and will give a systematic basis of revenue recognition, representative of work performed in which the revenue will be recognised over the life of the contract on systematic basis. Accordingly, the entity has recognised additional net revenue of Rs. 247.02 lakh. Had the entity continued to use the earlier method of revenue recognition, the consolidated profit after tax for the current year would have been lower by Rs. 165.35 lakh.
- 46** During the current year, amount payable to employees Rs. 591.46 lakh (previous year Rs. 499.63 lakh) and commission payable to Non-executive Directors Rs. 45.00 lakh (previous year Rs. 42.68 lakh) have been presented as 'Other current liability' and 'Trade payable' respectively instead of previous year classification of 'Short term provision'. The classification for the previous year amounts has been retained as presented in previous year's financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **ICRA Limited**

For **B S R & Co. LLP**

Chartered Accountants

(ICAI Firm registration number: 101248W/W-100022)

Pravin Tulsyan

Partner

Membership No. : 108044

Place : Gurgaon

Dated : May 19, 2016

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

S. Shakeb Rahman

Company Secretary

Arun Duggal

Chairman

(DIN: 00024262)

Vipul Agarwal

Group Chief Financial Officer

Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts (Rupees in lakhs))

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	ICRA Management Consulting Services Limited			1,50,00,000 equity shares of Rs. 10/- each fully paid up	1431.06	3599.11	3599.11	55	2962.81	299.55	97.66	201.89	0.00	100% owned by ICRA Limited
2	ICRA Techno Analytics Limited			2,14,53,351 equity shares of Rs. 10/- each fully paid up	6286.20	8996.79	8996.79	5294.90	2864.00	614.52	201.70	412.82	0.00	100% owned by ICRA Limited
3	ICRA Online Limited			89,51,458 equity shares of Rs. 10/- each fully paid up	2,232.80	3,841.72	3,841.72	NIL	4,288.32	1136.68	-393.86	742.82	0.00	100% owned by ICRA Limited
4	PT. ICRA Indonesia	March 31, 2016	Balance Sheet : (1 INR = IDR 194.87) Profit loss (1 INR= IDR 198.30)	2,513,240 equity shares of IDR 10,000 each fully paid up	(1,505.56)	5.11	-	-	40.67	-131.67	-	-131.67	0.00	99% owned by ICRA Limited
5	ICRA Lanka Limited		Balance Sheet : (1 INR = 2.2055 LKR) Profit loss (1 INR= 2.159 LKR)	5,948,900 equity shares of LKR 10/- each fully paid up	128.4	171.87	171.87	87.97	95.70	2.51	(33.23)	35.74	0.00	100% owned by ICRA Limited
6	ICRA Nepal Limited	Mid of July	INR exchange rate 1.6015	2,00,000 equity shares of NPR100/- each fully paid up	38.78	246.24	82.58	31.22	119.81	49.79	11.98	37.81	0.00	51% owned by ICRA Limited
7	Pragati Development Consulting Services Limited			50,000 equity shares of Rs. 10/- each fully paid up	31.32	77.37	77.37	-	72.52	7.87	2.6	5.27	0.00	100% owned by ICRA Management Consulting Services Limited



S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Profit after taxation	Proposed Dividend	% of share-holding
8	IMaCS Virtus Global Partners Inc		USD 66.22	75,000 equity shares fully paid up	(0.69)	0.076	0.076	-	0	0	0.00	-	66.67% owned by ICRA Management Consulting Services Limited
9	ICRA Sapphire Inc.		US Dollars Balance Sheet Exchange Rate as on 31.03.2016. - Rs. 66.22 US Dollars Profit & Loss Exchange Rate for 2015-16 - Rs. 65.55	2,479 equity shares fully paid up	(754.22)	1,123.47	1,123.47	0.00	414.64	(410.12)	(410.12)	0.00	100% owned by ICRA Techno Analytics Limited
10	ICRA Global Capital, Inc.		US Dollars Balance Sheet Exchange Rate as on 31.03.2016. - Rs. 66.22 US Dollars Profit & Loss Exchange Rate for 2015-16 - Rs. 65.55	1,10,75,000 equity shares fully paid up	(582.07)	5729.72	5729.72	5633.34	0.00	17.04	17.04	0.00	100% owned by ICRA Techno Analytics Limited
11	BPA Technologies Inc.		US Dollars Balance Sheet Exchange Rate as on 31.03.2016. - Rs. 66.22 US Dollars Profit & Loss Exchange Rate for 2015-16 - Rs. 65.55	46,29,630 equity shares fully paid up	2062.09	2960.70	2960.70	1.32	4232.56	443.12	266.79	0.00	100% owned by ICRA Global Capital, Inc.
12	BPA Technologies Pvt. Ltd.			10,000 equity shares fully paid up of Rs. 10/- each	162.93	195.05	195.05	0.00	330.43	31.41	21.73	0.00	100% owned by BPA Technologies, Inc., USA

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil
- BPA Technologies Pte Ltd. has liquidated in the year 2013-14, the Registrar of Singapore has strike off its name in the year 2014-15.
- ICRA Sapphire, Inc., ICRA Global Capital, Inc. & BPA Technologies, Inc. has been converted at rate indicated in the table.

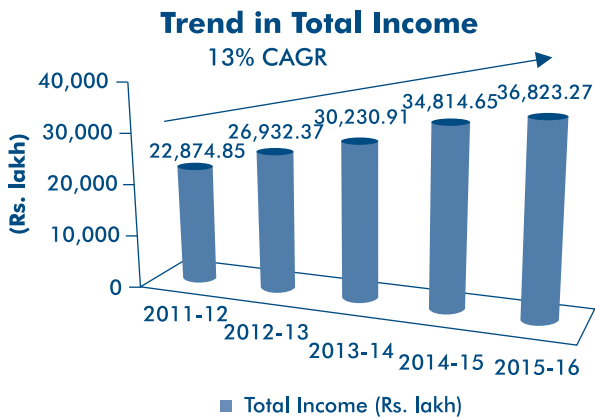
Financial Highlights of Group ICRA

Particulars		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
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	32,191.42	34,115.48
2	Non-Operating Income	600.10	787.85	1,401.71	2,267.02	1,284.06	2,128.68	1,791.31	1,934.69	2,623.23	2,707.79
3	Total Income	7,660.85	10,733.02	14,983.66	18,499.10	20,586.97	22,874.85	26,932.37	30,230.91	34,814.65	36,823.27
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	12,516.88	12,812.66
5	Depreciation	(288.62)	(380.44)	(364.80)	(414.43)	(452.63)	(465.30)	(483.19)	(601.02)	(965.36)	(957.69)
6	Interest	(4.77)	(0.09)	(1.70)	(0.48)	(0.07)	(0.47)	-	(81.78)	(198.30)	(55.15)
7	Prior Period Adjustments (See Note)	-	(1.44)	(9.67)	0.29	-	-	-	-	(896.63)	-
8	Exceptional Items	-	-	-	-	-	-	-	-	(413.15)	-
9	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	10,043.44	11,799.82
10	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)	(3,485.10)	(4,156.90)
11	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	6,544.89	7,624.35
12	Prior Period Adjustments (See Note)	(0.22)	-	-	-	-	-	-	-	-	-
13	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	1,000.00	1,000.00
14	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	8,608.94	8,703.56
15	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	42,877.56	47,623.77
16	Basic Earnings Per Share (Rs.)	22.64	28.48	38.89	53.48	48.11	54.01	59.16	68.93	66.77	77.56
17	Book Value Per Share (Rs.)	147.36	163.86	188.71	221.72	257.05	301.61	339.24	387.94	428.78	476.24

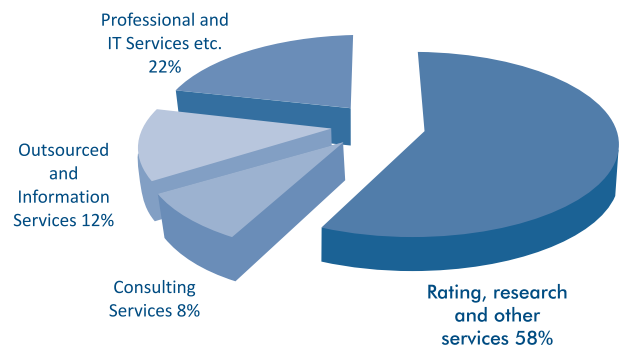
Note: Prior Period Adjustments up to the financial year 2006-07 are reflected below "Profit After Tax", and with effect from the financial year 2007-08 the same are reflected above "Profit After Tax".



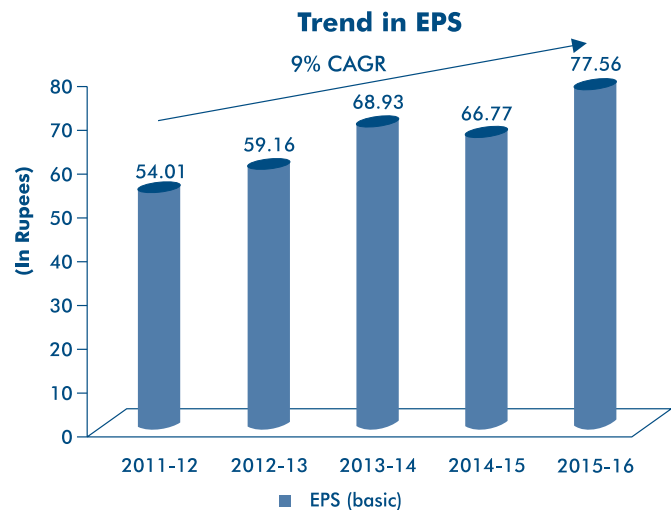
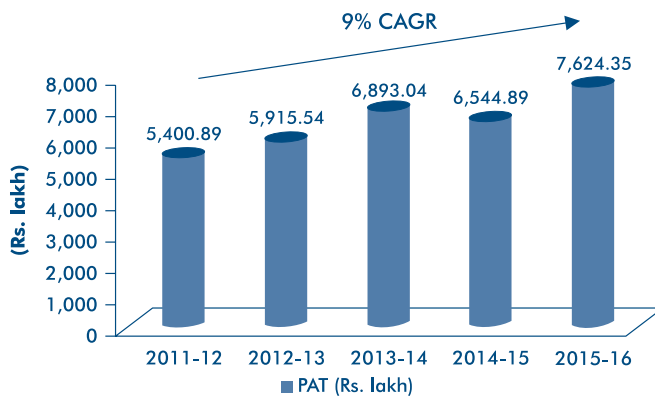
Group ICRA: Selective Data/Ratio Analysis



Segment-Wise Revenue 2015-16



Trend in Profit after Tax (after Minority Interest)



NOTICE

Notice is hereby given that the **Twenty-Fifth** Annual General Meeting of the Members of **ICRA Limited** (the "**Company**") will be held on Thursday, the 11th day of August, 2016, at 3:30 p.m. at Air Force Auditorium, Subroto Park, New Delhi 110010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the audited financial statements of the Company for the financial year ended March 31, 2016 and the report of the Board of Directors and Auditors thereon; and
 - b. the audited consolidated financial statements of the Company and its Subsidiaries for the financial year ended March 31, 2016 and the report of the Auditors thereon.
2. To declare Dividend on the Equity Shares for the financial year ended March 31, 2016.
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 ratify the appointment of Statutory 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**:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration No.: 101248W/W-100022) as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Twenty-Sixth Annual General Meeting of the Company at such remuneration as may be agreed to between the Board of Directors and the Statutory Auditors of the Company."

SPECIAL BUSINESS

5. To modify the terms of appointment of Mr. Naresh Takkar, Managing Director and CEO of the Company and CEO of ICRA Group and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT in partial modification of the resolution passed by the Members at the Twenty-Fourth Annual General Meeting of the Company held on August 13, 2015 for reappointment of Mr. Naresh Takkar as the Managing Director & CEO of the Company and appointment as CEO of ICRA Group and the remuneration payable to him pursuant to Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, read with Schedule V of the Companies Act, 2013, the Company hereby approves modification in the effective date of annual increment from 30th January to 1st April every year, effective from the financial year 2017-18.
"RESOLVED FURTHER THAT the necessary Agreement, recording the modification in the terms as specified above, be executed between the Company and Mr. Naresh Takkar.
"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."
6. To pay Commission to Non-Executive Directors, including Independent Directors 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 197 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, as amended from time to time, approval of the Members be and is hereby accorded for payment of a sum not exceeding 1% of the net profits of the Company for each financial year computed in the manner as specified under Section 198 of the Companies Act, 2013 to the Directors of Company including Independent Directors (other than Managing Director and Whole-time Directors) in such amount or proportion and in such manner and in all respects as may be determined by the Board of Directors and such payment shall be made with respect to profits of the Company for each year, for a period of 5 (five) years, commencing from April 1, 2017."
"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."



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7. To appoint Ms. Farisa Zarin (DIN07532172) as a Non-Executive and Non-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, as amended from time to time, Ms. Farisa Zarin (DIN: 07532172) who was appointed as an Additional Director with effect from June 15, 2016 and who holds office till the date of the Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Non-Executive and Non-Independent Director of the Company, liable to retire 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

Place: Gurgaon
Date: June 15, 2016

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

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 and 7 as 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 to send its Annual Report, Notice of annual general meeting and other documents for the financial year ended March 31, 2016 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.
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 for the financial year ended March 31, 2016 are available on the website www.icra.in under Investors section. The annual accounts shall also be available for inspection by any Member at the Registered Office of the Company.



NOTES

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 9, 2016 to August 10, 2016 (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 8, 2016, 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 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 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.

The details of the un-encashed/unclaimed Dividend for the Financial Years 2008-09 to 2014-15 as on March 31, 2016 are as under:

Dividend for the year	Unclaimed/Unpaid Dividend as on March 31, 2016 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2008-09	87,348	September 10, 2016
2009-10	1,27,449	September 18, 2017
2010-11	82,773	September 18, 2018
2011-12	1,24,160	September 9, 2019
2012-13	1,09,230	September 8, 2020
2013-14	1,19,807	September 19, 2021
2014-15	89,064	September 15, 2022

16. Voting through electronic means

- I. In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer electronic voting ("**E-voting**") facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 25th Annual General Meeting of the Company. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide E-voting facility.
- II. The E-voting facility is available at the link <https://www.evoting.nsdl.com>.
- III. The E-voting particulars (User-ID and Password) are provided in the Notice. The E-voting Event Number (EVEN) is as under:

EVEN	104247
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- IV. The E-voting facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
August 8, 2016 (9:00 a.m. IST)	August 10, 2016 (5:00 p.m. IST)

- V. The instructions for E-voting are as under:
 - (i) The Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members.

NOTES

- (ii) NSDL will send the User ID and Password through e-mail to those Members whose shareholding is in the dematerialized format and whose email addresses is registered with the Company/Depository Participant(s). Once the Member receives the e-mail, he or she will need to go through the following steps to complete the E-voting process:
 - a) Open e-mail and open the PDF file titled 'ICRA E voting.pdf' using your Client ID or Folio No. as password. The said PDF file contains your user ID and password for E-voting. Please note that this password is an initial password.
 - b) Open the internet browser and type the following URL: <https://www.evoting.nsdl.com/>
 - c) Click on Shareholder–Login
 - d) If you are already registered with NSDL for E-voting, then you can use your existing User ID and Password for Login. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com. The existing User ID is your demat account number which is (DP-ID + CLIENT-ID).
 - e) If you are logging in for the first time, please enter the User ID and Password provided by NSDL as referred in step (a) above. Click on Login.
 - f) Password change menu appears. Change the password with new Password of your choice with minimum 8 digits/characters or combination thereof.

It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
 - g) Once the E-voting home page opens, click on E-voting > active voting cycles.
 - h) Select "EVEN" of ICRA Limited (the number provided in the Notice).
 - i) Now you are ready for E-voting as Cast Vote page opens.
 - j) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - k) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - l) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - m) Corporate and Institutional Members (i.e. Members other than Individuals, HUF, NRI) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to ashokjuneja@gmail.com with a copy marked to evoting@nsdl.co.in.
- (iii) For Members whose e-mail addresses are not registered with the Company /Depository Participant(s) and who receive the hard copy of the Notice, the following instructions may be noted:
 - a) The initial password is provided separately.
 - b) Please follow the instructions from (a) to (m) as mentioned in step (ii) to cast your vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- VII. Login to the E-voting website will be disabled upon 5 (five) unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the website to reset the password.
- VIII. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
- IX. The E-voting period commences on August 8, 2016 (9:00 a.m. IST) and ends on August 10, 2016 (5:00 p.m. IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 5, 2016 may cast their vote electronically. The E-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.



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NOTES

- X. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, August 5, 2016.
 - XI. Since the Company is required to provide Members facility to exercise their right to vote by electronic means, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 5, 2016 and not casting their vote electronically, may only cast their vote at the 25th Annual General Meeting of the Company.
 - XII. Advocate Ashok Kumar Juneja, Proprietor of M/s. Juneja Associates, Mobile No. 9810532462 e-mail Id: ashokjuneja@gmail.com, has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
 - XIII. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
 - XIV. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.icra.in and on the website of NSDL within two (2) days of passing of the resolutions at the 25th Annual General Meeting of the Company on August 11, 2016, and communicated to the BSE Limited and the National Stock Exchange of India Limited.
17. All documents referred to in the accompanying 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 25th Annual General Meeting of the Company.

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

ITEM NO: 5

The Members of the Company at the Twenty-Fourth Annual General Meeting of the Company held on August 13, 2015, had approved the reappointment of Mr. Naresh Takkar as Managing Director & CEO of the Company for a period of five years commencing from July 2, 2015 and valid till July 1, 2020 and also approved appointment of Mr. Takkar as CEO of ICRA Group effective from January 30, 2015 for a period of five years and valid till January 29, 2020, on the terms and conditions (including remuneration) as specified in the explanatory statement to the Notice of the Twenty-Fourth Annual General Meeting.

At the Twenty-Fourth Annual General Meeting, the Members had inter alia approved, basic salary of Rs. 78,00,000/- (Rupees Seventy Eight Lakhs Only) per annum, subject to such annual increments not exceeding 10% (ten percent) of annual basic salary, as may be decided by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee.

Subject to approval of the Members, the Board of Directors of the Company at its meeting held on May 19, 2016, on recommendation of the Nomination and Remuneration Committee, granted their consent to change the terms of appointment of Mr. Takkar pertaining to effective date of annual increment from 30th January to 1st April, effective from financial year 2017-18.

All other terms and conditions relating to Mr. Takkar's appointment/reappointment and remuneration as approved earlier by the members shall remain unchanged.

The remuneration payable to Mr. Takkar is in conformity with and is within the permissible limits laid down under the Companies Act, 2013 including Schedule V of the Companies Act, 2013. Details of remuneration paid to Mr. Takkar are disclosed in the extract of the Annual Return annexed to the Board Report and in the Corporate Governance Report.

The above may be treated as an abstract of the modification in the terms of appointment of Mr. Takkar in compliance with the provisions of the Companies Act, 2013.

The Board accordingly recommends the resolution pertaining to change in effective date of annual increment of Mr. Takkar for approval of shareholders of the Company.

Mr. Takkar holds 38,250 Equity Shares of the Company and also holds options granted to him under the Company's Employees Stock Option Scheme. Except Mr. Takkar, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in this resolution.

ITEM NO: 6

Section 197 of the Companies Act, 2013 permits payment of profit related commission to Non-Executive Directors, including Independent Directors, as approved by the members of the Company. Further, pursuant to Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Board of Directors shall recommend all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors, and the same shall also require approval of shareholders in general meeting.

The members of the Company at their meetings held on July 29, 2008 and on August 3, 2012, accorded approval for payment of remuneration by way of Commission to Non-Executive Directors of the Company 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 erstwhile Companies Act, 1956. This approval was initially granted by the members 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; the approval is valid up to the financial year 2016-17, therefore, approval is sought from members for renewal of the resolution for a further period of 5 years commencing from April 1, 2017.

The Company has been greatly benefiting from the valuable inputs provided by the Non-Executive Directors including Independent Directors. Considering the rich experience and expertise brought to the Board by the Non-Executive Directors including Independent Directors, it is proposed that, remuneration not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, be continued to be paid to the Non-Executive Directors including Independent Directors for a further period of five years commencing from April 1, 2017 in accordance with the recommendation of the Board of Directors of the Company. The Board of Directors will determine each year the specific amount to be paid as commission to the Non-Executive Directors, including Independent Directors, which shall not exceed 1% of the net profits of the Company of each financial year calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.



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

Details of commission and sitting fees paid to Non-Executive Directors including Independent Directors during the Financial Year 2015-16 is provided in the extract of the Annual Return annexed to the Board Report and in the Corporate Governance Report.

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Non-Executive Directors including Independent Directors of the Company to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 of the notice. The Board of Directors of your Company recommends the Resolution at Item No. 6 for your approval.

ITEM NO: 7

Ms. Farisa Zarin is an Additional Director of the Company under the category Non-Independent and Non-Executive Director. Ms. Zarin is the Managing Director and Global Head - Government and Public Affairs of MCO. Her responsibilities include global interaction with policy makers, and securities, bank and insurance regulators. During her tenure at Moody's, Ms. Zarin has held senior positions in the Credit Policy group and the Global Compliance group. She has also worked in the Moody's Sovereign Risk Unit on an adjunct basis, focusing mainly on the legal ramifications of sovereign defaults. Prior to joining Moody's, Ms. Zarin worked as an attorney at the following organizations: the United Nations Office of the Prosecutor, International War Crimes Courts; the United States Senate Judiciary Committee; and American Bar Association's Central and Eastern European Law Initiative.

Ms. Zarin attended Oberlin College where she earned a B.A. in Economics and Psychology; University of Wisconsin where she earned a J.D. and was placed on the Dean's List; and the Instituto Universitario Europeo where she earned an LL.M. in comparative law.

Ms. Zarin is an Alternate US Member for the APEC Business Advisory Council.

Ms. Zarin was appointed as an Additional Director of the Company on June 15, 2016 through a resolution passed by circulation by the Directors of the Company. As per the provisions of Section 161 of the Companies Act, 2013, Ms. Zarin holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under Section 160 of the Companies Act, 2013, along with the requisite deposit, proposing her candidature for the office of Director liable to retire by rotation. Ms. Zarin is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

With Ms. Zarin joining as Director, the Company would be benefited from her extensive experience and expertise.

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

The Board of Directors of your Company is of the opinion that the appointment of Ms. Zarin would be beneficial to the Company and hence recommends the Resolution at Item no. 7 for approval of the Members of the Company.

By Order of the Board of Directors
For ICRA Limited

Place: Gurgaon
Date: June 15, 2016

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

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

Explanatory Statement

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

Details of the Director seeking appointment/reappointment at the Twenty-Fifth Annual General Meeting pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Name of Director	Dr. Min Ye	Ms. Farisa Zarin
Date of Birth	May 2, 1963	July 11, 1968
Relationship with other Directors inter se	None	None
First Date of Appointment	May 24, 2013	June 15, 2016
Expertise in Specific Functional Areas	Structured Finance/ Securitisation; and General Management	Public Policy, International Law, Regulation of Financial Services sector, General Management
Qualifications	ME in Electrical Engineering, Tsinghua University, Beijing; Ph.D., Electrical and Computer Engineering, Carnegie Mellon University, USA	B.A. in Economics and Psychology, Oberlin College; J.D., University of Wisconsin, and LL.M. in comparative law the Instituto Universitario Europeo
No. of Equity Shares held in the Company	Nil	Nil
List of Other Companies / bodies corporate (including listed entities) in which Directorships are held	<ul style="list-style-type: none"> Asia Securities Industry and Financial Markets Association Limited China Cheng Xin International Credit Rating Co., Ltd. Korea Investors Service, Inc. Moody's (Japan) K.K. Moody's Asia Pacific Limited Moody's China (B.V.I.) Limited Moody's Company Hong Kong Limited Moody's Group Australia Pty Ltd Moody's Investment Company India Private Limited Moody's Investors Service (Beijing), Ltd. Moody's Investors Service (Korea) Inc. Moody's Investors Service Hong Kong Limited Moody's Investors Service Pty Limited Moody's Investors Service India Private Limited Moody's Investors Service Singapore Pte. Ltd. Moody's SF Japan K.K. Moody's Shared Services India Private Limited Moody's Singapore Pte Ltd 	None
List of Committees of the Board of Directors (across all companies / bodies corporate) in which Chairmanship/ Membership is held**	Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited 	None

**Pursuant to Regulation 26(1)(b) of the Listing Regulations, only two committees, viz. Audit Committee and Stakeholders Relationship Committee, have been considered.

Form No. MGT-11**PROXY FORM**

[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 Share(s) 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:, or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Fifth Annual General Meeting of the Company to be held on Thursday, the 11th day of August, 2016 at 3.30 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:
 - a. the audited financial statements of the Company for the financial year ended March 31, 2016 and the report of the Board of Directors and the Auditors thereon;
 - b. the audited consolidated financial statements of the Company and its Subsidiaries for the financial year ended March 31, 2016 and the report of Auditors thereon.
2. To declare Dividend on the Equity Shares for the financial year ended March 31, 2016.
3. To appoint a Director in place of Dr. Min Ye, who retires by rotation, and being eligible, offers himself for reappointment.
4. To ratify the appointment of the Statutory Auditors and to fix their remuneration.
5. To modify the terms of appointment of Mr. Naresh Takkar, Managing Director & CEO of the Company and CEO of ICRA Group.
6. To pay Commission to Non-Executive Directors, including Independent Directors of the Company.
7. To appoint Ms. Farisa Zarin as a Non-Executive and Non-Independent Director of the Company.

Signed this day of, 2016

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.

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	

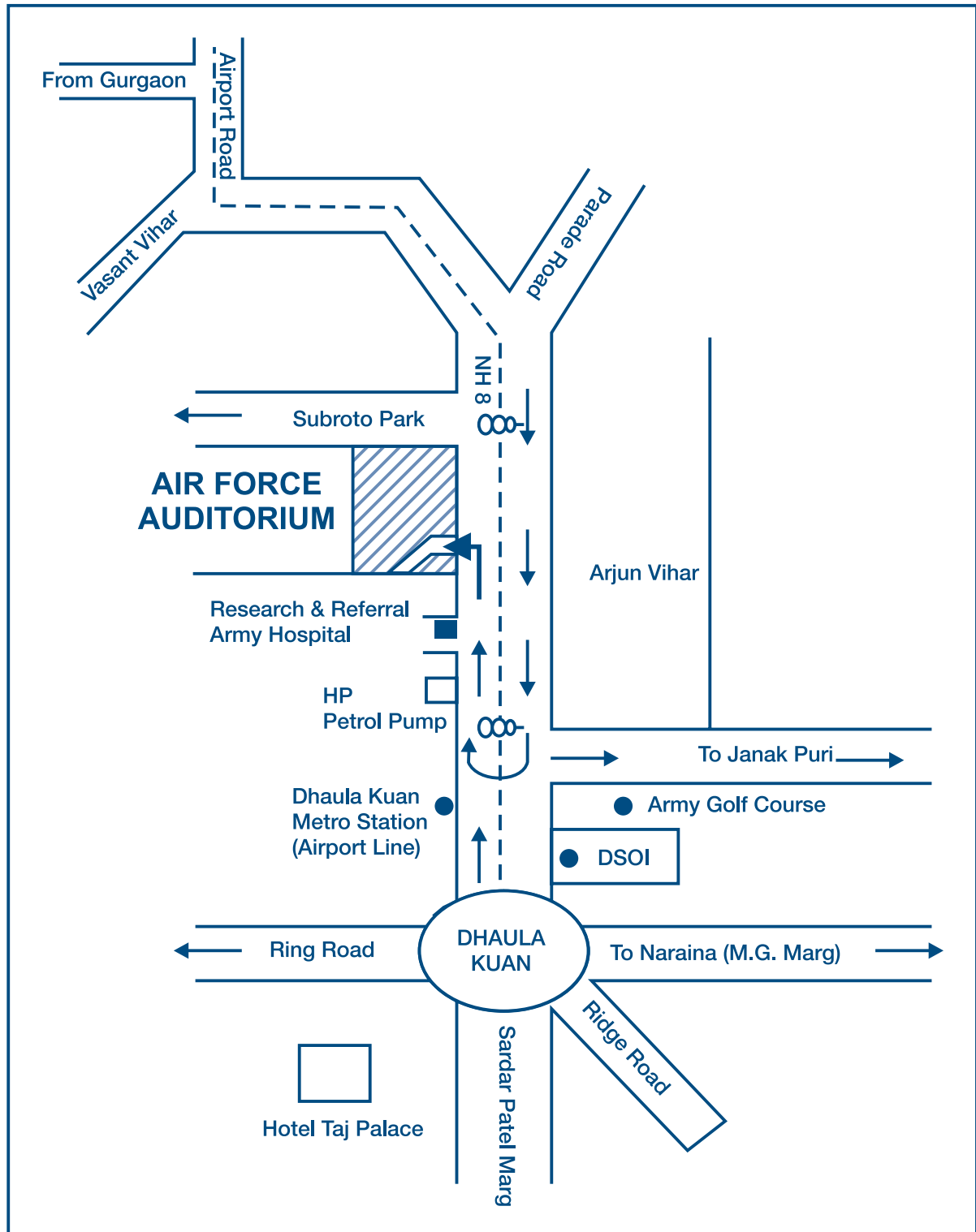
I hereby record my presence at the Twenty-Fifth Annual General Meeting of the Company held on Thursday, the 11th day of August, 2016, at 3.30 p.m. at Air Force Auditorium, Subroto Park, New Delhi 110 010.

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.

Route map to the venue of the AGM



ICRA MANAGEMENT
CONSULTING SERVICES LIMITED

NEW DELHI

(Registered Office)
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11- 23357940-45
Fax: 91-11- 23357945

NOIDA

(Corporate Office)
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Noida 201301 (U.P.), India
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Fax: 91-120- 4515850

MUMBAI

1802, 18th Floor, Tower 3
Indiabulls Finance Centre
Senapati Bapat Marg
Elphinstone
Mumbai 400013, India
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Fax : 91-22-61796301

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Fax: 91-33-71501150/22870728

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Chennai 600035, India
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24340043/9659/8080/24333293
Fax: 91-44-24343663

BENGALURU

M-01, Mezzanine Floor
Prestige Infantry Court
130, Infantry Road
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Fax: 91-80-40934111

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907-908, Sakar II
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Fax: 91-79-40271502

HYDERABAD

116, Block-III White House
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Hyderabad 500016, India
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Fax: 91-40-40024289

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5A, 5th Floor, Symphony
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Fax: 91-20-25561231

www.imacs.in

PRAGATI DEVELOPMENT
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New Delhi 110001, India
Tel.: 91-11- 23357940-45
Fax: 91-11- 23357945

(Corporate Office)
Logix Park, 1st Floor
Tower A-4 & A-5, Sector - 16
Noida 201 301 (U.P.), India
Tel.: 91-120- 4103328
Fax: 91-120- 4515850

ICRA TECHNO ANALYTICS LIMITED

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Tel.: 91-33- 40097800
Fax: 91-33- 40097801

www.icteas.com

ICRA SAPPHIRE, INC.

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

www.icrasapphire.com

ICRA GLOBAL CAPITAL, INC.

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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
Fax: 001-510-279-5629

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

www.bpatech.com

ICRA ONLINE LIMITED

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Infinity Benchmark, 17th Floor,
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Fax: 91-33- 40170101

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Fax: 91-22- 27563057

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ICRA LIMITED

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

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Appasaheb Marathe Marg, Prabhadevi
Mumbai 400025, India
Tel.: 91-22-61693300
Fax: 91-22-24331390

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

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Chennai 600035, India
Tel.: 91-44-45964300
Fax: 91-44-24343663

BENGALURU-1

The Millenia, Tower-B
Unit No.1004, 10th Floor
1 & 2 Murphy Road, Ulsoor
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
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Fax: 91-79-40271501

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4A, 4th Floor, SHOBHAN
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Raj Bhavan Road
Hyderabad 500082, India
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Fax: 91-40-40676510

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

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Range Hills Road, Shivajinagar
Pune 411020, India
Tel.: 91-20-25561194, 25560195/0196
Fax: 91-20-25561231

www.icra.in

ICRA LANKA LIMITED

(Registered & Corporate Office)
10-02 East Tower
World Trade Center
Colombo 1,
Sri Lanka-00100
Tel.: 94-11- 4339907
Fax: 94-11- 2333307

www.icralanka.com

ICRA NEPAL LIMITED

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

www.icranepal.com



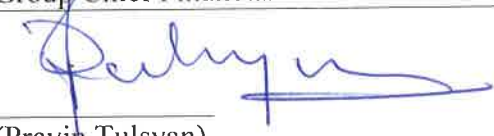





ICRA

ICRA Limited

FORM A
(for audit report with unmodified opinion)

1.	Name of the Company	ICRA Limited
2.	Annual financial statements for the year ended	March 31, 2016
3.	Type of Audit observation	Unmodified
4.	Frequency of observation	Not Applicable
5.	Signed by –	
	• CEO/Managing Director	 (Naresh Takkar) Managing Director & Group CEO
	• CFO	 (Vipul Agarwal) Group Chief Financial Officer
	• Auditor of the Company	 (Pravin Tulsyan) Partner Membership No.: 108044 For BSR & Co. LLP Chartered Accountants Firm's Registration Number: 101248W/W-100022
	• Audit Committee Chairman	 (Ranjana Agarwal) Audit Committee Chairperson