



ICRA Limited
An Associate of Moody's Investors Service

Annual Report 2012-13



Enhancing Business Value through Intellectual Leadership

www.icra.in

ANNUAL REPORT
2012-13

ICRA LIMITED
TWENTY-SECOND ANNUAL REPORT





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Group ICRA

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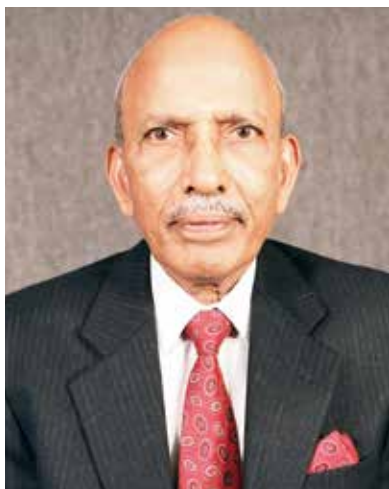
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IN MEMORIAM



Mr. Kalyan Sanjibon Banerji (April 7, 1939—March 21, 2013), eminent banker and distinguished expert on trade and banking policy. He was a Member of the Board of Directors of ICRA Limited between August 1991 and June 1993. ICRA owes Mr. Banerji a large debt of gratitude for the direction he provided to the company during the start-up years.

IN MEMORIAM

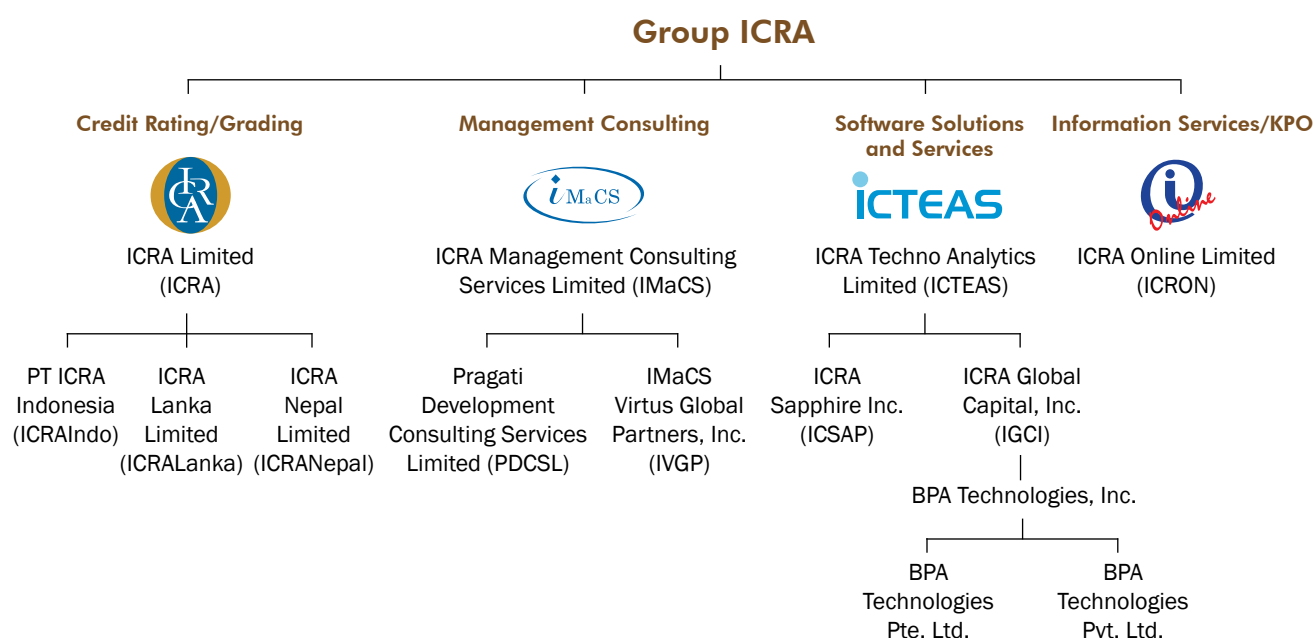


Mr. Ananthakrishnan Lakshmanaswamy Mudaliar (September 7, 1925—January 2, 2013), distinguished industrialist, corporate luminary and educationist. He was a Member of the Rating Committee of ICRA Limited between September 1992 and August 1999. ICRA remains indebted to Mr. Mudaliar for the valuable guidance it received from him in the initial years.

ICRA at a Glance

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

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



Alliance with Moody's Investors Service

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

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



ICRA at a Glance

The ICRA Factor

Facilitating efficiency in business...

ICRA 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 Indo**	ICRA Lanka***
RATING SERVICES <ul style="list-style-type: none">• Credit Rating• Bank Loan Rating• Corporate Governance Rating• Stakeholder Value and Governance Rating• Rating of Claims Paying Ability of Insurance Companies• Project Finance Rating• Mutual Fund Rating• Performance and Credit Rating of Small-Scale Enterprises• Rating of Parallel Marketers of LPG/SKO GRADING SERVICES <p>IPOs, Microfinance Institutions, Construction Entities, Real Estate Developers and Projects, Education Institutes, Maritime Training Institutes</p> EQUITY RESEARCH SERVICE INDUSTRY RESEARCH www.icra.in	RATING SERVICES <ul style="list-style-type: none">• Credit Rating• Structured Finance Rating• Bank Loan Rating• Project Finance Rating• Mutual Fund Rating• Claims Paying Ability of Insurance Companies• Issuer Rating <p>**The operations of PT ICRA Indonesia (ICRA Indo) are limited to the Indonesian market</p> <	

* 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). Further, ICRA, along with National Small Industries Corporation Limited (NSIC), has launched a Performance and Credit Rating Scheme for Small-Scale Enterprises in India. The service is aimed at enabling Small and Medium Enterprises (SMEs) improve their access to institutional credit, increase their competitiveness, and raise their market standing.

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

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

ICRA Lanka also rates rupee-denominated debt instruments issued by commercial banks, non-banking finance companies, financial institutions, and manufacturing and service companies, among others. It also rates structured obligations and sector-specific debt obligations. The other services offered include Corporate Governance Rating, Stakeholder Value and Governance Rating, Credit Risk Rating of Debt Mutual Funds, Rating of Claims Paying Ability of Insurance Companies, Project Finance Rating, and Line of Credit Rating.

ICRA Nepal Limited (ICRA Nepal), a subsidiary of ICRA, offers a wide range of Rating services in the Nepalese market. ICRA Nepal rates rupee-denominated debt instruments issued by commercial banks, financial institutions, non-banking finance companies, public sector undertakings, and manufacturing and service companies, among others. Its services also include Issuer Rating and Grading of Initial Public Offers. Further, ICRA Nepal is preparing to offer several other products including Bank Loan/Line of Credit Rating and Rating of Claims Paying Ability of insurance companies, apart from Corporate Governance Rating, Stakeholder Value and Governance Rating, and Credit Risk Rating of Debt Mutual Funds.

Grading Services

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

ICRA at a Glance

and Recovery Prospects; Assessment of Fundamental and Financial Strength of Real Estate Entities (REEs) & Real Estate Projects (REPs); and ICRA Corporate Responsibility and Sustainable-Business Grading.

Industry Research

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

Equity Research Service

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

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

Consulting Services

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of ICRA Limited, is a multi-line management consulting firm with a global operating footprint. IMaCS' consulting services span Policy Advisory, Strategy, Risk Management, Capacity Building, Process Re-engineering, and Transaction Advisory. IMaCS' clientele includes Banks and Financial Service Companies, Corporates, Financial Investors, Governments, Regulators, and Multilateral/Bilateral Development Agencies. Headquartered in India, IMaCS has consulting experience in over 40 countries across South East Asia, South Asia, West Asia, Africa, Europe, and North America.

IMaCS offers Development Consulting services through its wholly-owned subsidiary, **Pragati Development Consulting Services Limited**.

Software Development, Business Intelligence and Analytics 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 traditional development of client-server, web-centric and mobile applications to the generation of cutting-edge Business Intelligence applications and analytics solutions. With years of experience in data-mining and predictive data modelling, ICTEAS offers various analytics solutions such as sales analytics and spend analytics. An in-depth knowledge of various technology areas, coupled with its strengths in various verticals, enables ICTEAS to provide end-to-end services of excellent quality. It uses a mix of onsite/offshore strategies to optimise bottomline benefits for its customers. ICTEAS also works in customization and implementation of the Financial Modules of the Oracle E-Business Suite. Its services include process study, fitment analysis, customization implementation and post-implementation maintenance services. ICTEAS is a Microsoft Gold Partner and ISO 9001: 2008 and ISO/IEC 27001: 2005 certified.

The Engineering Division of ICTEAS offers multidisciplinary computer aided engineering design services. The activities cover design and drawing in the mechanical, civil/structural, electrical and instrumentation space. ICTEAS engineers and designers are well-versed in AutoCAD, MicroStation, PDS and Staad pro with experience in the Oil & Gas, Petrochemical and Power Sectors. The services range from providing Engineering Design Services to CAD Vectorisation and Conversion Services. Over the years, ICTEAS has successfully deployed skilled resources to work for large engineering consulting companies both in the domestic and international market.

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 of onsite and offshore teams allows for seamless project management, execution and rapid offshore scaling of teams while bringing down development costs.



ICRA at a Glance

Based on the experience gained from working with the City of New York in the tragic days after the World Trade Center attacks, ICSAP developed for New York City the Unified Victim Identification System (UVIS), a Disaster Response Solution.

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 majority 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 delivering Enterprise Content Management (ECM), Portal and Collaboration solutions, and Comprehensive QA Solutions. Other than in California, BPA has development centres in Chennai and Visakhapatnam, besides a sales and customer service centre in Singapore.

BPA uses proven methods, industry expertise and best-in-class technology to address client-specific business requirements. BPA combines its domain expertise and team strength to ensure its solution designs and implementation services deliver maximum return for its clients' technology investments.

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

BPA Technologies Pte. Ltd., a wholly-owned subsidiary of BPA, acts as a service and support centre at Singapore, servicing clients onsite in this region.

BPA Technologies Private Limited, a wholly-owned subsidiary of BPA, acts as a state-of-the-art software development offshore centre in India. BPA has also diversified into the QA segment, with its Quality Assurance team working with clients at every step of the software development process to ensure that the quality of their software products meets and exceeds customer expectations.

Knowledge Process Outsourcing and Online Software

ICRA Online Limited (ICRON) is a wholly-owned subsidiary of ICRA Limited. ICRON was incorporated in January 1999 and has over the period since then established itself as an independent and credible source of authentic information, and software and outsourcing solutions provider.

ICRON caters for some of the biggest names in the financial services sector in India and abroad, which is a testimony to its product quality, commitment and credibility. ICRON has two Strategic Business Units (SBUs) with a list of reputed global and domestic clients:

- **The Knowledge Process Outsourcing Division (KPO Division);** and
- **The Information Services and Technology Solutions Division (MFI Division).**

Encouraged by the emerging dynamics of the outsourcing business, ICRON diversified into the **Knowledge Process Outsourcing (KPO)** business in April 2004, with focus on the Banking, Financial Services and Insurance (BFSI) vertical as well as other verticals like Retail, Healthcare and Pharmaceuticals.

The **KPO Division** of ICRON offers Knowledge Process Outsourcing services that combine advanced analytical abilities and deep domain expertise to deliver value by translating data and information into structured business inputs. It provides financial and analytical services support to its clients in the areas of Data Extraction, Aggregation, Electronic Conversion of Financial Statements, Validation and Analysis, Accounting and Finance, Research, Report Preparation and Analytics. The Division has attained ISO 27001: 2005 certification through rigorous adherence to data security policies and practices.

The **MFI Division** serves the Mutual Fund Industry through Research, Analytics and Mutual Fund Ranking. Besides, it leverages its domain expertise to deliver high quality technology solutions, in the form of products, to a large number of Banks, Mutual Funds, Financial Institutions, Third Party Products' Distributors, Insurance Companies, Investment Advisors, Portfolio Managers, Stock Brokers, Treasury Managers, and Academic Institutions, among others. The Company has developed several innovative products to meet the varied needs of its clients. The products are customised to meet specific client requirements, enabling them in research, analysis and decision making while also helping them achieve automation in business operations.

ICRA LIMITED

Annual Report
2012-13



Chairman Emeritus

Mr. D.N. Ghosh

Formerly, Chairman,
State Bank of India

Board of Directors

Mr. P.K. Choudhury
Dr. Uddesh Kohli

Chairman & Group CEO
Formerly, Chairman and
Managing Director, Power
Finance Corporation Limited
Formerly, Vice Chancellor,
University of Delhi

Prof. Deepak Nayyar

Formerly, Executive Director,
Asian Development Bank
Formerly, Chairman and Senior
Partner, PricewaterhouseCoopers
Managing Director and
Regional Head,
Moody's Asia Pacific
Managing Director and
Global Head of
Relationship Management,
Moody's Investors Service
Managing Director & CEO

Mr. Piyush G. Mankad

Mr. Amal Ganguli

Dr. Min Ye¹

Mr. Simon Richard Hastilow²

Mr. Naresh Takkar

Audit Committee

Mr. Amal Ganguli, Chairman
Dr. Uddesh Kohli
Prof. Deepak Nayyar
Dr. Min Ye
Mr. Simon Richard Hastilow

Remuneration Committee

Prof. Deepak Nayyar, Chairman
Dr. Uddesh Kohli
Mr. Amal Ganguli
Dr. Min Ye

Shareholders'/Investors' Grievance Committee

Dr. Uddesh Kohli, Chairman
Mr. P.K. Choudhury
Mr. Naresh Takkar

Statutory Auditors

Vipin Aggarwal & Associates
Chartered Accountants
E-4, Defence Colony
New Delhi – 110024

Solicitors

Luthra & Luthra Law Offices
103, Ashoka Estate
Barakhamba Road
New Delhi – 110001

FoxMandal Little
Solicitors & Advocates
FM House, A-9, Sector 9
Noida – 201301

HSB Partners
Advocates
'Capitale', 9th Floor,
No. 554/555, Anna Salai
Teynampet, Chennai – 600018

Chief Financial Officer & Company Secretary

Mr. Vijay Wadhwa

Bankers

HDFC Bank Limited
Surya Kiran Building
K.G. Marg, Connaught Place
New Delhi – 110 001

The Royal Bank of Scotland N.V.
Hansalaya Building
15 Barakhamba Road
New Delhi – 110 001

State Bank of Hyderabad
74 Janpath, New Delhi – 110 001

Deutsche Bank AG
Ground Floor, Infinity Tower
DLF, Phase II
Gurgaon – 122 002, Haryana

Kotak Mahindra Bank Limited
JMD Regent Square
Mehrauli Gurgaon Road
Opposite Bristol Hotel
Gurgaon – 122 002, Haryana

Registrar and Share Transfer Agent

Link Intime India Private Limited
44 Community Centre, 2nd Floor,
Naraina Industrial Area, Phase I, Near
PVR, Naraina, New Delhi – 110 028

Registered Office

1105, Kailash Building,
11th Floor
26, Kasturba Gandhi Marg
New Delhi – 110 001

Corporate Office

Building No. 8,
2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon – 122 002, Haryana

¹ Dr. Min Ye has been appointed Additional Director of ICRA Limited since May 24, 2013.

² Mr. Simon Richard Hastilow has been appointed Additional Director of ICRA Limited since May 24, 2013.

ICRA Board of Directors



Mr. Pranab Kumar Choudhury is the Chairman of ICRA Limited & Chief Executive Officer of Group ICRA. He is also Chairman of ICRA Online Limited, ICRA Lanka Limited, ICRA Nepal Limited, and Peerless Financial Services Limited. Besides, he is President Commissioner of PT ICRA Indonesia and a Director on the Boards of ICRA Management Consulting Services Limited, ICRA Techno Analytics Limited, BPA Technologies Inc. and ICRA Sapphire Inc. He is also a Director on the Boards of Peerless Securities Limited and The Peerless General Finance & Investment Company Limited. Mr. Choudhury holds a Bachelor's and a Master's Degree in Commerce from the University of Calcutta. He is a Chartered Accountant from The Institute of Chartered Accountants of India and also holds a Post-Graduate Diploma in Advanced Financial Management from the Maastricht School of Management, The Netherlands. Besides, Mr. Choudhury is a C.A.I.B. from The Institute of Bankers, London, and a C.A.I.I.B. from the Indian Institute of Bankers. With a professional experience of over 40 years now, Mr. Choudhury has, prior to joining ICRA, worked in the manufacturing, commercial banking, development banking, and merchant banking sectors.



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



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



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

ICRA Board of Directors



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



Dr. Min Ye is a Non-Independent Director of ICRA¹. He is the Managing Director and the Regional Head of Moody's Asia Pacific. He is responsible for formulating business growth initiatives, budgeting and planning, managing Moody's offices and affiliate relations, and monitoring the regulatory environment in the Asia Pacific region. Earlier, he was the Managing Director and the Country Manager for Moody's China, as well as the Chief Executive Officer of China Chengxin International Credit Rating Co. Ltd., a Moody's affiliate in China. Dr. Min Ye, who joined Moody's as a Senior Analyst and Vice President in 1994, has also worked as the Managing Director of the Structured Finance Group for Asia Pacific (ex-Japan) in Hong Kong.

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



Mr. Simon Richard Hastilow is a Non-Independent Director of ICRA². He is a Managing Director and the Global Head of Relationship Management of Moody's Investors Service. Mr. Simon Hastilow graduated from City of London Polytechnic in London. He worked for 10 years in London-based marketing and advertising companies, and then for over 10 years at Thomson Reuters in various marketing, sales and business management roles. He joined Moody's in 2011 in his current role.

¹ Dr. Min Ye has been appointed Additional Director of ICRA Limited since May 24, 2013.

² Mr. Simon Richard Hastilow has been appointed Additional Director of ICRA Limited since May 24, 2013.

ICRA Board of Directors



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

Senior Management



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



Mr. L. Shivakumar
Senior Group Vice-President



Mr. Vivek Mathur
Senior Group Vice-President



Mr. Jayanta Chatterjee
Senior Group Vice-President



Mr. Subrata Ray
Senior Group Vice-President



Mr. Vijay Wadhwa
Chief Financial Officer &
Company Secretary

Directors' Report

To The Members, ICRA Limited

Your Directors have pleasure in presenting the 22nd Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2013.

Financial Performance

During its 22nd year of operations, your Company earned a Net Profit of Rs. 60.38 crore as against Rs. 50.90 crore during the previous year. Your Company's Earning per Share and Cash Earning per Share[†] for the year ended March 31, 2013 were Rs. 60.38 and Rs. 67.30, respectively, as against Rs. 50.90 and Rs. 65.72, respectively, in the previous year. The financial results of your Company (standalone and consolidated) for the year ended March 31, 2013 are presented in the following table.

Particulars	Standalone		Consolidated	
	2011-12 (Rs. crore)	2012-13 (Rs. crore)	2011-12 (Rs. crore)	2012-13 (Rs. crore)
Revenue from Operations	139.36	148.59	207.46	251.41
Other Income	19.74	16.24	21.29	17.91
Total Revenue	159.10	164.83	228.75	269.32
Total Expenditure	(83.37) [#]	(91.95)*	(149.58) [#]	(197.28)*
Profit before Tax	75.73	72.88	79.17	72.04
Tax Expense	(24.83)	(12.50)	(25.31)	(13.23)
Profit before Minority Interest	50.90	60.38	53.86	58.81
Minority Interest	—	—	0.15	0.35
Profit after Tax	50.90	60.38	54.01	59.16
Balance brought Forward	76.32	98.89	86.94	112.33
Profit Available for Appropriation	127.22	159.27	140.95	171.49
APPROPRIATIONS				
Proposed Dividend	20.00	22.00	20.00	22.00
Corporate Tax on Proposed Dividend	3.24	3.74	3.24	3.74
Transfer to Capital Redemption Reserve	—	—	0.30	—
Transfer to General Reserve	5.09	6.04	5.09	6.04
Adjustments relating to erstwhile Axiom Technologies Ltd.	—	—	(0.01)	—
Balance Carried to Balance Sheet	98.89	127.49	112.33	139.71
	127.22	159.27	140.95	171.49

[#]Includes Rs. 12.92 crore towards Amortisation of Deferred Employees Compensation for Options granted under the Employees Stock Option Scheme of your Company.

^{*}Includes Rs. 4.81 crore towards Amortisation of Deferred Employees Compensation for Options granted under the Employees Stock Option Scheme of your Company.

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

Directors' Report

Review of Operations

Rating Services

Market Overview

The fiscal year 2012-13 remained challenging from a macroeconomic perspective. Although core inflation moderated appreciably, retail inflation remained stubbornly high, limiting the space available for the Reserve Bank of India (RBI) to ease the policy repo rate in response to the slowing of economic growth. While the announcement of various reforms from September 2012 onwards led to an improvement in sentiments, new project announcements and capacity addition remained elusive.

An unfavourable monsoon weakened agricultural growth and incomes in the rural sector during the year, while relatively high retail inflation dampened growth of disposable income for other households. As a result, consumption demand moderated for various categories of products. Moreover, the investment cycle showed no signs of revival, given the persistence of issues related to regulatory approvals, land acquisition, availability of critical inputs, and over-leveraged balance sheets.

The domestic systemic liquidity deficit breached the RBI's comfort zone for much of the second half (H2) of 2012-13 despite the reduction of 75 basis points (bps) in the cash reserve ratio (CRR) since September 2012 as deposit accretion lagged credit growth at the absolute level in H2, 2012-13. Tight liquidity restrained the pace of transmission of monetary easing to lower interest rates, particularly in the fourth quarter (Q4) of the year.

Merchandise exports contracted during the year, reflecting weak demand from advanced economies and persisting infrastructural deficits in India, which offset the competitiveness gains arising out of a weaker exchange rate of the rupee relative to major currencies. At the same time, relatively inelastic demand for crude oil and gold kept merchandise imports high. A weaker rupee in conjunction with the substantial volume of short-term debt due for redemption created problems for corporate entities, especially those with large foreign currency borrowings.

While the primary equity market revived somewhat in H2, 2012-13, domestic bond issuances displayed over 30% growth during the year driven by higher issuances by non-banking finance companies (NBFCs) and corporates. Growth in bank credit dipped from 17% in 2011-12 to around 15% in 2012-13. Continuing the trend set in 2011-12, a significant proportion of the incremental bank credit extended to industry in 2012-13 was absorbed by the power sector (largely to offset the substantial accumulated losses) and basic metals & metal products (partly on account of the higher working capital requirement against the backdrop of elevated commodity prices).

On the regulatory side, recently, Government of India (GoI) has made concerted efforts to arrest fiscal slippages and also announced some bold policy measures with a view to stimulating economic growth. Even as the RBI's policy stance continues to tilt towards measures addressing growth concerns, the forward-looking guidance it has provided cites high retail inflation and the wide current account deficit to emphasise that headroom for further monetary easing remains limited. Nevertheless, transmission of the recent and anticipated repo rate cuts would ease interest rates to an extent, providing a limited boost to interest-rate sensitive sectors and consumption sentiments. Additionally, a normal monsoon would help ease food inflation and revive consumer demand, particularly from the rural sector. Moreover, the steps initiated by GoI to expedite clearances through the Cabinet Committee on Investment and address sector-specific issues (for instance, in power) are likely to help revive investment activity over the course of the current fiscal year.

Directors' Report

Rating Services Review

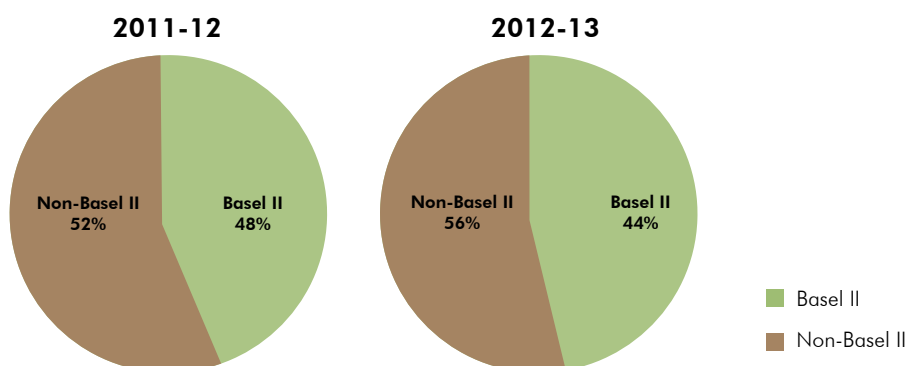
Ratings: Segment-wise Revenue Composition

Segment	2011-12 (Rs. crore)	2012-13 (Rs. crore)	Growth (%)
Corporate Sector	93.05	92.12	-1%
Financial Sector	35.72	40.85	14%
Structured Finance	6.30	6.21	-1%
Public Finance	0.88	1.18	34%
Other Ratings	3.41	8.23	141%
Total	139.36	148.59	7%



Composition of Rating Revenues

Segment	2011-12 (Rs. crore)	2012-13 (Rs. crore)	Growth (%)
Basel II	66.38	64.94	-2%
Non-Basel II	72.98	83.65	15%



Directors' Report

Corporate Sector

The market for bank loan ratings continued to expand in 2012-13, although the ticket size of individual mandates remained small. Also, the market for bank loans was affected by sluggish growth in corporate credit as well as by the subdued investment climate in the country which saw very few large projects achieving financial closure. The challenging macroeconomic environment along with the highly leveraged balance sheet of a large number of corporates, especially in the infrastructure sector, also constrained pick-up in fresh investment activity.

The volume of corporate debt issuance through the capital market continued to rise in 2012-13 as better-rated entities (including NBFCs and corporate entities) raised funds via bonds at finer rates, given the high base rate of banks. Also, there was some progress in rating credit enhanced bonds with partial guarantee provided by India Infrastructure Finance Company Limited (IIFCL). The takeout financing scheme of IIFCL also saw a few special purpose vehicles (SPVs) refinance loans taken from the banking system.

The market for grading of initial public offerings (IPOs) remained sluggish during 2012-13. Growth in this segment hinges on revival in market sentiments and the consequent increase in fund-raising via IPOs.

Your Company has been making progress in scaling up the business activity of rating small and medium enterprises (SMEs). These ratings are widely used by banks as an input for the pricing of credit to the SMEs concerned. The total number of SMEs rated by ICRA picked up well during the year under review. Given the large number of SMEs in the country and the valuable experience gained so far, your Company hopes to step up the volumes in this segment during the current year.

Financial Sector

During the year, your Company benefited from the increase in issuances of commercial paper and corporate bonds, which in turn drew support from the greater investor appetite for such products and the higher limits set for investments by foreign institutional investors (FIIs) in corporate bonds. However capital debt issuances by banks stagnated in 2012-13, with overall credit off-take being weaker and some equity infusion taking place ahead of Basel III. Certificate of deposit (CD) issuances by banks also declined during the year with most public sector banks paring their bulk deposits on regulatory prompt.

As for NBFCs, most of them continued to scale up operations in 2012-13 even as the operating environment remained challenging. The year also saw some NBFCs take the public debt issuance route to raise funds for onward lending. Tax-free bond issuances by strong public sector entities however remained weak during 2012-13 with investor interest for these long-tenure issues remaining tepid as banks continued to offer attractive rates on deposits. The overall trends in the NBFC sector continued to benefit your Company during the year under review, given its strong presence in this sector.

Your Company continued to further strengthen its position in the rating of debt mutual funds during 2012-13, adding new asset management companies (AMCs) as clients, besides rating more debt schemes of its existing AMC-clients.

Looking ahead, rating activity in the financial sector is expected to grow, given Govt's attempts to put growth back on track and the likelihood of a decline in interest rates in the economy, both of which should encourage investment and consumption demand.

Structured Finance

During 2012-13, issuance volumes in the rated bilateral loan assignment/securitisation market reduced by around 20% over the previous fiscal to around Rs. 29,000 crore. The dip in activity followed mainly from the H1, 2012-13-issued RBI guidelines disallowing originators from providing



Directors' Report

credit enhancement in the bilateral assignment of loan pools—the popular mode of doing transactions till 2011-12. Further, some of the requirements introduced by the RBI guidelines left originators with a smaller portfolio eligible for securitisation. On the positive side, the year under review saw the first instance of pass-through certificates, the instruments issued in securitisation transactions, being listed on the stock exchange—a positive step towards improving secondary market trading.

Even as the opportunity for rating of bilateral assignment transactions ceased, your Company developed an alternative product—estimate of credit loss in the loan pool—to serve the segment. This was received well by market participants. Also, your Company rated a number of customised structured obligations—guarantee-backed non-convertible debentures (NCDs)/commercial paper, put option-backed NCDs, and annuity-backed structured NCDs—during the year under review. It is also expected that the new tax treatment introduced by the Union Budget for 2013-14 would open the path for mutual funds to invest in securitisation transactions (which would have to be rated), although the same could be a negative for banks.

With bank finance to NBFCs no longer qualifying as priority sector lending (PSL), investing in securitisation transactions—with the underlying assets being eligible loan receivables—remains the key route left for banks to meet their shortfall 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 volumes. Nevertheless, in this regard, the tax treatment could lower banks' motivation to invest in securitised paper.

Economic and Industry Research

Economic Research

Your Company has been engaged in economic research since its inception, investing considerable time and resources into the activity. The purpose has been to analyse contemporary developments that characterise the money and finance world, and to offer a framework for the explanation of policy choices, initiatives and outcomes. *The ICRA Bulletin: Money & Finance (Money & Finance)* is a product of this research. This periodical is disseminated among a wide variety of readers, including, among others, students, academicians, policymakers, investors and economists across the country.

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

Industry Research

Your Company has re-launched industry research service, covering over 30 segments in the corporate and financial services sectors. Given your Company'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. Your Company would continue to strengthen its offerings under this service, harnessing its extensive knowledge base and research capabilities.

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

Directors' Report

Franchise Development

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

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

On recognising excellence, your Company continues to power the Financial Advisor Awards along with CNBC-TV18, the Financial Leadership Awards with Bloomberg UTV, and the India Pride Awards, an initiative to recognise the superior performing public sector entities, with the Dainik Bhaskar group. All these Awards have gained considerable popularity, as is evident from the level of participation witnessed over the years. This year, your Company has also powered Dainik Bhaskar's inaugural Jaipur Real Estate Awards.

Subsidiary Companies

During the year, ICRA Nepal Limited (ICRA Nepal), a subsidiary of your Company, commenced credit rating services in Nepal following the grant of rating licence by the Securities Board of Nepal. Your Company holds 51% of the share capital in ICRA Nepal, the balance 49% being held by certain reputable Nepal-based institutions and professionals.

During 2012-13, ICRA Techno Analytics Limited (ICTEAS), a wholly owned subsidiary of your Company, through its subsidiary ICRA Global Capital Inc., acquired a majority stake of 75.1% in BPA Technologies Inc. (BPA), a California-based global business consulting and software technology services firm. Other than in California, BPA has development centres in Chennai and Visakhapatnam, besides a sales and customer service centre in Singapore. Focused on enterprise content management, enterprise portal and collaboration, BPA offers strategy consulting, implementation and application management services in its areas of specialisation.

The acquisition of BPA is structured in three tranches over a period of three years. The valuation of BPA would be performance-linked and is estimated at US\$16 million.

Your Company is in compliance with all the conditions stipulated by the Ministry of Corporate Affairs, Government of India, for availing itself of the general exemption under Section 212 (8) of the Companies Act, 1956, from annexing to the Balance Sheet of your Company, the Audited Statements of Account together with the Directors' Reports and the Auditors' Reports for the year 2012-13 of the following subsidiary companies:

1. ICRA Management Consulting Services Limited
 - 1.1. IMaCS Virtus Global Partners Inc.
 - 1.2. Pragati Development Consulting Services Limited
2. ICRA Techno Analytics Limited
 - 2.1. ICRA Sapphire Inc.
 - 2.2. ICRA Global Capital Inc.



Directors' Report

- 2.2.1. BPA Technologies Inc.
 - 2.2.1.1. BPA Technologies Pte Ltd.
 - 2.2.1.2. BPA Technologies Pvt. Ltd.

- 3. ICRA Online Limited
- 4. PT. ICRA Indonesia
- 5. ICRA Lanka Limited
- 6. ICRA Nepal Limited

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

The Consolidated Financial Statements of Group ICRA, consisting of ICRA Limited, its subsidiaries, and their subsidiaries, for the year 2012-13, which form a part of the Annual Report, are attached. The Auditors' Report on the Consolidated Financial Statements is also attached. A statement containing the brief financial details of the said subsidiary companies is annexed, as prescribed by the Ministry of Corporate Affairs, Government of India, to the Consolidated Financial Statements. The Consolidated Financial Statements have been prepared in accordance with the prescribed Accounting Standards.

Recovery of Security Deposit from Associated Journals Limited

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

Branches of the Company

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

Human Resource Development & Training

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

Directors' Report

Employees Stock Option Scheme (ESOS)

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

Particulars of Employees

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

Corporate Governance

The report of the Board of Directors of your Company on Corporate Governance is presented as a separate section (*Annexure III*) titled "Corporate Governance Report", which forms a part of the Annual Report. The Certificate of the Statutory Auditors of your Company regarding compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the stock exchanges concerned is annexed to the Directors' Report.

Management Discussion & Analysis

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

Insider Trading Regulations

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



Directors' Report

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

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

Directors

During 2012-13, Mr. Dhruba Narayan Ghosh resigned as Chairman and Independent Director of the Company with effect from February 1, 2013. The Board accepted his resignation and resolved to place on record its debt of gratitude to Mr. Ghosh for having nurtured and led ICRA through its evolution from a startup to a leader in the credit rating business in India. Mr. Ghosh, from the said date, holds the position of Chairman Emeritus, ICRA Limited.

The Board of Directors of your Company has, at its meeting on January 25, 2013, approved the elevation of Mr. Pranab Kumar Choudhury to the position of Executive Chairman of ICRA Limited with effect from February 1, 2013. The Board reappointed Mr. Choudhury as Whole-time Director (Chairman & Group CEO) for a period of three years with effect from February 1, 2013, subject to the approval of the Shareholders at the forthcoming Annual General Meeting.

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

Dr. Min Ye and Mr. Simon Richard Hastilow have been appointed Additional Directors of your Company at the Board Meeting held on May 24, 2013. Both of them will hold office till the date of the next Annual General Meeting. The resolutions seeking their appointment as Director have been included in the Agenda of the Annual General Meeting.

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956, and the Articles of Association of your Company, Dr. Uddesh Kohli and Prof. Deepak Nayyar retire by rotation, and being eligible, offer themselves for reappointment.

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

The profiles of these Directors are presented in the Notice of the 22nd Annual General Meeting, as required under Clause 49 of the Listing Agreement.

Directors' Responsibility Statement

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

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2013, the applicable accounting standards have been followed and there are no material departures from the same;

Directors' Report

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (iv) the Directors have prepared the Annual Accounts on a going concern basis.

Auditors

Messrs Vipin Aggarwal & Associates, Chartered Accountants, Statutory Auditors of your Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility for reappointment under the provisions of Section 224 (1B) of the Companies Act, 1956.

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

Transfer to Reserves

Your Company proposes to transfer Rs. 6.04 crore (10% of the Net Profit for the year) to the General Reserve. An amount of Rs. 127.49 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. 22 per Equity Share for the financial year ended March 31, 2013. If the Shareholders approve the dividend at the forthcoming Annual General Meeting, the dividend shall be paid to: (i) all those Members whose names appear in the Register of Members as on July 29, 2013; 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.

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 : New Delhi
Date : May 24, 2013

(Pranab Kumar Choudhury)
Chairman & Group CEO

Annexure I

Annexures to the Directors' Report

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

Description	Tranche 1 (As on March 31, 2013)	Tranche 2 (As on March 31, 2013)		
(a) Options Granted during the year (Tranche 1 Granted on March 24, 2007: 6,15,763) (Tranche 2 Granted on November 9, 2010: 2,72,500)	Nil	Nil		
(b) The Pricing Formula	IPO Issue Price	IPO Issue Price		
(c) Options Vested	5,44,859	1,75,126		
(d) Options Exercised	4,42,713	1,06,927		
(e) Total Number of Shares arising as a result of Exercise of Options	4,42,713 equity shares of Rs. 10/- each	1,06,927 equity shares of Rs. 10/- each		
(f) Options Lapsed	73,853	27,231		
(g) Variation of Terms of Options	Nil	Nil		
(h) Money Realised by Exercise of Options	Rs. 14,60,95,290	Rs. 3,52,85,910		
(i) Total Number of Options in Force	99,197	1,38,342		
(j) Employee-wise details of Options granted under Tranche 2				
(i) The options that vested/will vest annually to Senior Managerial Personnel of your Company are as under:				
Name of Employee	Designation	November 9, 2011	November 9, 2012	November 9, 2013
Mr. Pranab Kumar Choudhury	Chairman & Group CEO	4,800	3,600	3,600
Mr. Naresh Takkar	Managing Director & CEO	4,800	3,600	3,600
Mr. L. Shivakumar	Senior Group Vice-President	3,240	2,430	2,430
Mr. Vivek Mathur	Senior Group Vice-President	3,240	2,430	2,430
Mr. Anjan Deb Ghosh	Senior Group Vice-President & Chief Rating Officer	3,240	2,430	2,430
Mr. Jayanta Chatterjee	Senior Group Vice-President	3,240	2,430	2,430
Mr. Subrata Ray	Senior Group Vice-President	2,988	2,241	2,241
Mr. Vijay Wadhwa	CFO & Co. Secretary	3,240	2,430	2,430
Mr. Rohit Dattatray Inamdar	Senior Vice-President	4,976	3,732	3,732
Mr. K. Ravichandran	Senior Vice-President	2,700	2,025	2,025
Mr. Kalpesh Gada	Senior Vice-President	2,700	2,025	2,025
Ms. Vibha Batra	Senior Vice-President	2,700	2,025	2,025
Mr. Karthik Srinivasan	Senior Vice-President	2,700	2,025	2,025
Mr. Jayanta Roy	Senior Vice-President	2,249	1,688	1,688
Mr. Sabyasachi Majumdar	Senior Vice-President	2,100	1,575	1,575
(ii) any other employee who receives a grant in any one year of options amounting to 5% or more of Option granted during the year				None
(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant				None

Annexures to the Directors' Report

- (k) Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standards (AS)-20 Rs. 60.38

- (l) Where the Company has calculated the employee compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options. The impact of this difference on profits and on Earning Per Share of the Company
- Had the Company followed fair value method for accounting the Stock Option compensation expense the amortisation would have been higher by Rs. 25.99 lakh. Consequently profit after tax would have been lower by Rs. 17.56 lakh and the basic and diluted EPS of the Company would have been Rs. 60.21

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

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

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

Stock Option granted on March 24, 2007

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

Stock Option granted on November 9, 2010

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

Annexure II

Auditors' Certificate

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

For Vipin Aggarwal & Associates
Chartered Accountants
(Registration No. 014454N)
(Vipin Aggarwal)
Membership No. 016544

Place : New Delhi
Date : May 24, 2013



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 various stakeholders, and exercising proper control over the Company's assets and transactions.

B. Board of Directors

(i) Board Membership Criteria

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

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

(ii) Composition of the Board

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

Particulars	Composition of the Board		Minimum Requirement as per Clause 49(%)
	No. of Directors	% of Total Directors	
Non-Executive Directors	6	75	50
Executive Directors	2	25	N.A.
Total	8	100	
Independent Directors	4	50	50
Non-Independent Directors	4	50	N.A.
Total	8	100	

N.A.: Not Applicable

Corporate Governance Report

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

The composition of the Board along with the other directorships held by each of the Directors is set out below:

Name of Director ¹	Position	Relationship with Other Directors	Directorship in Other Companies ²	No. of Board Committee(s) of which she/he is a Member ³	No. of Board Committee(s) of which she/he is a Chairman ³
Mr. Dhruva Narayan Ghosh	Chairman Emeritus*	None			
Mr. Pranab Kumar Choudhury	Chairman** Executive Non-Independent Director	None	11	5	None
Mr. Naresh Takkar	Executive Non-Independent Director	None	4	2	1
Dr. Uddesh Kohli	Non-Executive Independent Director	None	6	5	5
Prof. Deepak Nayyar	Non-Executive Independent Director	None	2	1	None
Mr. Piyush Gunwantrao Mankad	Non-Executive Independent Director	None	9	7	2
Mr. Amal Ganguli	Non-Executive Independent Director	None	13	5	5
Ms. Jennifer Ann Elliott ⁴	Non-Executive Non-Independent Director	None	3	None	None
Mr. Frederic Walter Jacques Drevon ⁵	Non-Executive Non-Independent Director	None	6	None	None
Dr. Min Ye ⁶	Non-Executive Non-Independent Director	None	16	1	None
Mr. Simon Richard Hastilow ⁷	Non-Executive Non-Independent Director	None	None	1	None

* Mr. Dhruva Narayan Ghosh resigned as Chairman and Independent Director of the Company with effect from February 1, 2013. Mr. Ghosh holds the position of Chairman Emeritus, ICRA Limited, from the said date.

** Mr. Pranab Kumar Choudhury has been elevated from Vice-Chairman & Group CEO to Chairman & Group CEO with effect from February 1, 2013.

¹ Except Mr. Pranab Kumar Choudhury and Mr. Naresh Takkar, none of the Directors of your Company was holding any shares of your Company as on March 31, 2013.

² Including Private Companies and Foreign Companies.

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

⁴ Ms. Jennifer Ann Elliott has ceased to be Director following her resignation from the Board with effect from May 24, 2013.

⁵ Mr. Frederic Walter Jacques Drevon has ceased to be Director following his resignation from the Board with effect from May 24, 2013.

⁶ Dr. Min Ye has been appointed Additional Director of your Company at the Board Meeting held on May 24, 2013.

⁷ Mr. Simon Richard Hastilow has been appointed Additional Director of your Company at the Board Meeting held on May 24, 2013.

Corporate Governance Report

Name of Director	Directorship in Other Companies
Mr. Pranab Kumar Choudhury	<ul style="list-style-type: none"> • ICRA Online Limited • ICRA Management Consulting Services Limited • ICRA Techno Analytics Limited • Peerless Securities Limited • ICRA Sapphire Inc. • PT ICRA Indonesia • The Peerless General Finance & Investment Company Limited • ICRA Lanka Limited • ICRA Nepal Limited • BPA Technologies Inc. • Peerless Financial Services Limited
Mr. Naresh Takkar	<ul style="list-style-type: none"> • ICRA Techno Analytics Limited • ICRA Online Limited • ICRA Nepal Limited • ICRA Lanka Limited
Dr. Uddesh Kohli	<ul style="list-style-type: none"> • ALSTOM India Limited • Lanco Infratech Limited • PTC India Financial Services Limited • Powerwind Limited • National Energy Trading and Services Limited • ICRA Techno Analytics Limited
Prof. Deepak Nayyar	<ul style="list-style-type: none"> • Birla Corporation Limited • Oil and Natural Gas Corporation Limited
Mr. Piyush Gunwantrao Mankad	<ul style="list-style-type: none"> • Tata South East Asia Limited • Tata International Limited • Tata Elxsi Limited • DSP BlackRock Investment Managers Private Limited • Noida Toll Bridge Company Limited • HeidelbergCement India Limited • The Tata Power Company Limited • Mahindra and Mahindra Financial Services Limited • Hindustan Media Ventures Limited
Mr. Amal Ganguli	<ul style="list-style-type: none"> • ML Infomap Private Limited • HCL Technologies Limited • New Delhi Television Limited • Century Textile and Industries Limited • AVTEC Limited • Hughes Communications India Limited • Maruti Suzuki India Limited • Tata Communications Limited • Aricent Technologies (Holdings) Limited • Laurus Labs Private Limited • Tata Teleservices (Maharashtra) Limited • Triveni Turbine Limited • Mangalam Cement Limited

Corporate Governance Report

Name of Director	Directorship in Other Companies
Ms. Jennifer Ann Elliott ¹	<ul style="list-style-type: none"> Moody's Investors Service (Beijing) Limited PT. Moody's Indonesia Moody's Investors Service Singapore Pte. Limited
Mr. Frederic Walter Jacques Drevon ²	<ul style="list-style-type: none"> Moody's Holdings Limited Moody's Group UK Limited Moody's Shared Services UK Limited Moody's Group (Holdings) Limited Moody's Investors Service Middle East Limited Moody's EMEA Holdings Limited
Dr. Min Ye ³	<ul style="list-style-type: none"> Moody's Group Australia Pty Limited Moody's Investors Service Pty Limited Moody's China (B.V.I.) Limited Moody's Asia Pacific Limited Moody's Company Hong Kong Limited Moody's Investors Service Hong Kong Limited Moody's (Japan) K.K. Moody's SF Japan K.K. Korea Investors Service Inc Moody's Investors Service (Korea) Inc. China Chengxin International Credit Rating Co., Limited Moody's Investors Service (Beijing), Limited Moody's Singapore Pte Limited Moody's Investment Company India Private Limited Moody's Shared Services India Private Limited Asia Securities Industry and Financial Markets Association Limited
Mr. Simon Richard Hastilow ⁴	None

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

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

³ Dr. Min Ye has been appointed Additional Director of your Company at the Board Meeting held on May 24, 2013.

⁴ Mr. Simon Richard Hastilow has been appointed Additional Director of your Company at the Board Meeting held on May 24, 2013.

Corporate Governance Report

(iii) Board Meetings/Annual General Meeting

During the year 2012-13, the Board of Directors of your Company met four times: on May 11, 2012; August 3, 2012; November 2, 2012; and January 25, 2013. The agenda papers along with the explanatory notes for Board Meetings are sent in advance to the Directors. In some instances, documents are tabled at the meeting and presentations are also made by the respective executives on the matters related to them at the Board Meetings.

The previous Annual General Meeting was held on August 3, 2012.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2012-13 are presented in the following table.

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

* Mr. Dhruba Narayan Ghosh resigned as Chairman and Independent Director of the Company with effect from February 1, 2013. Mr. Ghosh holds the position of Chairman Emeritus, ICRA Limited, from the said date.

** Ms. Jennifer Ann Elliott attended 3 meetings through audio conferencing.

*** Mr. Frederic Walter Jacques Drevon attended 1 meeting through audio conferencing.

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

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

³ Dr. Min Ye has been appointed Additional Director of your Company at the Board Meeting held on May 24, 2013.

⁴ Mr. Simon Richard Hastilow has been appointed Additional Director of your Company at the Board Meeting held on May 24, 2013.

The necessary quorum was present for all the meetings.

(iv) Membership Term and Retirement Policy

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

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

Corporate Governance Report

(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, 2013.

C. Board Committees

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

- (i) Audit Committee
- (ii) Remuneration Committee
- (iii) Shareholders'/Investors' Grievance Committee
- (iv) ESOS [Employee Stock Option Scheme] Compensation Committee
- (v) Strategy Committee

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

(i) Audit Committee

The terms of reference of the Audit Committee include:

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



Corporate Governance Report

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

The Composition of the Audit Committee is as under:

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

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

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

The Statutory and Internal Auditors of the Company are invitees to the Audit Committee. The previous Annual General Meeting of the Company was held on August 3, 2012, and it was attended by Mr. Dhruba Narayan Ghosh, the erstwhile Chairman of the committee.

The Audit Committee met four times during the year 2012-13: on May 11, 2012; August 3, 2012; November 2, 2012; and January 25, 2013. The following table presents the details of attendance at the Audit Committee meetings held during the year 2012-13.

Director	No. of Meetings Held	No. of Meetings Attended
Mr. Dhruba Narayan Ghosh, Chairman ¹	4	4
Mr. Amal Ganguli ²	4	4
Dr. Uddesh Kohli	4	4
Prof. Deepak Nayyar	4	4
Ms. Jennifer Ann Elliott ³	4	*

¹ Mr. Dhruba Narayan Ghosh has ceased to be chairman of the Audit Committee following his resignation from the Board with effect from February 1, 2013.

² Mr. Amal Ganguli has been elevated from member to chairman of the Audit Committee with effect from May 24, 2013.

³ Ms. Jennifer Ann Elliott has ceased to be a member of the Audit Committee following her resignation from the Board with effect from May 24, 2013.

* Ms. Jennifer Ann Elliott attended 3 meetings through audio conferencing.

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

(ii) Remuneration Committee

The Remuneration Committee is headed by a Non-Executive Independent Director. The committee consists of:

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

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

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

During the year 2012-13, two meetings of the Remuneration Committee were held on August 3, 2012 and January 25, 2013.

Corporate Governance Report

The following table presents the details of attendance at the Remuneration Committee meeting held during the year 2012-13.

Director	No. of Meetings Held	No. of Meetings Attended
Mr. Dhruva Narayan Ghosh, Chairman ¹	2	2
Prof. Deepak Nayyar ²	2	2
Mr. Piyush Gunwantrao Mankad ³	2	2
Mr. Frederic Walter Jacques Drevon ⁴	2	1

¹ Mr. Dhruva Narayan Ghosh has ceased to be chairman of the Remuneration Committee following his resignation from the Board with effect from February 1, 2013.

² Prof. Deepak Nayyar has been elevated from member to chairman of the Remuneration Committee with effect from May 24, 2013.

³ Mr. Piyush Gunwantrao Mankad has ceased to be a member of the Remuneration Committee with effect from May 24, 2013 following the reconstitution of the Remuneration Committee.

⁴ Mr. Frederic Walter Jacques Drevon has ceased to be a member of the Remuneration Committee following his resignation from the Board with effect from May 24, 2013.

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

Remuneration Policy

Executive Directors

During the year 2012-13, your Company paid remuneration to its Executive Directors within the limits envisaged under the applicable provisions of the Companies Act, 1956. The remuneration paid to the Executive Directors was approved by the Board and the Remuneration Committee within the limits approved by the Shareholders. The Remuneration Committee determines your Company's policy on specific remuneration packages for the Executive Directors.

Remuneration of the Executive Directors

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

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

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

Corporate Governance Report

Remuneration Paid/Payable to Executive Directors for the year ended March 31, 2013

(Amounts in Rupees)

Name	Mr. Pranab Kumar Choudhury	Mr. Naresh Takkar
Designation	Chairman & Group CEO*	Managing Director & CEO
Salary	53,60,000	49,20,000
Allowances	71,54,748	71,25,359
Perquisites	4,69,646	3,87,398
Commission	66,18,000	66,18,000
Provident Fund Contribution	6,43,200	5,90,400
Total Remuneration [#]	2,02,45,594	1,96,41,157
Appointment Valid Till	January 31, 2016**	June 30, 2016
Notice Period	3 months	3 months
No. of Stock Options Granted During the Year	Nil	Nil

* Mr. Pranab Kumar Choudhury has been elevated from Vice-Chairman & Group CEO to Chairman & Group CEO with effect from February 1, 2013.

** Appointment is valid till January 31, 2016, subject to the approval of the Shareholders in the ensuing Annual General Meeting.

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

Non-Executive Directors

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

Sitting Fees Paid to Non-Executive Directors during the year 2012-13

(Amounts in Rupees)

S.No.	Name of the Director	Sitting Fees Paid
1	Mr. Dhruva Narayan Ghosh	2,00,000
2	Dr. Uddesh Kohli	2,00,000
3	Prof. Deepak Nayyar	2,40,000
4	Mr. Piyush Gunwantrao Mankad	1,20,000
5	Mr. Amal Ganguli	1,60,000
6	Ms. Jennifer Ann Elliott	Nil
7	Mr. Frederic Walter Jacques Drevon	40,000

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

Corporate Governance Report

Commission Payable to Non-Executive Directors for the year 2012-13

(Amounts in Rupees)

S.No.	Name of the Director	Commission
1.	Mr. Dhruva Narayan Ghosh*	5,00,000
2.	Dr. Uddesh Kohli	6,00,000
3.	Prof. Deepak Nayyar	6,00,000
4.	Mr. Piyush Gunwantrao Mankad	6,00,000
5.	Mr. Amal Ganguli	6,00,000
6.	Ms. Jennifer Ann Elliott	6,00,000
7.	Mr. Frederic Walter Jacques Drevon	6,00,000

*Mr. Dhruva Narayan Ghosh has ceased to be chairman of the Company following his resignation from the Board with effect from February 1, 2013.

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

(iii) Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee is headed by a Non-Executive Independent Director. The Committee consists of:

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

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

The Company Secretary of your Company is the Compliance Officer.

During the year 2012-13, a meeting of the Shareholders'/Investors' Grievance Committee was held on January 25, 2013.

The following table presents the details of attendance at the Shareholders'/Investors' Grievance Committee meeting held during the year 2012-13.

Director	No. of Meetings Held	No. of Meetings Attended
Dr. Uddesh Kohli, Chairman	1	1
Prof. Deepak Nayyar ¹	1	1
Mr. Pranab Kumar Choudhury	1	1

¹ Prof. Deepak Nayyar has ceased to be member of the Shareholders'/Investors' Grievance Committee with effect from May 24, 2013 following the reconstitution of the Shareholders'/Investors' Grievance Committee.

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

Corporate Governance Report

Your Company received 44 complaints from Shareholders/Investors during the financial year 2012-13 all of which were redressed to the satisfaction of the Shareholders/Investors concerned.

The details of the complaints received and resolved during the financial year 2012-13 are as follows:

S. No.	Complaint relating to	Pending as on April 1, 2012	Received during the year	Resolved during the year	Pending as on March 31, 2013
1.	Transfer/Transmission/Split/Duplicate share certificates	Nil	Nil	Nil	Nil
2.	Non-receipt of Dividend	Nil	25	25	Nil
3.	Dematerialisation/Rematerialisation of shares	Nil	Nil	Nil	Nil
4.	Complaint received from:				
	(a) Securities and Exchange Board of India	Nil	Nil	Nil	Nil
	(b) Stock Exchanges:				
	(i) BSE Limited (BSE)	Nil	Nil	Nil	Nil
	(ii) National Stock Exchange of India Limited (NSE)	Nil	Nil	Nil	Nil
	(c) Registrar of Companies (ROC)	Nil	1	1	Nil
5.	Legal	Nil	Nil	Nil	Nil
6.	Non-receipt of Refund Order	Nil	1	1	Nil
7.	Non-receipt of Electronic Credits	Nil	Nil	Nil	Nil
8.	Non-receipt of Annual Report	Nil	17	17	Nil
	Total	Nil	44	44	Nil

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

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

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

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 2012-13, the Company has not received any investor complaints through SCORES.

Corporate Governance Report

(iv) ESOS Compensation Committee

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

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

¹ Mr. Piyush Gunwantrao Mankad has been appointed chairman of the ESOS Compensation Committee with effect from May 24, 2013.

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

Mr. Dhruva Narayan Ghosh has ceased to be chairman of the ESOS Compensation Committee following his resignation from the Board with effect from February 1, 2013 and Mr. Frederic Walter Jacques Drevon has ceased to be a member of the ESOS Compensation Committee following his resignation from the Board with effect from May 24, 2013. Prof. Deepak Nayyar has ceased to be a member of the ESOS Compensation Committee with effect from May 24, 2013 following the reconstitution of the ESOS Compensation Committee.

During 2012-13, no meeting of the ESOS Compensation Committee was held.

(v) Strategy Committee

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

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

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

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

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

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

During the year 2012-13, no meeting of the Strategy Committee was held.



Corporate Governance Report

D. Subsidiary Companies Monitoring Framework

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

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

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

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
Nineteenth Annual General Meeting	August 12, 2010 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010
Twentieth Annual General Meeting	August 12, 2011 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010
Twenty-First Annual General Meeting	August 3, 2012 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010

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

Nineteenth Annual General Meeting held on August 12, 2010

- To reappoint M/s. Vipin Aggarwal & Associates, Chartered Accountants, as Auditors of your Company for the year 2010-11.

Twentieth Annual General Meeting held on August 12, 2011

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

Corporate Governance Report

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

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

Postal Ballot

During 2012-13, no Resolution was passed through Postal Ballot as required under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a Special Resolution through Postal Ballot.

F. Disclosures

(i) Related-Party Transactions

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, the Management, subsidiary companies or related parties except for those disclosed in the financial statements for the year ended March 31, 2013.

(ii) Details of Non-Compliance

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

(iii) Whistle Blower Policy

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

(iv) Adoption of Mandatory and Non-Mandatory Requirements

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

(v) Management Discussion and Analysis Report

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



Corporate Governance Report

G. Means of Communication

1. Your Company's corporate website www.icra.in has an "Investors" section, which provides comprehensive information to Shareholders. The annual reports and other related information are available there.
2. The quarterly and annual financial results of the Company are published in English and Hindi daily newspapers, viz. *The Financial Express* and *Jansatta*, in addition to some other newspapers. The results are also available on your Company's website www.icra.in.
3. The Annual Report of the Company for the financial year 2012-13 has been emailed to the Members whose email IDs are available with the depositories or have been obtained directly from the Members, in accordance with the Circulars on the subject "Green Initiative" of the Ministry of Corporate Affairs, Government of India, dated April 21, 2011 and April 29, 2011. For other Members, that is, those who have not registered their email IDs or those who opted for physical copies of the Annual Report, the Annual Report has been sent at their registered address. If any Member requests a hard copy of the Annual Report, the Company, on receiving such request, will send the same free of cost to the Member concerned. The Annual Report is also available on the Company's website www.icra.in.
4. The shareholding pattern, updated every quarter, is displayed on the Company's website www.icra.in.
5. The press releases issued by the Company are also displayed on the website www.icra.in.
6. Your Company sends reminders for unpaid dividend/Initial Public Offer (IPO) refund to such Shareholders/IPO investors who, according to the records with the Company, have not claimed the same.

H. Auditors' Certificate on Corporate Governance

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

I. CEO/CFO Certification

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

J. Reconciliation of Share Capital Audit

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

Corporate Governance Report

K. General Shareholders' Information

1.	Annual General Meeting Date Time Venue	August 2, 2013 15:00 hours Air Force Auditorium, Subroto Park; New Delhi 110010
2.	Financial Year Quarterly results will be declared as per the following tentative schedule: <ul style="list-style-type: none"> Financial reporting for the quarter ending June 30, 2013 Financial reporting for the half year ending September 30, 2013 Financial reporting for the quarter ending December 31, 2013 Financial reporting for the year ending March 31, 2014 	Financial Year is April 1 to March 31 First fortnight of August 2013 First fortnight of November 2013 First fortnight of February 2014 Second fortnight of May 2014
3.	Dates of Book Closure	July 30, 2013 to August 1, 2013 (both days inclusive)
4.	Proposed Dividend	The Board of Directors has recommended a dividend of Rs. 22 per equity share of the face value of Rs. 10 each for the financial year ended March 31, 2013
5.	Dividend Payment Date	Dividend on equity shares for the year ended March 31, 2013, as recommended by the Directors and approved by the Shareholders at the Annual General Meeting, will be paid/despached on August 12, 2013
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 2013-14 to both the Exchanges
7.	Stock Code	BSE Limited: 532835 National Stock Exchange of India Limited: ICRA ISIN: INE725G01011
8.	Registrar and Share Transfer Agent	M/s. Link Intime India Private Limited (Formerly M/s. Intime Spectrum Registry 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

Corporate Governance Report

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

Corporate Governance Report

13.	Green Initiative	The Ministry of Corporate Affairs (MCA), Government of India, through its Circulars dated April 21, 2011 and April 29, 2011, has allowed companies to send to their Members notices/ documents in the electronic form while complying with Section 53 of the Companies Act, 1956. Your Company continues to participate in the "Green Initiative" of the MCA, and for the financial year ended March 31, 2012, delivered electronically its Annual Report, Notice of AGM, and other documents to all Members who had registered their email IDs with their Depository Participants/ the Registrar and Share Transfer Agent. To enable the Company send its Annual Report, Notice of AGM, and other documents for the financial year ended March 31, 2013 electronically, <u>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.</u> 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.
14.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent or to Mr. Vijay Wadhwa, Compliance Officer, at the relevant address, as mentioned earlier.

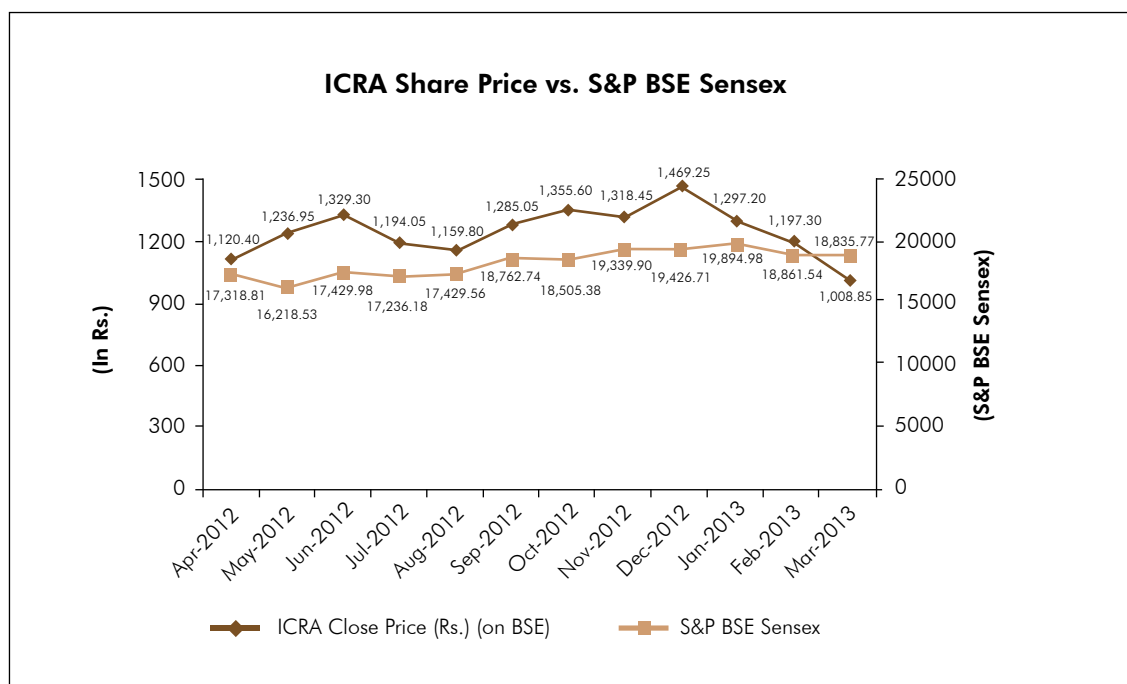
15. Market Price Data for the year 2012-13

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, 2012 to March 31, 2013 are presented in the following table.

Month	BSE			NSE			Total Volume on BSE and NSE
	Share Price (Rs.)		Volume	Share Price (Rs.)		Volume	
	High	Low		High	Low		
April 2012	1,285.00	1,093.00	29366	1,290.00	1,090.00	84464	113830
May 2012	1,279.85	1,060.00	24446	1,253.25	1,060.25	122851	147297
June 2012	1,350.00	1,149.65	15931	1,354.00	1,145.00	97565	113496
July 2012	1,350.00	1,177.00	47402	1,348.55	1,180.00	57551	104953
August 2012	1,279.90	1,115.00	23884	1,276.95	1,110.00	91550	115434
September 2012	1,364.00	1,145.00	35552	1,398.00	1,150.00	153577	189129
October 2012	1,417.45	1,251.00	23174	1,414.00	1,258.20	104945	128119
November 2012	1,449.95	1,250.00	11641	1,405.00	1,154.00	81767	93408
December 2012	1,582.10	1,277.70	193251	1,583.20	1,304.00	711330	904581
January 2013	1,515.00	1,285.40	24167	1,518.75	1,281.00	168849	193016
February 2013	1,449.95	1,174.40	9084	1,393.95	1,189.05	117626	126710
March 2013	1,200.00	982.10	27526	1,208.45	986.10	154040	181566

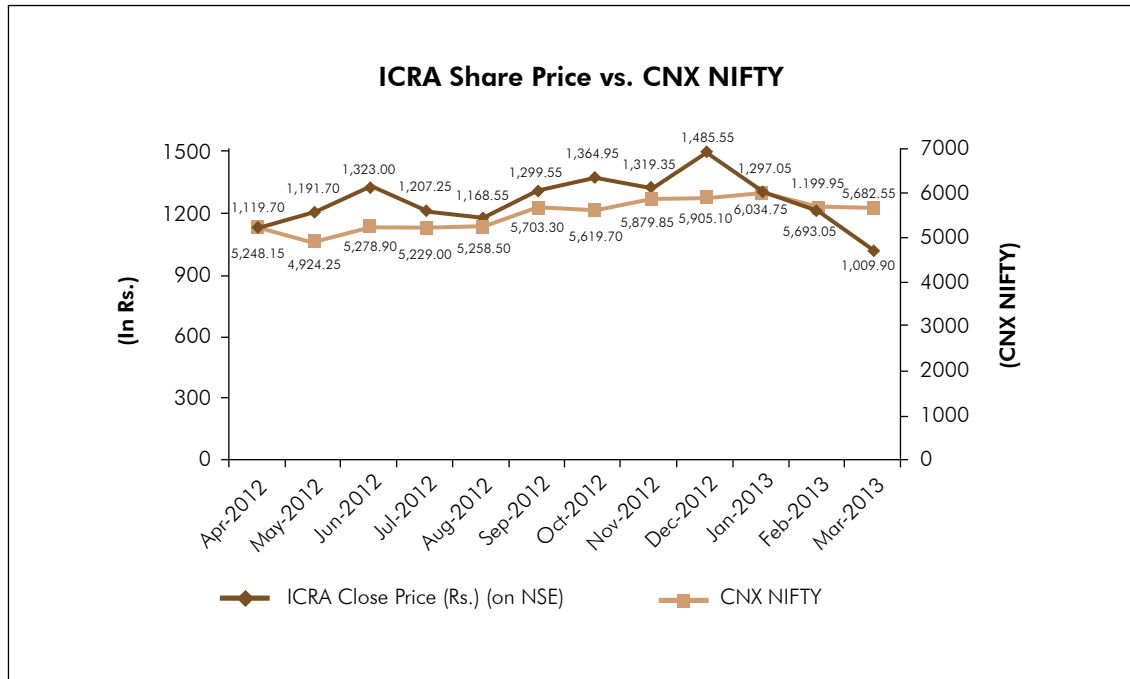
Corporate Governance Report

16. Performance in Comparison with Broad-based Indices



Month	ICRA Close Price (Rs.) (on BSE)	S&P BSE Sensex
April 2012	1,120.40	17,318.81
May 2012	1,236.95	16,218.53
June 2012	1,329.30	17,429.98
July 2012	1,194.05	17,236.18
August 2012	1,159.80	17,429.56
September 2012	1,285.05	18,762.74
October 2012	1,355.60	18,505.38
November 2012	1,318.45	19,339.90
December 2012	1,469.25	19,426.71
January 2013	1,297.20	19,894.98
February 2013	1,197.30	18,861.54
March 2013	1,008.85	18,835.77

Corporate Governance Report



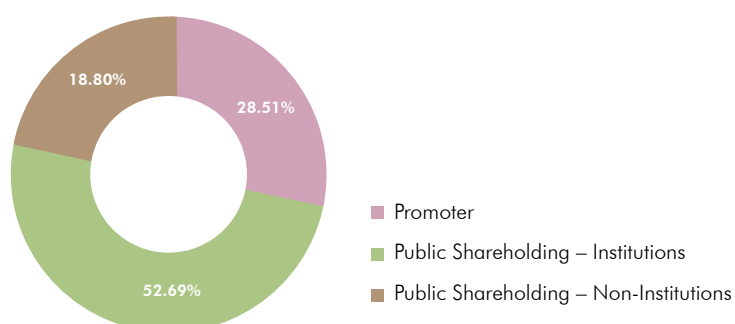
Month	ICRA Close Price (Rs.) (On NSE)	CNX NIFTY
April 2012	1,119.70	5,248.15
May 2012	1,191.70	4,924.25
June 2012	1,323.00	5,278.90
July 2012	1,207.25	5,229.00
August 2012	1,168.55	5,258.50
September 2012	1,299.55	5,703.30
October 2012	1,364.95	5,619.70
November 2012	1,319.35	5,879.85
December 2012	1,485.55	5,905.10
January 2013	1,297.05	6,034.75
February 2013	1,199.95	5,693.05
March 2013	1,009.90	5,682.55

Corporate Governance Report

17. Distribution of Shareholding as on March 31, 2013

No. of Equity Shares	No. of Shareholders	%	No. of Shares				%
			Physical	NSDL	CDSL	Total	
Up to 500	17672	97.68%	546	447006	120181	567733	5.68%
501 - 1000	171	0.95%	-	109620	19823	129443	1.29%
1001 - 2000	100	0.55%	-	138857	13031	151888	1.52%
2001 - 3000	44	0.24%	-	108866	2500	111366	1.11%
3001 - 4000	12	0.07%	-	35217	7600	42817	0.43%
4001 - 5000	17	0.09%	-	81741	-	81741	0.82%
5001 - 10000	26	0.15%	-	177905	8607	186512	1.87%
10001 & Above	49	0.27%	-	7704054	1024446	8728500	87.29%
Total	18091	100.00%	546	8803266	1196188	10000000	100.00%

18. Shareholding Pattern as on March 31, 2013



Shareholding Pattern (As on March 31, 2013)		%
Promoter		28.51
Public Shareholding–Institutions		52.69
Public Shareholding–Non-Institutions		18.80
Total		100.00

Statement Showing Shareholding Pattern

Name of the Company : ICRA LIMITED

Scrip Code: BSE - 532835; NSE - ICRAEQ

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

Corporate Governance Report

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Shares		Shares Pledged or otherwise Encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)* 100
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	2,850,900	2,850,900	28.51	28.51	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total(A)(1)	1	2,850,900	2,850,900	28.51	28.51	0	0.00
2	Foreign							
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1	2,850,900	2,850,900	28.51	28.51	0	0.00
(B)	Public Shareholding³							
1	Institutions							
(a)	Mutual Funds/ UTI	34	1,301,218	1,301,218	13.01	13.01	NA	NA
(b)	Financial Institutions/Banks	12	2,453,134	2,453,134	24.53	24.53	NA	NA
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	NA	NA
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NA	NA
(e)	Insurance Companies	1	522,999	522,999	5.23	5.23	NA	NA
(f)	Foreign Institutional Investors	31	991,061	991,061	9.91	9.91	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	NA	NA
(h)	Any Other (specify)	0	0	0	0.00	0.00	NA	NA
(h-i)	Qualified Foreign Investor-Individuals	0	0	0	0.00	0.00	NA	NA
(h-ii)	Qualified Foreign Investor-Corporate	1	450	450	0.00	0.00	NA	NA
	Sub-Total (B)(1)	79	5,268,862	5,268,862	52.69	52.69	NA	NA

Corporate Governance Report

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Shares		Shares Pledged or otherwise Encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	No. of Shares	As a percentage (IX) = (VIII)/(IV)* 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)* 100
(B) 2	Non-institutions							
(a)	Bodies Corporate	332	395,653	395,653	3.96	3.96	NA	NA
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	17,261	936,178	935,632	9.36	9.36	NA	NA
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6	97,086	97,086	0.97	0.97	NA	NA
(c)	Any Other (Specify)							
(c-i)	Clearing Members	104	15,454	15,454	0.15	0.15	NA	NA
(c-ii)	Non-Resident Indians (Repat)	187	29,389	29,389	0.29	0.29	NA	NA
(c-iii)	Non-Resident Indians (Non Repat)	112	28,886	28,886	0.29	0.29	NA	NA
(c-iv)	Trusts	7	359,463	359,463	3.59	3.59	NA	NA
(c-v)	Qualified Foreign Investor-Individuals	0	0	0	0.00	0.00	NA	NA
(c-vi)	Qualified Foreign Investor-Corporate	0	0	0	0.00	0.00	NA	NA
(c-vii)	Directors/Relatives	2	18,129	18,129	0.18	0.18	NA	NA
	Sub-Total (B)(2)	18,011	1,880,238	1,879,692	18.80	18.80	NA	NA
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	18,090	7,149,100	7,148,554	71.49	71.49	NA	NA
	TOTAL (A)+(B)	18,091	10,000,000	9,999,454	100.00	100.00	0.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	NA	0.00	NA	NA
(i)	Promoter and Promoter Group	0	0	0	0.00	0.00	0.00	0.00
(ii)	Public	0	0	0	0.00	0.00	0.00	0.00
	TOTAL (C) =C1+C2	0	0	0	0	NA	0.00	NA
	GRAND TOTAL (A)+(B)+(C)	18,091	10,000,000	9,999,454	100.00	100.00	0.00	0.00

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

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

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

NA - Not Applicable

Corporate Governance Report

19. Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" as on March 31, 2013

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

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

Corporate Governance Report

20. Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares as on March 31, 2013

Sr. No.	Name of the Shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A) + (B) + (C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securities of the same class	
1	State Bank of India	973101	9.731	0	0	0	0	
2.	Life Insurance Corporation of India	668741	6.687	0	0	0	0	
3.	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Tax Relief 96	637357	6.374	0	0	0	0	
4.	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	561223	5.612	0	0	0	0	
5.	General Insurance Corporation of India	522999	5.230	0	0	0	0	
6.	Punjab National Bank	501646	5.016	0	0	0	0	
7.	ICRA Employees Welfare Trust	356360	3.564	0	0	0	0	
8.	M3 Investment Private Limited	226916	2.269	0	0	0	0	
9.	Pure Heart Value Investment Fund	209372	2.094	0	0	0	0	
10.	Central Bank of India	158419	1.584	0	0	0	0	
11.	ACACIA Institutional Partners, LP	135000	1.350	0	0	0	0	
12.	ACACIA Partners, LP	130157	1.302	0	0	0	0	
	TOTAL	5081291	50.813	0	0	0	0	

Corporate Governance Report

21. Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the Company as on March 31, 2013

Sr. No.	Name(s) of the Shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A) + (B) + (C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securities of the same class	
1.	State Bank of India	973101	9.731	0	0	0	0	
2.	Life Insurance Corporation of India	668741	6.687	0	0	0	0	
3.	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Tax Relief 96	637357	6.374	0	0	0	0	
4.	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	561223	5.612	0	0	0	0	
5.	General Insurance Corporation of India	522999	5.230	0	0	0	0	
6.	Punjab National Bank	501646	5.016	0	0	0	0	
	TOTAL	3865067	38.650					

On behalf of the Board of Directors

Place : New Delhi
Date : May 24, 2013

(Pranab Kumar Choudhury)
Chairman & Group CEO



Auditors' Certificate on Corporate Governance

To the Members of ICRA Limited

We have examined the compliance with conditions of Corporate Governance by ICRA Limited ("the Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges concerned in India.

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

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

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

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

Place : New Delhi
Date : May 24, 2013

(Vipin Aggarwal)
Membership No. 016544

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


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

- (a) We have reviewed financial statements and the cash flow statement for the year ending March 31, 2013 and that to the best of our knowledge and belief:-
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
 - (i) there were no significant changes in internal control over financial reporting during the year;
 - (ii) there were no significant changes in the accounting policies during the year; and
 - (iii) there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi
Date : May 24, 2013

(Naresh Takkar)
Managing Director & CEO

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



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

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

As provided under Clause No. 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges all Board Members and Senior Management Personnel have affirmed the compliance with the code of conduct for the year 2012-13.

Place : New Delhi
Date : May 24, 2013

(Naresh Takkur)
Managing Director & CEO

Annexure IV

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

A. Business and Industry Overview

The year under review, like the one preceding it, continued to pose challenges to economic growth, with moderated but still high interest rates and the perceived governance deficit denting business confidence and curtailing growth initiatives. Enhanced flows from foreign institutional investors (FIIs) to India following the announcement of several reform initiatives September 2012 onwards improved market sentiments but could not revive the investment cycle. Bank credit as well as the debt capital market remained subdued, weakened by the unfavourable macroeconomic environment.

The ratings business, benefited primarily from the increase in the number of entities seeking bank loan ratings under Basel II. However, even as the number of rated entities was relatively large, the loan size was typically small. In the debt market, issuances came mainly from non-banking finance companies (NBFCs) and higher rated corporate entities that refinanced their existing debt with an eye on the interest rate arbitrage. Some infrastructure projects also refinanced their high-cost debt following project completion when the construction risk had been eliminated and there was greater certainty on the revenue streams. The infrastructure sector, otherwise, saw several rating downgrades, which impacted credit flow to this segment to an extent. The securitisation business looked up during the second half of the year under review as banks bought assets/securitised paper from NBFCs to meet their priority sector lending (PSL) requirements. Ratings of small and medium enterprises (SMEs) saw good growth during the year, with the sector increasingly seeking ratings to access bank loans and the better rated entities obtaining more favourable interest rates.

Looking ahead, if the slight moderation in the rate of inflation currently observed were to gain traction, there is a possibility that interest rates would trend down gradually over the next few quarters. While moves on the policy front have usually been unhurried ahead of Parliamentary elections, Government announcements over the past few months do point towards measures to revive investments. If these were to actually come about and revive the investment cycle, economic growth could be better than what the prevailing environment indicates. This in turn would influence growth in the ratings business positively. As for bank loan ratings, this segment may be expected to continue growing in volume terms as more and more of the smaller entities seek ratings to access bank loans, but the size of such loans would hinge on the pace and extent of economic growth achieved. Debt market issuances, on their part, would again depend on the extent of revival in the investment cycle, but in case interest rates were to actually decline, issuers holding high-cost debt could be seen opting for refinance. SME ratings may be expected to post healthy growth, given that many banks have begun using external ratings as an input in their lending decisions.

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

B. Discussion on Financial Performance and Operations

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

(1) Results of Operation

The Financial Performance of the Company is summarised as under:

(a) Incomes

(in Rs. crore)

Particulars	For the Year ended on 31/03/2012	For the Year ended on 31/03/2013	Growth (%)
Operating Income (consisting of Rating Services, Grading Services and Information Services Income)	139.36	148.59	7%
Non-Operating Income	19.74	16.24	-18%
Total Income	159.10	164.83	4%

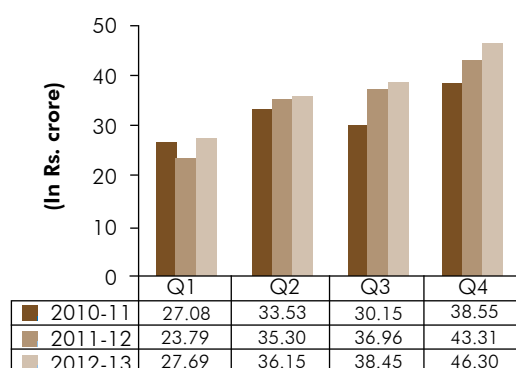
Management Discussion and Analysis Report

(Annexure to the Directors' Report)

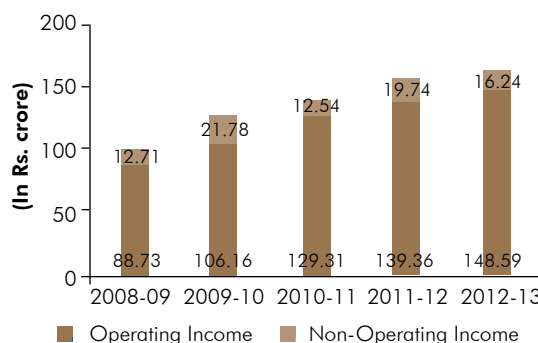
The growth in **Rating Services Income** during 2012-13 is attributable largely to debt ratings, besides NSIC/SME business ratings, with revenues from bank loan ratings remaining subdued during the year under review. Bank loan ratings accounted for 44% of the overall rating revenues for 2012-13. Other than rating of debt issuances and bank loans of existing issuers, the Company was able to add new issuers/borrowers to its list of rating clients during the year under review.

Trend in Financial Performance

Quarter-on-Quarter Operating Income

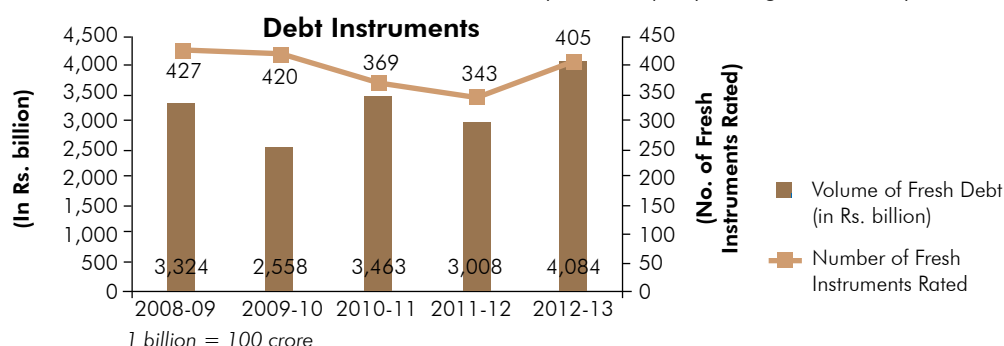


Year-on-Year Total Income



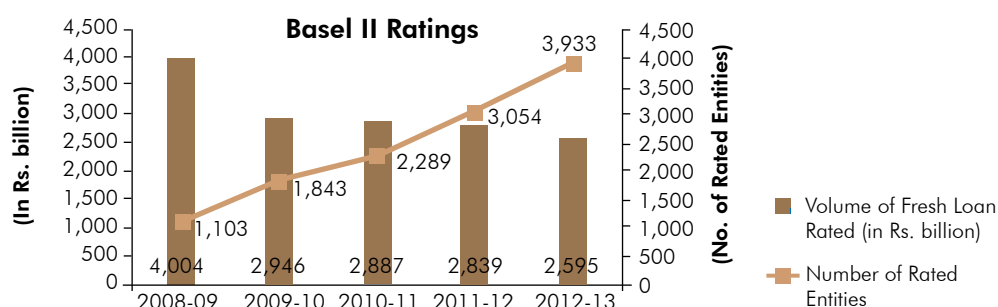
Debt Instruments

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



Basel II Ratings

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



With the coverage of bank loan ratings under Basel II increasing to include even smaller entities, the number of new entities rated by ICRA increased during 2012-13 even as the value of the fresh volume of bank loans rated declined marginally.

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

Non-Operating Income

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

(in Rs. crore)

Particulars	2011-12	2012-13	Growth (%)
Interest Income	1.93	1.24	-36%
Dividend on Investments	2.11	0.51	-76%
Profit on Sale/Redemption of Investments (Net)	13.50	13.16	-3%
Rental Income	1.00	0.76	-24%
Reversal of Diminution in Carrying Value of Investments	0.68	0.00	
Other Non-Operating Income	0.52	0.57	10%
Total	19.74	16.24	-18%

Interest Income declined 36% during 2012-13 over the previous fiscal as the volume of fixed deposits came down because of the investments made in mutual fund schemes and subsidiary companies.

Dividend Income declined 76% during 2012-13 over the previous fiscal because of redemption of mutual fund units under balanced schemes on which dividend was received in the previous year. The redemption proceeds of balanced schemes of mutual funds were reinvested in fixed maturity plans (FMPs) of mutual funds where return on investments in the form of capital gain will be booked only on redemption/maturity of units. Further, during the financial year 2011-12, the Company received dividend from its wholly-owned subsidiary ICRA Techno Analytics Limited (ICTEAS), whereas during 2012-13 the Company did not receive any dividend from ICTEAS.

Profit on Sale/Redemption of Investments declined 3% during 2012-13 over the previous fiscal mainly because of lower capital gains on redemption of mutual fund units under various schemes as compared with 2011-12.

Rental Income declined during 2012-13 over the previous fiscal as ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of the Company, vacated the office premises at Hyderabad and Bengaluru for which rental income was received during 2011-12.

Reversal of Diminution in Carrying Value of Investments was nil during 2012-13 as the Company redeemed all mutual fund units under the balanced scheme in the previous year on which this reversal took place.

Other Non-operating Income increased 10% during 2012-13 over the previous fiscal on account of higher reversal of provision for expenses during 2012-13.

(b) Expenses

(in Rs. crore)

Particulars	2011-12	2012-13	Growth (%)
Employee Benefit Expenses	60.48	64.13	6%
Administrative Expenses	7.02	10.04	43%
Depreciation	1.90	2.11	11%
Other Expenses	13.97	15.68	12%
Total Expenses	83.37	91.96	10%
PBT	75.73	72.88	-4%
Profit & Loss Statement—Some Indicators (%)			
Total Revenue	159.10	164.83	4%
PBT/Total Revenue	48%	44%	
Employee Benefit Expenses/Total Revenue	38%	39%	
Administrative Expenses/Total Revenue	4%	6%	
Depreciation/Total Revenue	1%	1%	
Other Expenses*/Total Revenue	9%	10%	
Total Expenses/Total Revenue	52%	56%	

PBT: Profit before Taxes

*Other Expenses include Diminution in Carrying Value of Investments

Management Discussion and Analysis Report

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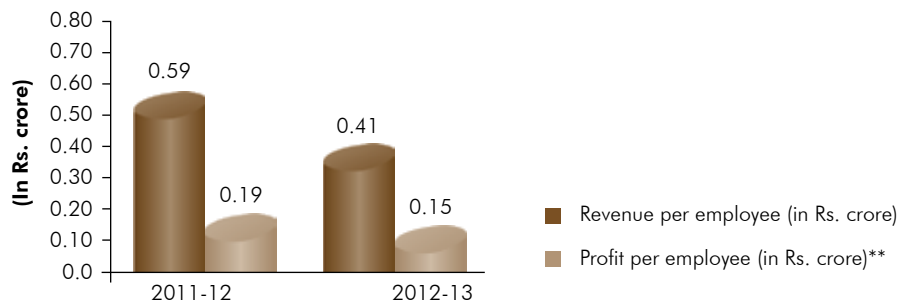
Employee Benefit Expenses increased 6% to Rs. 64.13 crore in 2012-13 from Rs. 60.48 crore in 2011-12. The Company amortised Rs. 4.81 crore during 2012-13 (Rs. 12.92 crore during 2011-12) as "Deferred Employees Compensation" for the options granted to eligible employees in accordance with the applicable guidelines of the Securities and Exchange Board of India (SEBI) and the Guidance Note of The Institute of Chartered Accountants of India (ICAI). If the figures for the amortisation of Deferred Employees Compensation were excluded, the increase in Employee Benefit Expenses in 2012-13 over the previous fiscal would be 25%. The increase in Employee Benefit Expenses is primarily on account of:

- increase in the number of employees from a total of 269 at the end of the fiscal year 2011-12 to 400 at the end of the fiscal year 2012-13 (49% increase). The higher number includes 82 employees of a subsidiary company who were absorbed in the Company during the year under review. These employees were earlier insourced to assist the analysts of the Company; and
- 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 to 39% during 2012-13, from 38% during 2011-12.

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

Revenues and Profit per Employee



Particulars	2011-12	2012-13
Number of employees as at year end	269	400
Revenue per employee (in Rs. crore)	0.59	0.41
Profit per employee (in Rs. crore) **	0.19	0.15

** Profit per employee is after impact of amortisation of Deferred Employee Compensation.

Administrative Expenses increased 43% during 2012-13 over the previous fiscal mainly because of the increase in rent expenses consequent to the renewal of lease agreements at higher rental cost for the existing office premises at New Delhi and Gurgaon and for the additional office space taken on lease at Mumbai, Chennai, Ahmedabad and Bengaluru. Rates and taxes increased 220%, from Rs. 28.50 lakh (during 2011-12) to Rs. 91.24 lakh (during 2012-13) mainly because of the additional property tax demand of Rs. 13.31 lakh for the financial years 2010-11, 2011-12 and 2012-13 for the office space on lease at Gurgaon and the Service Tax Availment disallowed by the Service Tax Department consequent to their audit conducted during the previous year.

Administrative Expenses as a percentage of total revenue increased to 6% during 2012-13 from 4% during 2011-12.

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Other Expenses increased 12% during 2012-13 over the previous fiscal mainly because of the increase in Bad Debts/ Advances written off (Net of Provisions) from Rs. 26.76 lakh (during 2011-12) to Rs. 110.18 lakh (during 2012-13). In view of recovery from Associated Journals Ltd. in May 2013, provision for doubtful debt created against the amount recoverable of Rs 46.73 lakhs from them, has been reversed during 2012-13.

Other Expenses as a percentage of total revenue increased to 10% during 2012-13 from 9% in 2011-12.

(2) Fixed Assets

At the end of fiscal 2012-13, the fixed assets of the Company were as under:

(in Rs. crore)

Particulars	As on 31/03/2012	As on 31/03/2013	Growth (%)
Tangible Assets	31.72	32.76	3%
Intangible Assets	1.49	1.98	33%
Gross Value	33.21	34.74	5%
Less: Accumulated Depreciation	(17.20)	(18.70)	9%
Net Carrying Value	16.01	16.04	0%
Accumulated Depreciation as % of Gross Value	52%	54%	4%

The Company purchased assets for Rs. 2.30 crore and disposed of surplus idle assets costing Rs. 0.77 crore during fiscal 2012-13.

(3) Non-Current and Current Investments

(in Rs. crore)

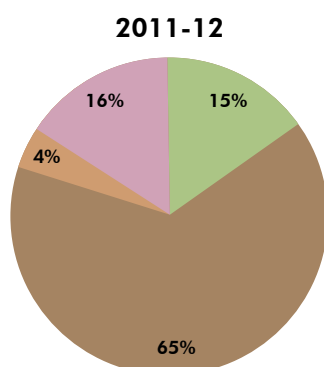
Particulars	As on 31/03/2012	% of Total	As on 31/03/2013	% of Total	Growth (%)
Non-Current Investments:					
(A) Investments in Equity Instruments					
In Equity Shares of Subsidiaries and Others	42.39	15%	92.74	29%	119%
(B) Investments in Mutual Funds					
In Fixed Maturity Plans	180.92	65%	191.00	60%	6%
In Debt and Other Plans	10.78	4%	7.28	2%	-32%
Diminution in Carrying Value of Investments	0.00	-	0.00	-	-
(C) Net Investments in Mutual Funds	191.70	69%	198.28	62%	3%
(D) Total Non-Current Investments (A+C)	234.09	84%	291.02	91%	24%
Current Investments:					
(E) Investments in Mutual Funds					
In Liquid Schemes	44.05	16%	30.27	9%	-31%
(F) Total Current Investments	44.05	16%	30.27	9%	-31%
Total Investments (D+F)	278.14	100%	321.29	100%	16%

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

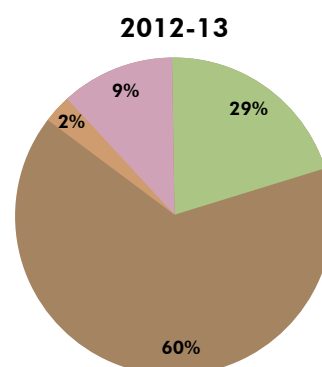
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Investment Profile



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



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

(4) Current Assets, Loans and Advances

(in Rs. crore)

Particulars	As on 31/03/2012	As on 31/03/2013	Growth (%)
(a) Trade Receivables			
• Total Receivables	17.16	13.50	-21%
• Provision for Doubtful Trade Receivables	(1.07)	(1.49)	39%
Net Trade Receivables	16.09	12.01	-25%
Trade Receivables as % of Operating Income	12%	8%	
(b) Cash and bank balances	20.85	21.23	2%
(c) Other Current Assets	0.41	0.20	-51%
(d) Long-Term Loans and Advances			
• Loan to ICRA Employees' Welfare Trust	12.74	6.40	-50%
• Others	3.16	4.99	58%
Total Long-Term Loans and Advances	15.90	11.39	-28%
Provision for Doubtful Long-Term Loans and Advances	(0.47)	0.00	-100%
Net Long-Term Loans and Advances	15.43	11.39	-26%
(e) Short-Term Loans and Advances			
• Loans and Advances to Related Parties	1.32	3.50	165%
• Others	5.73	17.42	204%
Total Short-Term Loans and Advances	7.05	20.92	197%
Provision for Doubtful Short-Term Loans and Advances	(0.23)	(0.14)	-39%
Net Short-Term Loans and Advances	6.82	20.78	205%

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(Annexure to the Directors' Report)

Trade Receivables decreased 25% during 2012-13 over the previous fiscal. Trade Receivables as a percentage of operating income decreased from 12% during 2011-12 to 8% during 2012-13.

Cash and bank balances as on March 31, 2013 mainly consisted of bank deposits of Rs. 13.60 crore and of Rs. 7.20 crore with banks in current accounts. The fixed deposits have been created with the surplus funds generated from the internal accruals of the Company.

Long-Term Loans and Advances declined 26% during 2012-13 primarily because of loan repayment by ICRA Employees Welfare Trust to the Company on the exercise of stock options by some Optionees.

Short-Term Loans and Advances increased 205% during 2012-13 over the previous fiscal considering the amortisation of "deferred employees compensation" as expenditure following the clarifications provided by the recent judgments of the High Court of Madras and the Income Tax Appellate Tribunal, Chandigarh, in this regard. Accordingly, the income tax provisions of Rs. 2.50 crore and Rs. 4.19 crore relating to the financial years 2010-11 and 2011-12 respectively, have been adjusted during 2012-13. Besides this, Prepaid Taxes (net of provisions) stood at Rs. 4.15 crore as on March 31, 2013 as against Rs. 1.41 crore as on March 31, 2012.

(5) Non-Current Liabilities and Current Liabilities

Other Current Liabilities increased to Rs. 32.35 crore as on March 31, 2013 from Rs. 26.89 crore as on March 31, 2012. This is attributable mainly to the increase in unearned revenue and advances received from clients. Unearned revenue corresponds to advance billing for which services are yet to be rendered.

Long-Term and Short-Term Provisions for employee benefits rose during 2012-13 over the previous fiscal primarily because of the increase in employee strength.

C. Outlook

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

D. Opportunities and Threats

Opportunities

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



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

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

Threats

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

E. Risks and Concerns

(1) Business Risk

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

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

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

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

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

Any increase in interest rates and credit spreads, volatility in the corporate bonds market or the interest rate environment, foreign exchange fluctuations, defaults by significant issuers/borrowers, and other market and economic factors, both domestic and global, may negatively impact the issuance

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

of credit-sensitive products and other financial services. A sustained period of volatility or a weakness or downturn in the financial markets domestically or internationally could have a materially adverse effect on our business and financial results.

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

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

Risk mitigation

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

(2) Liquidity Risk/Financial Risk

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

Risk mitigation

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

(3) Investment Risk

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



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(Annexure to the Directors' Report)

Risk mitigation

- The Company has set up an investment committee, which periodically reviews the performance of its investment portfolio. Besides, investment advisor has been appointed to suggest investment strategies within the limits of the prudential norms advised by the Board of Directors.
- 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 applicable. The Company 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 regulations, accounting standards, tax laws, or the application of any of these.

Risk mitigation

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

(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. Inadequacy or inaccuracy of information may expose us to the risk of assigning an inappropriate rating or grading. This may in turn affect our business, reputation and operations.

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

Risk mitigation

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

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

(6) Policy Risk

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

(7) Political Risk

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

(8) Attrition Risk

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

Risk mitigation

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

F. Internal Control Systems and their Adequacy

The Management is responsible for establishing and maintaining disclosure controls and procedures and internal controls for the Company following review by the Audit Committee and the Board of Directors. Accordingly, the Management has designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, as to ensure that material information relating to the Company, including its subsidiaries, is made known to them



Management Discussion and Analysis Report

(Annexure to the Directors' Report)

by others within those entities; and designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under their supervision, as to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with the requirements of the Companies Act, 1956, the Generally Accepted Accounting Principles (GAAP), and the Accounting Standards prevailing in India.

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

The Company, with a total employee strength of 400 as of year-end 2012-13, continues to accord high priority to human resource development, with emphasis being placed on improving skill, competence and knowledge through regular training and in-house/external professional development programmes. Besides, the Company has a consultative and participative management style, and is committed to providing the best possible work environment and facilities to employees at all levels. As a result, the relation between the employees and the Management of your Company has remained harmonious till date. To attract, motivate and retain valuable talent, the Company has also implemented an Employee Stock Option Scheme in which eligible employees of the Company and its subsidiaries can participate. Besides, performance incentives and deferred incentives are provided to eligible employees of the Company so as to encourage and reward superior performance. Further, the Company continually benchmarks the compensation package it offers to employees against those that the industry and competition offer. The compensation package is so structured as to be stable while also providing incentives for continuous improvement in performance.

On behalf of the Board of Directors

Place : New Delhi
Date : May 24, 2013

(Pranab Kumar Choudhury)
Chairman & Group CEO

Forward-Looking Statements May Prove Inaccurate

This Annual Report contains certain forward-looking statements that may be identified by words, phrases, or expressions such as "expected", "will", "would", "continue", "intend to", "in future", or their variations. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risks and Concerns", which is a part of the "Management Discussion and Analysis Report". Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. The Company assumes no obligation to publicly update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Auditors' Report

To
The Members of
M/s. ICRA Limited

1. We have audited the attached Balance Sheet of **ICRA Limited** as at March 31, 2013 and also the Profit and Loss Statement and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies, (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors, as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2013 from being appointed a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



Auditors' Report

- (f) In our opinion and to the best of our information and according to the explanations given to us, the Accounts read with significant Accounting Policies and Notes to Accounts, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
 - (ii) In the case of the Profit and Loss Statement, of the profit of the Company for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

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

Place : New Delhi
Dated : May 24, 2013

(Vipin Aggarwal)
(Partner)
Membership No. 016544

Annexure to the Auditors' Report

Re: ICRA Limited

Annexure referred to in paragraph 3 of our report of even date:

As required by the Companies (Auditor's Report) Order, 2003 and according to information and explanations given to us during the course of the audit and on the basis of such checks we considered appropriate, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets.
 (b) These assets have been physically verified by the management periodically at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.
 (c) In our opinion, the Company has not disposed of a substantial part of its fixed assets during the year, and thus the going concern status of the Company is not affected.
2. Since the Company does not have any inventories, Clause (ii) of paragraph 4 of the said Order is not applicable.
3. (a) The Company has granted unsecured loan to one party listed in the Register, maintained under section 301 of the Companies Act, 1956. The maximum amount was Rs. 25 crore during the year and year ended balance is Rs. Nil.
 (b) In our opinion, rate of interest and other terms and conditions on which loan has been granted to party, listed in the register maintained under section 301 are not, prima facie, prejudicial to the interest of the company.
 (c) The Company during the year has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register, maintained under section 301 of the Companies Act, 1956. As the company has not taken any loans, clauses (iii)(e), (iii)(f) and (iii)(g) of paragraph 4 of the said Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to fixed assets and for invoicing of the services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been recorded in the register.
 (b) In our opinion and according to the information and explanation given to us, the transactions exceeding rupees five lakh in respect of any party during the year, have been made at prices that are reasonable having regard to the prevailing market prices at the relevant time.



Annexure to the Auditors' Report

6. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956. Hence, clause (vi) of the Order is not applicable.
7. In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of any cost records under section 209(1) (d) of the Companies Act, 1956. Hence, Clause no. (viii) of the said Order is not applicable.
9. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, cess and other statutory dues with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise Duty.
(b) In our opinion and according to the information and explanations given to us and the records of the Company verified by us, there are no undisputed amounts payable in respect of such statutory dues that have remained outstanding, as at March 31, 2013, for a period exceeding six months from the date they became payable.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. According to the information given to us and as per the books and records examined by us, the Company has not taken any loans during the year. Therefore, there is no default in repayment of dues to any financial institution or bank or debenture holders.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. The provisions of any Special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
14. According to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of investing in shares and units of Mutual Funds, and timely entries have been made therein. All the investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. The Company has not taken any term loans during the year under audit.

Annexure to the Auditors' Report

17. The Company has not raised any funds on short-term basis and clause (xvii) of the said Order is not applicable.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. Since no debentures have been issued by the Company, the requirements of para 4 (xix) are not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud, in or by the Company, has been noticed or reported during the year.

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

**Place : New Delhi
Dated : May 24, 2013**

**(Vipin Aggarwal)
(Partner)
Membership No. 016544**

Balance Sheet

Balance Sheet as at March 31, 2013

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	(2)	1,000.00	1,000.00
(b) Reserves and surplus	(3)	31,236.74	27,291.65
2. Non-Current liabilities	(4)		
(a) Long-term liabilities		32.22	22.81
(b) Long-term provisions		512.20	485.06
3. Current liabilities	(5)		
(a) Trade payables		93.40	68.47
(b) Other current liabilities		3,234.56	2,688.82
(c) Short-term provisions		4,339.69	3,900.17
Total		40,448.81	35,456.98
II. ASSETS			
1. Non-current assets			
(a) Fixed Assets	(6)		
(i) Tangible assets		1,539.60	1,559.26
(ii) Intangible assets		64.71	41.40
(b) Non-current investments	(7)	29,101.36	23,408.88
(c) Deferred tax assets (net)		154.54	81.08
(d) Long-term loans and advances	(8)	1,139.49	1,543.41
2. Current assets			
(a) Current investments	(9)	3,027.34	4,405.00
(b) Trade receivables	(10)	1,200.96	1,608.92
(c) Cash and bank balances	(11)	2,122.93	2,085.48
(d) Short-term loans and advances	(12)	2,077.83	682.46
(e) Other current assets	(13)	20.05	41.09
Total		40,448.81	35,456.98

See accompanying notes to the financial statements

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

For and on behalf of the Board

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

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

Place : New Delhi
Dated : May 24, 2013

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

Statement of Profit and Loss

Statement of Profit and Loss for the year ended March 31, 2013			
(Rupees in lakh)			
Particulars	Note No.	2012-13 Rs.	2011-12 Rs.
I. Revenue from operations	(14)	14,859.41	13,936.08
II. Other income	(15)	1,624.12	1,973.77
III. Total revenue		16,483.53	15,909.85
IV. Expenses			
Employee benefits expenses	(16)	6,412.52	6,047.68
Depreciation and amortisation	(6)	210.74	189.64
Other expenses	(17)	2,572.41	2,099.78
Total expenses		9,195.67	8,337.10
V. Profit before tax		7,287.86	7,572.75
VI. Tax expense:			
(1) Current tax		(1,322.99)	(2,432.34)
(2) Deferred tax		73.46	(50.43)
VII. Profit (Loss) for the period		6,038.33	5,089.98
VIII. Earnings per equity share:	(27)		
Basic earnings per share (Rs.) (face value Rs. 10 per share)		60.38	50.90
Diluted earnings per share (Rs.) (face value Rs. 10 per share)		60.38	50.90

See accompanying notes to the financial statements

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

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO.: 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

For and on behalf of the Board

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

Place : New Delhi
Dated : May 24, 2013

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



Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES:-

- a) Basis of Preparation:-** The financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) of the Companies Act, 1956 read with The Companies (Accounting Standards) Rules, 2006, as amended from time to time. The financial statements have been prepared under the historical cost convention, on a going concern basis and following the accrual accounting concept, unless otherwise stated.
- b) Revenue Recognition:-**
- i) Income from rating/grading services is recognised when the ratings/gradings are assigned by the Rating/Grading Committee of the Company.
 - ii) The Company charges surveillance fees for 12 months at a time on accepted ratings and such fees commence 1 year after the date of assigning of a rating and continue annually thereafter. Such income is recognised on the basis of time elapsed (ignoring fractions of months). Surveillance fees on the rating assignments of commercial paper, line of credit (Basel II), liquefied petroleum gas, superior kerosene oil, collective investment schemes and grading assignments become due and are recognised on completion of the surveillance exercise.
 - iii) The dividend income from Investments in shares/units is recognised in the year in which the right to receive it crystallises. Interest income is recognised in the year it accrues.
- c) Fixed Assets:-** Fixed assets are stated at cost which consists of purchase price, duties and any directly attributable cost of bringing the asset to its working condition for intended use.
- d) Depreciation:-** Depreciation is provided on the written down value of assets at rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 (the "Act") except for leasehold improvements. The leasehold improvements are depreciated on the straight line method over the primary period of the lease. The primary lease period for this purpose includes any lease period extendable at the discretion of the lessee. Individual assets whose cost does not exceed Rs 5,000 are depreciated in full in the year of acquisition. In all other cases, depreciation is provided on a pro-rata basis on assets acquired, sold or discarded during the year.
- e) Impairment of Assets:-** At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, an impairment loss, i.e. the amount by which the carrying amount of assets exceeds its recoverable amount, is provided in the books of account. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods is no longer required or has decreased.
- f) Investments:-** Investments which are readily realisable and intended to be held for not more than one year from the date of which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

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

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

(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.

2. SHARE CAPITAL

AUTHORISED		
15,000,000 (previous year 15,000,000) equity shares of Rs. 10/- each	1,500.00	1,500.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10/- each fully paid up (Of the above, 9,06,000 shares of Rs. 10 each have been issued to the Employees Welfare Trust pursuant to an Employees Stock Options Scheme)	1,000.00	1,000.00

(A) Reconciliation of number of shares

Equity Shares

Opening balance (no. of shares)	10,000,000	10,000,000
Changes during the year (no. of shares)	0	0
Closing balance (no. of shares)	10,000,000	10,000,000

(B) Reconciliation of shares capital

Equity Shares

Opening balance	1,000.00	1,000.00
Changes during the year	0.00	0.00
Closing balance	1,000.00	1,000.00

(C) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(D) Shares held by holding company/ultimate holding company/by subsidiaries or associates of the holding company/ultimate holding company

0 0

(E) Shares held by each shareholder holding more than 5 per cent shares

Name of the Shareholder	No. of Shares As at March 31, 2013 (As at March 31, 2012)		
i) Moody's Investment Company India Private Limited	2,850,900 (2,850,900)	285.09 28.509%	285.09 28.509%
ii) State Bank of India	973,101 (999,900)	97.31 9.731%	99.99 9.999%
iii) Life Insurance Corporation of India	668,741 (668,741)	66.87 6.687%	66.87 6.687%
iv) Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Tax Relief 96	637,357 (490,600)	63.74 6.374%	49.06 4.906%
v) Franklin Templeton Mutual Fund A/c Franklin India Prima Plus	561,223 (539,659)	56.12 5.612%	53.97 5.397%
vi) General Insurance Corporation of India	522,999 (522,999)	52.30 5.230%	52.30 5.230%
vii) Punjab National Bank	501,646 (501,646)	50.16 5.016%	50.16 5.016%
viii) ICRA Employees Welfare Trust	356,360 (519,271)	35.64 3.564%	51.93 5.193%

(Rupees in lakh)			
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.	
3. RESERVES AND SURPLUS			
a) Securities Premium Account			
- Opening balance	6,939.37	6,511.23	
- Add: Amount of exercise of employee stock options during the year	741.48	428.14	
	7,680.85	6,939.37	
b) General Reserve			
- Opening balance	8,848.58	8,339.58	
- Add: Transferred from statement of profit and loss	604.00	509.00	
	9,452.58	8,848.58	
c) Employees Stock Options Outstanding			
- Opening balance	2,349.53	2,951.53	
- Options granted during the year	0.00	0.00	
- Options exercised during the year	(741.48)	(428.14)	
- Options lapsed during the year	(94.80)	(173.86)	
	1,513.25	2,349.53	
Less: Deferred Employees Compensation			
- Opening balance	(734.38)	(2,200.23)	
- Options granted during the year	0.00	0.00	
- Options lapsed during the year	94.80	173.86	
- Amortisation of deferred employees compensation	480.65	1,291.99	
	(158.93)	(734.38)	
	1,354.32	1,615.15	
d) Surplus			
- Opening balance	9,888.55	7,632.02	
- Transferred from statement of profit and loss	6,038.33	5,089.98	
- Proposed dividend	(2,200.00)	(2,000.00)	
- Corporate tax on proposed dividend	(373.89)	(324.45)	
- Transferred to general reserve	(604.00)	(509.00)	
	12,748.99	9,888.55	
	31,236.74	27,291.65	
4. Non-current liabilities			
(a) Long-term liabilities			
Other than trade payables	32.22	22.81	
	32.22	22.81	
(b) Long-term provisions			
Provision for employees benefits	485.73	459.41	
Others	26.47	25.65	
	512.20	485.06	



(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
5. Current liabilities		
(a) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	0.60	0.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	92.80	68.47
	93.40	68.47
(b) Other current liabilities		
Advance received from clients	950.45	898.52
Loans and advances from related parties	29.14	5.52
Unearned revenue	1,755.01	1,510.34
Unpaid dividend	7.17	5.89
Refund due to public offer applicants	0.39	0.45
Statutory dues	237.93	138.59
Other liabilities	254.47	129.51
	3,234.56	2,688.82
(c) Short-term provisions		
Provision for wealth tax	0.95	0.24
Proposed dividend	2,200.00	2,000.00
Provision for corporate tax on proposed dividend	373.89	324.45
Provision for employees benefits	1,748.69	1,533.97
Others	16.16	41.51
	4,339.69	3,900.17

Non-current assets**6. Fixed assets***(Rupees in lakh)*

Sr. No.	Particulars	GROSS				DEPRECIATION				NET CARRYING VALUE	
		As at April 1, 2012 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at March 31, 2013 Rs.	Up to March 31, 2012 Rs.	For the year Rs.	Disposals/ Adjustments Rs.	Up to March 31, 2013 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
(i)	Tangible Assets										
1.	Buildings	1,956.03	0.00	0.00	1,956.03	867.94	54.40	0.00	922.34	1,033.69	1,088.09
2.	Data Processing Equipment	340.71	72.00	(11.25)	401.46	267.10	47.80	(9.37)	305.53	95.93	73.61
3.	Furniture and Fixtures	272.52	10.05	(19.62)	262.95	186.06	18.80	(17.00)	187.86	75.09	86.46
4.	Office Equipment	174.21	21.53	(4.32)	191.42	100.78	14.42	(3.03)	112.17	79.25	73.43
5.	Air Conditioners	45.57	2.33	(3.53)	44.37	26.18	3.06	(3.31)	25.93	18.44	19.39
6.	Electrical Fittings	41.76	0.00	(0.68)	41.08	26.15	2.22	(0.56)	27.81	13.27	15.61
7.	Vehicles	86.51	61.93	(37.94)	110.50	39.97	17.60	(27.72)	29.85	80.65	46.54
8.	Leasehold Improvements	254.46	13.53	0.00	267.99	98.33	26.38	0.00	124.71	143.28	156.13
	Sub-Total	3,171.77	181.37	(77.34)	3,275.80	1,612.51	184.68	(60.99)	1,736.20	1,539.60	1,559.26
(ii)	Intangible Assets										
1.	Computer Softwares	148.94	49.37	0.00	198.31	107.54	26.06	0.00	133.60	64.71	41.40
	Total	3,320.71	230.74	(77.34)	3,474.11	1,720.05	210.74	(60.99)	1,869.80	1,604.31	1,600.66
	Previous year	3,335.04	112.79	(127.12)	3,320.71	1,645.57	189.64	(115.16)	1,720.05	1,600.66	

7. Non-current Investments (At Cost)

Particulars	Face Value (Rupees)	Quantity As at March 31, 2013 (Numbers)	Quantity As at March 31, 2012 (Numbers)	Amount As at March 31, 2013 (Rupees in lakh)	Amount As at March 31, 2012 (Rupees in lakh)
Other Investments					
a) In Equity Instruments—Unquoted, Fully Paid Up					
- In Subsidiaries					
i Equity shares of ICRA Online Limited	10	8,951,458	8,717,558	871.76	871.76
ii Equity shares of ICRA Management Consulting Services Limited	10	15,000,000	15,000,000	1,500.00	1,500.00
iii Equity shares of ICRA Techno Analytics Limited	10	21,453,351	8,500,000	6,016.61	1,223.88
iv Equity shares of PT ICRA Indonesia	IDR 10000	1,210,078	905,818	656.64	477.55
v Equity shares of ICRA Lanka Limited	LKR 10	3,848,900	3,848,900	165.09	165.09
vi Equity shares of ICRA Nepal Limited	NPR 100	102,000	0	63.75	0.00
Sub-total (in Subsidiaries)				9,273.85	4,238.28
- Others—Quoted, Fully Paid Up					
i Equity shares of CRISIL Limited	1	3,000	3,000	0.15	0.15
Sub-total (others)				0.15	0.15
Total (a)				9,274.00	4,238.43
b) Mutual Funds—Quoted					
- In Fixed Maturity Plans					
i ICICI Prudential FMP Series 54-18 Months Plan A Cumulative	10	0.000	8,000,000.000	0.00	800.00
ii DSP BlackRock FMP-13M-Series 4 - Growth	10	0.000	4,500,000.000	0.00	450.00
iii SBI Debt Fund Series - 370 Days - 11 - Growth	10	0.000	5,000,000.000	0.00	500.00
iv Tata Fixed Maturity Plan Series 30 Scheme C-Growth	10	0.000	9,000,000.000	0.00	900.00
v L&T FMP - V (March367D A) - Growth	10	0.000	4,999,990.000	0.00	500.00
vi Axis Fixed Term Plan - Series 21 (394 Days) - Growth	10	6,000,000.000	6,000,000.000	600.00	600.00
vii Birla Sun Life Fixed Term Plan Series ES-Growth	10	6,000,000.000	6,000,000.000	600.00	600.00
viii DWS Fixed Maturity Plan Series 6 Growth Plan	10	6,000,000.000	6,000,000.000	600.00	600.00
ix Reliance Fixed Horizon Fund - XXI - Series 9 - Growth	10	0.000	5,999,990.000	0.00	600.00
x Birla Sun Life Fixed Term Plan Series EE-Growth	10	0.000	10,000,000.000	0.00	1,000.00
xi L&T Fixed Maturity Plan- Series 6- Plan F-Growth	10	0.000	9,999,990.000	0.00	1,000.00
xii HDFC FMP 400D February 2012 (1)-Growth Series XXI	10	10,000,000.000	10,000,000.000	1,000.00	1,000.00
xiii ICICI Prudential FMP - Series 61 - 1 Year Plan C Cumulative	10	0.000	10,000,000.000	0.00	1,000.00
xiv IDFC Fixed Maturity Plan - Yearly Series 61 - Growth	10	0.000	9,999,990.000	0.00	1,000.00
xv Kotak FMP Series 80 - Growth	10	10,000,000.000	10,000,000.000	1,000.00	1,000.00
xvi ICICI Prudential FMP-Series 63-378 Days Plan I Cumulative	10	9,999,990.000	9,999,990.000	1,000.00	1,000.00
xvii DSP BlackRock FMP Series 38-12.5M - Growth	10	12,000,000.000	12,000,000.000	1,200.00	1,200.00
xviii Sundaram Fixed Term Plan CJ 366 Days Growth	10	0.000	11,999,990.000	0.00	1,200.00
xix JP Morgan India Fixed Maturity Plan Series 6 Growth	10	15,000,000.000	15,000,000.000	1,500.00	1,500.00
xx Religare FMP-Series XII-Plan A-370 Days-Growth Plan	10	0.000	16,422,970.000	0.00	1,642.30
xxi HDFC FMP 372D January 2013(2) Series 23 - Direct - Growth	10	12,000,000.000	0.000	1,200.00	0.00
xxii JP Morgan India Fixed Maturity Plan Series 12 - Direct - Growth	10	10,000,000.000	0.000	1,000.00	0.00
xxiii JP Morgan India Fixed Maturity Plan Series 16 - Direct - Growth	10	6,000,000.000	0.000	600.00	0.00
xxiv L & T FMP- VII (January 507 D A) Direct Plan Growth	10	12,000,000.000	0.000	1,200.00	0.00
xxv Reliance Fixed Horizon Fund - XXIII-Series 4- Direct Plan - Growth Plan	10	6,000,000.000	0.000	600.00	0.00
xxvi Reliance Yearly Interval Fund Series 1-Direct Plan-Growth Plan	10	12,000,000.000	0.000	1,200.00	0.00
xxvii Religare Active Income Fund - Direct Plan Growth	10	4,313,536.597	0.000	600.00	0.00
xxviii Religare Fixed Maturity Plan-Series XVII-Plan F (392 days) Direct Plan	10	6,000,000.000	0.000	600.00	0.00
xxix Religare Short Term Fund - Direct Plan Growth	10	3,818,615.752	0.000	600.00	0.00
xxx Sundaram Fixed Term Plan-DC 15 Months Direct Growth	10	12,000,000.000	0.000	1,200.00	0.00
xxxi Sundaram Fixed Term Plan-DH 378 Days Direct Growth	10	8,000,000.000	0.000	800.00	0.00
xxxii Tata Fixed Maturity Plan Series 42 Scheme G Direct Plan - Growth	10	10,000,000.000	0.000	1,000.00	0.00
xxxiii Taurus Fixed Maturity Plan 369 Days Series - X - Direct Plan	10	10,000,000.000	0.000	1,000.00	0.00
Sub-total (Fixed Maturity Plans)				19,100.00	18,092.30

Non-current Investments (At Cost)

Particulars	Face Value (Rupees)	Quantity As at March 31, 2013 (Numbers)	Quantity As at March 31, 2012 (Numbers)	Amount As at March 31, 2013 (Rupees in lakh)	Amount As at March 31, 2012 (Rupees in lakh)
- In Other Plans					
i SBI Magnum Income Fund FR Savings Plus Bond Plan-Growth	10	0.000	2,826,395.710	0.00	400.00
ii Templeton Floating Rate Income Fund Institutional Option - Dividend Reinvestment	10	6,858,593.420	6,557,024.303	709.35	678.15
iii Templeton Floating Rate Income Fund Retail Option - Dividend Reinvestment	10	166,581.868	0.000	18.17	0.00
Sub-total (Other Plans)				727.52	1,078.15
Total (b)				19,827.52	19,170.45
Diminution due to change in carrying value of investments				(0.16)	0.00
Net investments (b)				19,827.36	19,170.45
Aggregate amount of unquoted investments				9,273.85	4,238.28
Aggregate amount of quoted investments				19,827.51	19,170.60
Total (Non-current investments)				29,101.36	23,408.88
Aggregate market value of quoted investments				20,805.49	19,704.47

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

(Rupees in lakh)

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
8. Long-term loans and advances		
Loans to staff (secured, considered good)	116.17	106.65
Loan to ICRA Employees Welfare Trust (unsecured, considered good)	640.47	1,274.46
Security Deposits		
- Unsecured, considered good	239.47	143.25
- Unsecured, considered doubtful	0.00	46.73
Others (unsecured, considered good)	143.38	19.05
	1,139.49	1,590.14
Less: Provision for doubtful long-term loans and advances	0.00	(46.73)
	1,139.49	1,543.41

9. Current Investments (At Cost)

Particulars		Quantity As at March 31, 2013 (Numbers)	Quantity As at March 31, 2012 (Numbers)	Amount As at March 31, 2013 (Rupees in lakh)	Amount As at March 31, 2012 (Rupees in lakh)
Face Value (Rupees)					
Mutual Funds—Quoted					
- In Other Plans					
i	Birla Sunlife Savings Fund Inst. - Growth	100	0.000	391,856.056	0.00
ii	JP Morgan India Treasury Fund - Super Inst. Growth Plan	10	0.000	5,704,669.272	0.00
iii	Reliance Money Manager Fund - Growth Plan - Growth Option	1,000	55,539.080	54,664.083	822.34
iv	IDBI Ultra Short Term Fund - Growth	1,000	0.000	90,298.255	0.00
v	SBI Ultra Short Term Debt Fund - Regular Plan - Growth	1,000	74,365.477	74,365.477	1,000.00
vi	Sundaram Ultra ST Fund Retail Growth	10	37,167.813	37,167.813	5.00
vii	Religare Ultra Short Term Fund - Growth	1,000	78,851.222	0.000	1,200.00
Total (Mutual Fund Investments)				3,027.34	4,405.00
Aggregate amount of quoted investments				3,027.34	4,405.00
Aggregate market value of mutual fund (quoted) investments				3,294.03	4,465.14

(Rupees in lakh)

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
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10. Trade receivables (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment

- considered good due from companies under the same management	0.00	0.00
- considered good due from others	350.45	700.28
- considered doubtful	137.73	104.89
	488.18	805.17

Others

- considered good due from companies under the same management	21.11	3.47
- considered good due from others	829.40	905.17
- considered doubtful	11.56	1.84
	862.07	910.48

Total	1,350.25	1,715.65
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Less: provision for doubtful trade receivables	(149.29)	(106.73)
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	1,200.96	1,608.92
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(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
11. Cash and bank balances		
a) Cash and cash equivalents		
Current accounts	720.26	106.93
Cash on hand	3.06	1.84
Unpaid dividend	7.17	5.89
Balance with bank payable to public offer applicants	0.39	0.45
b) Other bank balances		
Bank deposits	1,359.92	1,940.82
Margin money	32.13	29.55
	2,122.93	2,085.48
12. Short-term loans and advances		
Loans to staff (secured, considered good)	19.27	15.47
Loans and advances to related parties (unsecured, considered good)	349.72	132.10
With others		
- unsecured, considered good	1,293.82	393.92
- unsecured, considered doubtful	14.01	22.50
Prepaid taxes (net of provision)	415.02	140.97
	2,091.84	704.96
Less: provision for doubtful short-term loans and advances	(14.01)	(22.50)
	2,077.83	682.46
13. Other current assets		
Interest accrued but not due on investments and deposits	20.05	41.09
	20.05	41.09

(Rupees in lakh)		
Particulars	2012-13 Rs.	2011-12 Rs.
14. Revenue from Operations		
Rating services fees	14,859.41	13,936.08
	14,859.41	13,936.08
15. Other Income		
Interest income	124.28	193.28
Dividend from subsidiary companies	0.00	45.24
Dividend income	50.57	165.63
Profit on sale/redemption of investments (net)	1,316.08	1,349.94
Foreign exchange gain	0.05	0.00
Technical services income	3.84	3.91
Rental income	76.16	100.37
Reversal in diminution in carrying value of investments	0.00	68.01
Other non-operating income	53.14	47.39
	1,624.12	1,973.77



(Rupees in lakh)		
Particulars	2012-13 Rs.	2011-12 Rs.
16. Employee benefit expenses		
Salaries and allowances	4,150.43	3,235.23
Profit sharing	1,119.28	1,065.19
Contribution to provident fund	210.28	164.61
Amortisation of deferred employees compensation	480.65	1,291.99
Staff welfare expenses	407.84	259.17
Training expenses	44.04	31.49
	6,412.52	6,047.68
17. Other expenses		
a) Administrative expenses		
Rent	283.28	164.04
Rates and taxes	91.24	28.50
Repairs and maintenance - building	0.44	0.27
Repairs and maintenance - others	170.08	153.76
Communication expenses	147.22	119.85
Electricity and water	85.81	62.47
Printing and stationery	184.87	135.85
Insurance charges	4.48	1.88
Books and periodicals	36.98	35.70
	1,004.40	702.32
b) Others		
Travelling and conveyance	435.67	353.62
Directors' sitting fees	9.60	10.20
Legal and professional charges	795.69	760.63
Conference and meeting expenses	52.97	87.27
Advertisement expenses	16.85	31.54
Auditors' remuneration and expenses	6.04	4.96
Technical services	29.71	26.17
Bad debts/advances written off (net of provisions)	110.18	26.76
Fees and subscription	18.03	16.18
Remuneration to non executive directors	41.00	42.00
Recruitment expenses	28.31	9.70
Miscellaneous expenses	23.96	28.43
	1,568.01	1,397.46
Total (Other expenses)	2,572.41	2,099.78

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

	As at March 31, 2013 (Rupees in lakh)	As at March 31, 2012 (Rupees in lakh)
Claims against the Company disputed and not acknowledged as debts.	0.00	12.85
Guarantees given by Banks against counter guarantees of the Company	21.71	21.71
Disputed income tax demands	191.44	300.80
Total	213.15	335.36

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

(2) Other commitments:-

Estimated amount of contracts remaining to be executed on capital account and not provided for (advance given Rs. 133.27 lakh)	270.97	0.00
Total	270.97	0.00

- 19.** As required under the Micro, Small and Medium Enterprises Development Act, 2006, the disclosure related to Trade Payable (under Note - 5 of "Current Liabilities") is based on the information received from the Suppliers to the Company. Payable to MSME at the end of the year is Rs. 0.60 lakh (previous year NIL).
- 20.** 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 the Company have been issued to the ICRA Employees Welfare Trust for grant of options to the eligible employees. Accordingly, the ICRA Employees Welfare Trust has granted stock options to those eligible employees from the pool of 9,06,000 equity shares in two tranches so far. The first tranche was granted during 2006-07 and the second during 2010-11. 3,86,729 options were exercised till March 31, 2012 and 1,62,911 options were exercised during the year under review.
- 21.** A sum of Rs. 751.30 lakh and Rs. 1291.99 lakh was amortised during the financial year 2010-11 and 2011-12 respectively as "deferred employees compensation" in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The said amounts were taken as disallowable expenses while making provisions for Income Tax during respective years. Following the rationale of recent judgments passed by the High Court of Madras and the Income Tax Appellate Tribunal, Chandigarh, on identical facts, the Company has reversed Income Tax provision of Rs. 249.56 lakh and Rs. 419.19 lakh relating to the financial years 2010-11 and 2011-12 respectively and adjusted the same against Current Tax.

22. In view of recovery of security deposit from Associated Journals Limited in May 2013, provision of Rs. 46.73 lakh for doubtful advance created in this regard has been reversed during the year. Further, in view of the Accounting Standard-9, interest amounting to Rs. 44.55 lakh recovered in May 2013 has been accounted for as income during the year.

23. Remuneration to Auditors:-

Particulars	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Audit fees	3.40	3.15
Taxation matters	0.51	0.47
Other services	0.68	0.89
Reimbursement of expenses	1.45	0.45
Total	6.04	4.96

24. Expenditure in foreign currency during the year:-

Technical services	22.89	21.69
Professional charges	18.28	30.14
Foreign travel	10.62	19.30
Others	4.13	4.37
Total	55.92	75.50

25. Earnings in foreign currency during the year:-

Professional fees	9.93	6.73
Total	9.93	6.73

26. Segment reporting:-

Segmentwise revenues and results

Segment revenues

Rating services	14,859.41	13,936.08
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Segment results

Rating services	6,662.94	6,688.60
Information services	(67.46)	(49.03)
Total of all segments	6,595.48	6,639.57
Non-operating income over expenses	903.12	1,122.82
Depreciation	(210.74)	(189.64)
Profit before tax	7,287.86	7,572.75
Provision for tax	(1,249.53)	(2,482.77)
Profit after tax	6,038.33	5,089.98

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

27. Earning Per Share:-

Particulars	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Profit after tax	6,038.33	5,089.98
Number of shares outstanding at the end of the year (face value Rs. 10 per share)	10,000,000	10,000,000
Basic earnings per share (Rs.) (face value Rs. 10 per share)	60.38	50.90
Diluted earnings per share (Rs.) (face value Rs. 10 per share)	60.38	50.90
Cash earnings per share (Rs.) (face value Rs. 10 per share)	67.30	65.72
(The earnings per share have been calculated on the weighted average basis)		
(Cash EPS is computed after considering depreciation and amortisation of deferred employees' compensation)		

28. Provision for taxes has been arrived at as follows:-

Current income tax	2,014.48	2,410.53
Deferred tax	(73.46)	50.43
Wealth tax	0.95	0.24
Taxes for previous years	(692.44)	21.57
	1,249.53	2,482.77

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

Particulars	As at March 31, 2013 (Rupees in lakh)	As at March 31, 2012 (Rupees in lakh)
Depreciation	154.00	156.82
Provision for gratuity	(113.87)	(79.44)
Provision for leave encashment	(66.99)	(69.62)
Provision for leave travel allowance	(24.61)	0.00
Provision for medical	(11.98)	0.00
Provision for doubtful debts	(43.88)	(31.44)
Provision for doubtful loans and advances	0.00	(15.16)
Provision for doubtful Out of Pocket Expenses	(4.12)	(6.55)
Diminution due to change in carrying value of investments	(0.05)	0.00
Disallowance under the Income Tax Act, 1961	(43.04)	(35.69)
	(154.54)	(81.08)

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

a) Gratuity Plan

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

Particulars	2012-13 (Rupees in lakh)	2011-12 (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	269.97	247.94
Acquisition adjustment	-	-
Interest cost	23.22	20.08
Past service cost	-	-
Current service cost	62.37	46.44
Benefit paid	(9.86)	(29.63)
Actuarial (gain)/loss	11.32	(14.86)
Present value of obligation at the year end	357.02	269.97
Table showing changes in the fair value of plan assets during the year		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Contribution	-	-
Benefit paid	-	-
Actuarial (gain)/loss	-	-
Fair value of plan assets at the end of the year	-	-
Table showing fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Actual return on plan assets	-	-
Contribution	-	-
Benefit paid	-	-
Fair value of plan assets at the end of the year	-	-
Fund status	(357.02)	(269.97)
Excess of actual over expected return of plan assets	-	-
Actuarial gain /loss recognised for the year		
Actuarial gain /(loss) recognised for the year- obligation	(11.32)	14.86
Actuarial (gain)/loss for the year - plan assets	-	-
Total (gain) / loss for the year	11.32	(14.86)
Actuarial (gain) / loss recognised in the year	11.32	(14.86)
Unrecognised actuarial (gains) / losses at the end of year	-	-
Amount to be recognised in the balance sheet and statement of profit and loss		
Present value of obligation as at the end of the year	357.02	269.97
Fair value of plan assets as at the end of the year	-	-
Funded status	(357.02)	(269.97)
Unrecognised actuarial (gains) / losses	-	-
Unrecognised past service cost (non vested benefits)	-	-
Net liability recognised in balance sheet	357.02	269.97

Particulars	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Expenses recognised during the year		
Current service cost	62.37	46.44
Past service cost	-	-
Interest cost	23.22	20.08
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Actuarial (gain)/loss	11.32	(14.86)
Expenses recognised in the statement of profit and loss	96.91	51.66
Amount for the current year		
Present value of obligation	357.02	269.97
Plan assets	-	-
Surplus (deficit)	(357.02)	(269.97)
Experience adjustments on plan liabilities - (loss)/gain	6.75	5.19
Experience adjustments on plan assets - (loss)/gain	-	-
Reconciliation statement of expense in the statement of profit and loss		
Present value of obligation as at the end of the year	357.02	269.97
Present value of obligation as at the beginning of the year	(269.97)	(247.94)
Benefits paid		
i) Directly paid by the enterprise	9.86	29.63
ii) Payments made out of the fund	-	-
Actual return on plan assets	-	-
Expenses recognised in the statement of profit and loss	96.91	51.66
Movement in the liability recognised in balance sheet		
Opening net liability	269.97	247.94
Expenses as above	96.91	51.66
Benefits directly paid by Company	(9.86)	(29.63)
Contributions paid into the fund	-	-
Closing net liability	357.02	269.97
Actuarial assumptions		
Discount rate (per annum)	8.00%	8.60%
Expected rate of return on plan assets (per annum)	NA	NA
Rate of increase in compensation levels:	10.00%	10.00%

b) Leave Encashment Plan

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

Particulars	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Table showing changes in the present value of obligation during the year		
Present value of the obligation at beginning of the year	273.63	268.68
Acquisition adjustment	-	-
Interest cost	23.53	21.76
Past service cost	-	-
Current service cost	37.71	37.46
Benefit paid	(27.87)	(25.96)
Actuarial (gain)/loss	(90.63)	(28.31)
Present value of the obligation at the year end	216.37	273.63
Table showing changes in the fair value of plan assets during the year		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial (gain)/loss	-	-
Fair value of plan assets at the end of the year	-	-
Table showing fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Fair value of plan assets at the end of the year	-	-
Fund status	(216.37)	(273.63)
Excess of actual over expected return on plan assets	-	-
Actuarial gain/loss recognised for the year		
Actuarial gain /(loss) recognised for the year- obligation	90.63	28.31
Actuarial (gain)/loss for the year - plan assets	-	-
Total (gain) / loss for the year	(90.63)	(28.31)
Actuarial (gain) / loss recognised in the year	(90.63)	(28.31)
Unrecognised actuarial (gains) / losses at the end of year	-	-
Amount to be recognised in the balance sheet and statement of profit and loss		
Present value of obligation as at the end of the year	216.37	273.63
Fair value of plan assets as at the end of the year	-	-
Fund status	(216.37)	(273.63)
Unrecognised actuarial (gains) / losses	-	-
Unrecognised past service cost (non vested benefits)	-	-
Net liability recognised in the balance sheet	216.37	273.63

Particulars	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Expenses recognised during the year		
Current service cost	37.71	37.46
Past service cost	-	-
Interest cost	23.53	21.76
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Actuarial (gain)/loss	(90.63)	(28.31)
Expenses recognised in the statement of profit and loss	(29.39)	30.91
Amount for the current year		
Present value of obligation	216.37	273.63
Plan assets	-	-
Surplus (deficit)	(216.37)	(273.63)
Experience adjustments on plan liabilities - (loss)/gain	(10.75)	(10.01)
Experience adjustments on plan assets - (loss)/gain	-	-
Reconciliation statement of expense in the statement of profit and loss		
Present value of obligation as at the end of the year	216.37	273.63
Present value of obligation as at the beginning of the year	(273.63)	(268.68)
Benefits paid		
i) Directly paid by the enterprise	27.87	25.96
ii) Payments out of the fund	-	-
Actual return on plan assets	-	-
Expenses recognised in the statement of profit and loss	(29.39)	30.91
Movement in the liability recognised in the balance sheet		
Opening net liability	273.63	268.68
Expenses as above	(29.39)	30.91
Benefits directly paid by the Company	(27.87)	(25.96)
Contribution paid into the fund	-	-
Closing net liability	216.37	273.63
Actuarial Assumptions		
Discount rate (per annum)	8.00%	8.60%
Expected rate of return on plan assets (per annum)	NA	NA
Rate of increase in compensation levels:	10.00%	10.00%

31. Related Party Disclosure:-

Name	Relationship	Nature of Transaction	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
ICRA Management Consulting Services Limited	Subsidiary	<ul style="list-style-type: none"> - Professional services used - Rent recovered - Directors' sitting fees received - Reimbursement of expenses received/receivable - Reimbursement of expenses paid/payable - Amount receivable 	11.06 73.24 0.39 117.99 4.01 114.47	10.00 96.65 0.27 41.80 4.90 60.81
ICRA Techno Analytics Limited	Subsidiary	<ul style="list-style-type: none"> - Professional services used - Directors' sitting fees received - Interest received - Loan given during the year (Maximum loan amount during the year Rs. 2500 lakh (previous year Rs. NIL)) - Loan repaid by ICRA Techno Analytics Ltd. during the year (Maximum loan amount during the year Rs. 2500 lakh (previous year Rs. NIL)) - Investment made in shares - Dividend received - Reimbursement of expenses received/receivable - Reimbursement of expenses paid/payable - Amount payable 	12.80 0.02 4.79 2,500.00 2,500.00 4,792.74 0.00 6.71 0.48 6.96	1.62 0.06 0.00 0.00 0.00 42.50 8.82 0.00 0.00
ICRA Online Limited	Subsidiary	<ul style="list-style-type: none"> - Professional services used - Professional services provided - Asset Hire Charges paid - Directors' sitting fees received - Technical services fees received - Dividend received - Reimbursement of expenses received/receivable - Reimbursement of expenses paid/payable - Purchase of fixed assets - Advance received in form of equity shares under technical services agreement - Amount receivable - Amount payable 	118.79 32.44 2.10 0.10 3.84 0.00 17.28 46.79 28.65 1.01 21.11 22.18	370.20 30.98 0.00 0.11 3.91 2.74 30.31 0.00 0.00 5.33 3.47 5.52
PT ICRA Indonesia	Subsidiary	<ul style="list-style-type: none"> - Investment made in shares - Advance given for Investment in shares - Reimbursement of expenses received/receivable - Amount receivable 	179.09 232.68 0.37 233.05	225.92 0.00 4.51 6.12
ICRA Lanka Limited	Subsidiary	<ul style="list-style-type: none"> - Investment made in shares - Reimbursement of expenses received/receivable - Reimbursement of expenses paid/payable - Amount receivable 	0.00 0.27 0.00 2.20	62.89 12.42 0.39 1.93
ICRA Nepal Limited	Subsidiary	<ul style="list-style-type: none"> - Balance payment for Investment in shares - Advance given for Investment in shares - Directors' sitting fees received 	0.51 0.00 0.02	0.00 63.24 0.00
Mr. P.K. Choudhury	Whole-time Director	<ul style="list-style-type: none"> - Managerial remuneration 	202.46	196.90
Mr. Naresh Takkar	Whole-time Director	<ul style="list-style-type: none"> - Managerial remuneration 	196.41	174.36

32. Operating Leases:-

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

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

	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Lease payments recognised in the statement of profit and loss	326.91	197.53

Future minimum lease payments:-

	As at March 31, 2013 (Rupees in lakh)	As at March 31, 2012 (Rupees in lakh)
Not later than one year	398.31	210.10
Later than one year but not later than 5 years	1,556.40	823.62
Later than 5 years	101.76	305.59
	2,056.47	1,339.31

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

	2012-13 (Rupees in lakh)	2011-12 (Rupees in lakh)
Sub-lease receipts recognised in the statement of profit and loss	74.55	99.28

Future minimum sub-lease receipts:-

	As at March 31, 2013 (Rupees in lakh)	As at March 31, 2012 (Rupees in lakh)
Not later than one year	72.30	96.41
Later than one year but not later than 5 years	75.61	390.93
Later than 5 years	0.00	97.50
	147.91	584.84

33. Figures are expressed in lakhs of rupees.

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

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

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO.: 016544

Place : New Delhi
Dated : May 24, 2013

For and on behalf of the Board

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

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

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

CASH FLOW STATEMENT FOR 2012-13

(Rupees in lakh)

Particulars	2012-13 Increase/(Decrease)	2011-12 Increase/(Decrease)
A. Cash Flow from Operating Activities:		
Profit Before Taxation from ordinary activities	7,287.86	7,572.75
Adjustments for:		
Depreciation and amortisation	210.74	189.64
Provision for employee benefits	241.04	84.59
(Profit)/loss on sale of fixed assets (net)	(2.41)	(3.60)
(Profit)/loss on sale of investments (net)	(1,316.08)	(1,349.94)
Interest received on deposits and securities	393.35	(193.28)
Interest received on loans	(517.63)	-
Dividend income	(50.57)	(210.87)
Non-operating income (other than interest and dividend)	(133.19)	(151.67)
Income accrued but not due	21.04	45.54
Reversal in diminution in carrying value of investments	-	(68.01)
Provision for diminution in value of investments	0.16	-
Amortisation of deferred employees compensation	480.65	1,291.99
Adjustment for securities premium for options exercised during the year	(741.48)	(428.14)
Operating Profit before Working Capital changes	5,873.48	6,779.00
Adjustments for:		
Trade receivables	407.96	(341.49)
Loans & advances	(1,037.55)	(114.19)
Sundry deposits	(96.22)	3.80
Trade payables	24.93	2.08
Advances	56.24	(22.90)
Other liabilities	449.54	373.69
Paid to public offer applicants	(0.06)	-
Cash generated from/(used in) operations	5,678.32	6,679.99
Taxes paid (net)	(1,596.33)	(2,787.57)
Net cash generated from/(used in) operating activities (A)	4,081.99	3,892.42

Contd...

(Rupees in lakh)

	2012-13 Increase/(Decrease)	2011-12 Increase/(Decrease)
B. Cash Flow from Investing Activities:		
Purchase of fixed assets	(230.74)	(112.79)
Sale proceeds from fixed assets	18.76	15.56
Investments made during the period	(18,548.14)	(29,169.35)
Investments made in Subsidiaries during the period	(5,035.57)	(239.65)
Sale proceeds from investments	20,584.81	26,008.78
Loan repaid by ICRA Employees Welfare Trust	633.99	327.96
Loans and advances to companies under the same management (net)	(194.00)	(120.68)
Interest received on deposits and securities	(393.35)	193.28
Interest received on loans	517.63	-
Dividend income	50.57	210.87
Other income	133.19	151.67
Net cash generated from/(used in) investing activities (B)	(2,462.85)	(2,734.35)
C. Cash Flow from Financing Activities:		
Increase in securities premium	741.48	428.14
Unpaid dividend	1.28	0.93
Dividend and dividend tax paid	(2,324.45)	(1,968.27)
Net cash generated from/(used in) financing activities (C)	(1,581.69)	(1,539.20)
Net increase/(decrease) in cash and bank balances (A+B+C)	37.45	(381.13)
Cash and bank balances (opening balance)	2,085.48	2,466.61
Cash and bank balances (closing balance)	2,122.93	2,085.48
Net increase/(decrease) in cash and bank balances	37.45	(381.13)
<p>As per our report of even date attached for VIPIN AGGARWAL & ASSOCIATES Chartered Accountants (Registration No. 014454N)</p> <p>For and on behalf of the Board</p> <p>(VIPIN AGGARWAL) PARTNER MEMBERSHIP NO.: 016544</p> <p>(NARESH TAKKAR) MANAGING DIRECTOR & C.E.O.</p> <p>(PK. CHOUDHURY) CHAIRMAN & GROUP C.E.O.</p> <p>Place : New Delhi Dated : May 24, 2013</p> <p>(VIJAY WADHWA) C.F.O. & CO. SECRETARY</p>		

Financial Highlights of ICRA Limited

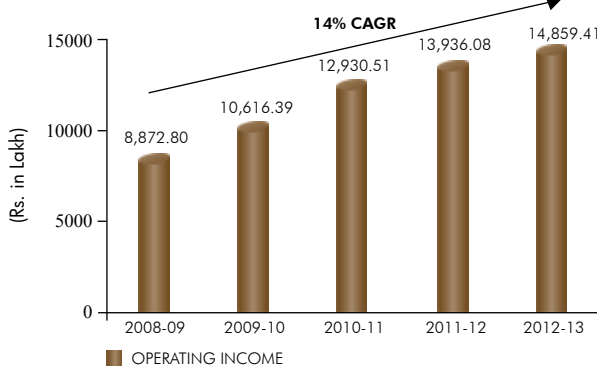
(Rs. in lakh)											
	Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Operating Income	3,286.08	3,715.22	3,321.28	3,978.99	6,069.53	8,872.80	10,616.39	12,930.51	13,936.08	14,859.41
2	Non-Operating Income	713.67	417.29	539.47	697.94	793.73	1,270.78	2,177.99	1,254.26	1,973.77	1,624.12
3	Total Income	3,999.75	4,132.51	3,860.75	4,676.93	6,863.26	10,143.58	12,794.38	14,184.77	15,909.85	16,483.53
4	PBDIT	1,620.50	1,269.65	1,891.32	2,387.67	3,967.27	5,443.74	7,606.80	7,083.74	7,762.39	7,498.60
5	Depreciation	(137.36)	(142.51)	(152.26)	(160.02)	(181.40)	(177.55)	(195.56)	(203.23)	(189.64)	(210.74)
6	Interest	-	-	-	(4.51)	-	-	-	-	-	-
7	Prior Period Adjustments (See Note)	-	-	-	-	(0.50)	(0.24)	-	-	-	-
8	Profit Before Tax	1,483.14	1,127.14	1,739.06	2,223.14	3,785.37	5,265.95	7,411.24	6,880.51	7,572.75	7,287.86
9	Tax Provision	(377.17)	(317.26)	(473.96)	(613.13)	(1,119.51)	(1,650.85)	(2,410.87)	(2,389.15)	(2,482.77)	(1,249.53)
10	Profit After Tax	1,105.97	809.88	1,265.10	1,610.01	2,665.86	3,615.10	5,000.37	4,491.36	5,089.98	6,038.33
11	Prior Period Adjustments (See Note)	(6.13)	3.71	(36.94)	(0.06)	-	-	-	-	-	-
12	Equity Share Capital	880.51	880.51	880.51	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
13	Securities Premium	2,687.55	2,687.55	2,687.55	6,511.23	6,511.23	6,511.23	6,511.23	6,511.23	6,939.37	7,680.85
14	Net Worth	7,945.65	8,409.29	9,237.29	14,232.02	15,730.09	17,941.25	20,959.74	24,234.13	28,291.65	32,236.74
15	Dividend (%)	50%	35%	40%	45%	100%	120%	170%	170%	200%	220%*
16	Earnings Per Share(Rs.)	12.56	9.20	14.37	18.23	26.66	36.15	50.00	44.91	50.90	60.38
17	Book Value Per Share (Rs.)	90.24	95.50	104.91	142.32	157.30	179.41	209.60	242.34	282.92	322.37

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".

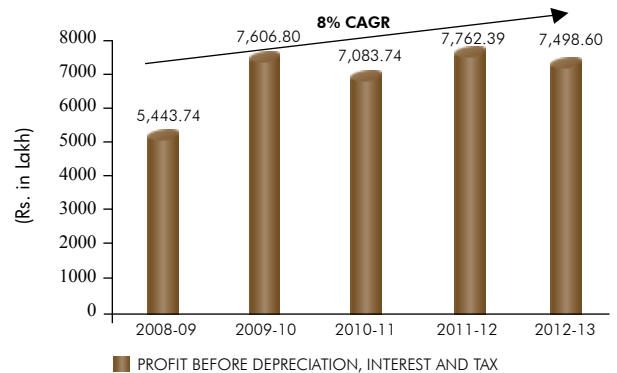
* Subject to approval of Shareholders.

ICRA: Selective Data/Ratio Analysis

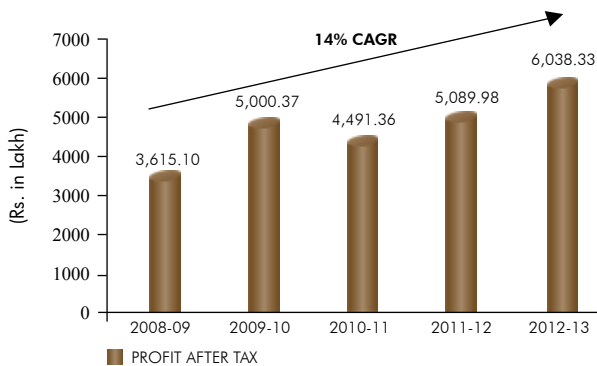
Trend in Operating Income



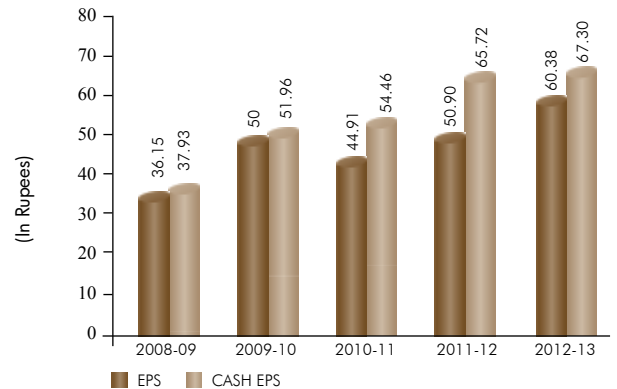
Trend in Profit before Depreciation, Interest and Tax



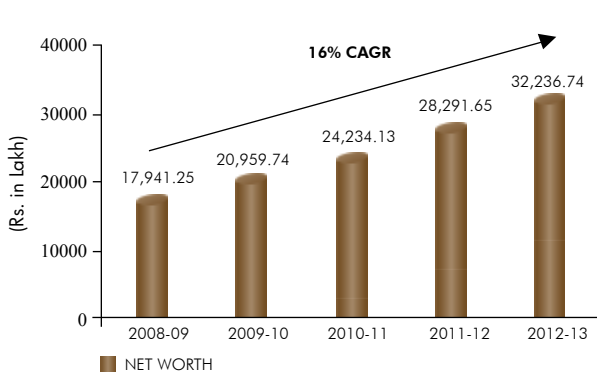
Trend in Profit after Tax



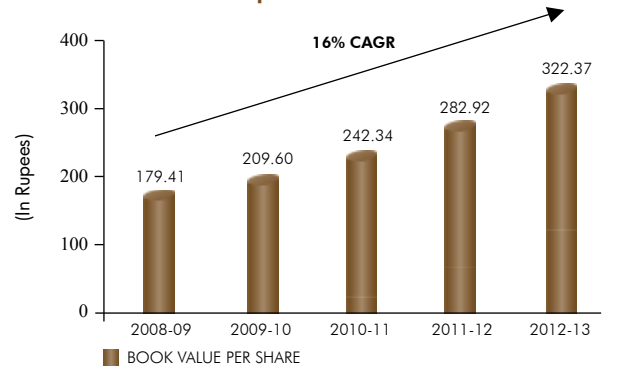
Trend in EPS and Cash EPS



Trend in Net Worth

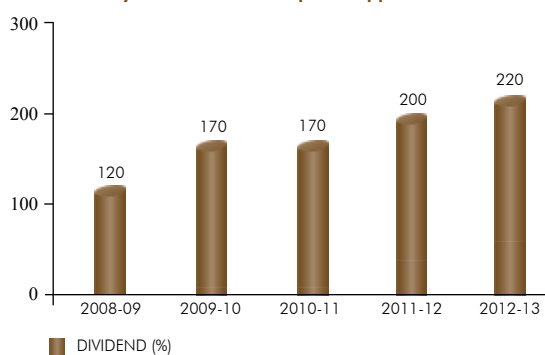


Trend in Book Value per Share



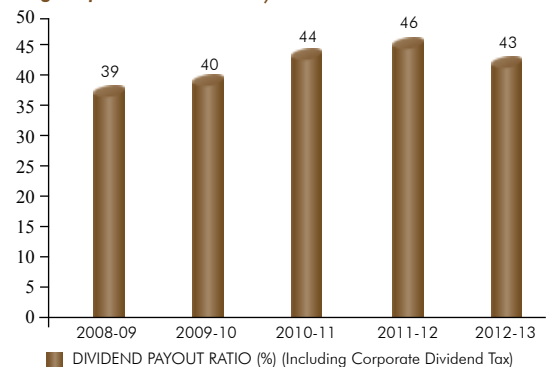
Trend in Dividend (%)

(Dividend for the year 2012-13 is subject to approval of Shareholders)



Trend in Dividend Payout Ratio (%)

(Including Corporate Dividend Tax)





Frequently Asked Questions

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

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

1. BSE Limited (BSE): [Scrip Code: 532835]
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 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, 2013 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 2011-12, a Dividend of 200%
For the financial year 2010-11, a Dividend of 170%
For the financial year 2009-10, a Dividend of 170%

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

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

Q What is National Electronic Clearing Service (NECS)?

A NECS refers to the National Electronic Clearing Service (NECS) introduced by the Reserve Bank of India (RBI) in September, 2008 with a view to 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.

Frequently Asked Questions

Q Where is ICRA's Registered Office located?

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

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

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

A Please contact our Registrar and Share Transfer Agent:

M/s. Link Intime India Private Limited

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

Or, ICRA's Compliance Officer:

Mr. Vijay Wadhwa

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

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

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

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



Frequently Asked Questions

Q Can electronic holdings be converted back into physical certificates?

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

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

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

A The Transferee needs to send the share certificate(s) along with the share transfer deed in the prescribed form 7B, duly filled in, executed and affixed with share transfer stamps, to the Company's Registrar and Share Transfer Agent. It takes about 10 days for the Company's Registrar and Share Transfer Agent to process the transfer, although the statutory time limit fixed for completing a transfer is 15 days under the Listing Agreement, and two months under the Companies Act, 1956.

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

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

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

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

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

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

Q Who should be contacted for complaints?

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

Frequently Asked Questions

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

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

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

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

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

A Please send a written request along with a certified photocopy of any two of the following documents: electricity bill, telephone bill, gas bill, bank pass book, passport, voter identity card, 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.



Auditors' Report on the Consolidated Financial Statements to the Board of Directors of ICRA Limited

1. We have audited the attached Consolidated Balance Sheet of ICRA Limited ('the Company') and its Subsidiary companies (the Company and its Subsidiaries constitute 'the Group') as at March 31, 2013, and also the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework, and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Subsidiaries whose financial statements in the aggregate reflect total assets of Rs. 12,811.75 lakh as at March 31, 2013 and total revenue of Rs. 10,750.85 lakh for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of such Subsidiaries, is based solely on the reports of the other auditors.
4. We further report:
 - (i) That the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements for the year ended March 31, 2013 of all the Subsidiaries in the Consolidated Financial Statements;
 - (ii) That on the basis of the information and according to the explanations given to us and on the consideration of the separate audit reports on the individual audited financial statements of the Company and its aforesaid Subsidiaries, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Profit and Loss Statement, of the consolidated results of operations of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

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

**Place : New Delhi
Dated : May 24, 2013**

**(Vipin Aggarwal)
(Partner)
Membership No. 016544**

Consolidated Balance Sheet

Consolidated Balance Sheet as at March 31, 2013

(Rupees in lakh)

Particulars	Note No.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	(2)	1,000.00	1,000.00
(b) Reserves and Surplus	(3)	32,923.75	29,161.33
2. Non-current Liabilities	(4)		
(a) Other Long term liabilities		33.62	25.53
(b) Long-term provisions		851.35	744.96
3. Current Liabilities	(5)		
(a) Trade payables		409.24	262.07
(b) Other current liabilities		3,996.62	3,286.80
(c) Short-term provisions		4,417.84	3,948.72
4. Minority Interest		453.87	(8.88)
Total		44,086.29	38,420.53
II. ASSETS			
1. Non-current Assets			
(a) Fixed Assets	(6)		
(i) Tangible assets		2,073.70	2,166.29
(ii) Intangible assets		152.34	146.63
(iii) Intangible assets under development		108.32	45.77
(b) Non-current investments	(7)	19,865.38	19,211.86
(c) Deferred tax assets (net)		218.02	260.46
(d) Long-term loans and advances	(8)	2,261.91	1,831.52
2. Current Assets			
(a) Current investments	(9)	3,058.56	4,405.00
(b) Trade receivables	(10)	4,724.57	3,699.20
(c) Cash and bank balances	(11)	4,735.28	4,085.42
(d) Short-term loans and advances	(12)	2,445.96	1,340.42
(e) Other current assets	(13)	188.63	195.14
3. Goodwill on Consolidation		4,253.62	1,032.82
Total		44,086.29	38,420.53

See accompanying notes to the financial statements

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

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

For and on behalf of the Board

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

Place : New Delhi
Dated : May 24, 2013

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

Consolidated Statement of Profit and Loss

Consolidated Statement of Profit and Loss for the year ended March 31, 2013			
(Rupees in lakh)			
Particulars	Note No.	2012-13 Rs.	2011-12 Rs.
I. Revenue from Operations	(14)	25,141.06	20,746.17
II. Other income	(15)	1,791.31	2,128.68
III. Total revenue		26,932.37	22,874.85
IV. Expenses			
Employee benefits	(16)	12,785.05	10,659.03
Finance costs	(17)	0.00	0.47
Depreciation and amortization	(6)	483.19	465.30
Other expenses	(18)	6,370.29	3,832.87
Total Expenses		19,638.53	14,957.67
V. Profit before exceptional items and tax		7,293.84	7,917.18
VI. Exceptional items		(89.55)	0.00
VII. Profit before extraordinary items and tax		7,204.29	7,917.18
VIII. Tax expense:			
(1) Current tax		(1,732.31)	(2,700.81)
(2) Deferred tax		411.93	47.85
(3) MAT credit entitlement		(3.10)	121.84
IX. Profit (Loss) for the period before minority interest		5,880.81	5,386.06
X. Minority interest		34.73	14.83
XI. Profit (Loss) for the period		5,915.54	5,400.89
XII. Earnings per equity share:	(25)		
Basic earnings per share (Rs.) (face value Rs. 10 per share)		59.16	54.01
Diluted earnings per share (Rs.) (face value Rs. 10 per share)		59.16	54.01

See accompanying notes to the financial statements

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

For and on behalf of the Board

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

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

Place : New Delhi
Dated : May 24, 2013

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

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation:-

- The consolidated financial statements include the financial statements of ICRA Limited ('the Company') and its subsidiaries (collectively referred as 'Group').
- The consolidated financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra-group balances and transactions.
- 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 of the Group's portion of cost of investments over the net assets of subsidiary companies acquired as at the dates of investments has been recognised as "Goodwill on Consolidation". Similarly, excess of net assets over the cost of investment of a subsidiary company, as at the date of acquisition, has been recognised as "Capital Reserve on Consolidation".

B. The Holding Company viz. ICRA's holdings in the subsidiary companies are as under:-

Name of the Company	Ownership in %
ICRA Management Consulting Services Limited	100% owned by ICRA Limited
ICRA Techno Analytics Limited	100% owned by ICRA Limited
ICRA Online Limited	100% owned by ICRA Limited
PT ICRA Indonesia	99% owned by ICRA Limited
ICRA Lanka Limited	100% owned by ICRA Limited
ICRA Nepal Limited	51% owned by ICRA Limited
ICRA Sapphire Inc.	100% owned by ICRA Techno Analytics Limited
ICRA Global Capital Inc.	100% owned by ICRA Techno Analytics Limited
IMaCS Virtus Global Partners, Inc. (IVGP)	66.67% owned by ICRA Management Consulting Services Limited
Pragati Development Consulting Services Limited	100% owned by ICRA Management Consulting Services Limited

All the subsidiary companies are incorporated in India except ICRA Sapphire Inc., ICRA Global Capital Inc. and IMaCS Virtus Global Partners, Inc., which are incorporated in the USA, PT. ICRA Indonesia, which is incorporated in Indonesia, ICRA Lanka Limited, which is incorporated in Sri Lanka and ICRA Nepal Limited, which is incorporated in Nepal.

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

C. Significant Accounting Policies:-

a) Basis of Preparation:- The Group adopts the accrual concept in the preparation of the accounts. The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

b) Revenue Recognition:-

- i) Income from rating/grading Services is recognised when the ratings/gradings are assigned by the Rating/Grading Committee of the Company.
- ii) The Company charges surveillance fees for 12 months at a time on accepted ratings and such fees commence 1 year after the date of assigning of a rating and continue annually thereafter. Such income is recognised on the basis of time elapsed (ignoring fractions of months). Surveillance fees on the rating assignments of commercial paper, line of credit (Basel II), liquefied petroleum gas, superior kerosene oil, collective investment schemes and grading assignments become due and are recognised on completion of the surveillance exercise.
- iii) Income from consulting services is recognised in the year in which such assignments are completed. In the case of assignments which are in process at the end of the accounting year, the revenue is recognised on the basis of milestones achieved in accordance with the terms of agreement with respective clients and the related bills are raised accordingly.
- iv) Revenue from services consists of revenue earned from services performed for software development and consultancy, licensing and sub-licensing fees, annual maintenance charges for software support, web development and hosting which is recognised to the extent services are performed.
- v) Revenue from sales is recognised when delivery of the branded softwares is made and is booked net of trade discount.
- vi) Income from Information services is recognised as follows:-
 - Licence fees are recognised upfront.
 - Other charges are spread over the period of the respective contracts. Wherever combined invoices are raised, 60% of the invoice value is taken as Licence fees. Billed revenue relating to periods beyond the reporting date is carried forward as "Unearned Revenue".
- vii) **Software services:-** Revenue from software services is recognised on raising of Invoices on completion or reaching the stated milestones in accordance with agreements with clients. Billed revenue relating to periods beyond the reporting date is carried forward as "deferred revenue".
- viii) **Outsourced Services:-** Income from outsourced services are recognized as follows:-
 - a) In respect of assignments of continuous nature like maintenance and management of data "on raising of periodical invoices as per agreement with client".
 - b) In respect of specific assignments "on raising of Invoices on completion or reaching milestones as per agreement with client".
 - c) Unbilled revenue for the reporting period is recognized on the basis of stage of completion.



ix) The dividend income from Investments in shares/units is recognised in the year in which the right to receive it crystallises. Interest income is recognised in the year it accrues.

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

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

- i) In the case of ICRA Techno Analytics Limited, computer software used for licensing is amortised on the straight line method over the useful life of the respective software subject to a maximum of thirty six months. Further, the assets represented by the depreciation on time share in sterling Holiday Resorts has been provided on the basis of the duration of the rights.
- ii) In the case of PT ICRA Indonesia, depreciation on fixed assets is calculated on the straight line method to allocate their cost or revalued amount to residual values over their estimated useful lives as follows :
 - Computer Equipment & Software, Office equipment & Furniture & Fixtures : 4 years.
 - Leasehold improvement : 4 years.
- iii) In the case of ICRA Management Consulting Services Limited, Software developed in house and having commercial usage are capitalised as software and shown under intangible assets. These are amortised over a period of 3-5 years. Software other than in house developed software are amortised based on the Management's estimates.
- iv) In case of ICRA Online Limited, intangible assets comprising computer software acquired separately are measured and recognised at cost. Such assets generated internally are capitalised to capture all expenditure that can be directly attributed or allocated including overheads on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Expenditure over and above development costs as above are not capitalised and are recognised as expenses and reflected in the statement of profit and loss in the year in which the expenditure is incurred.

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

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

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

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

- g) Employees' Benefits:-** Employees' benefits are provided by way of contributions to separate provident fund and pension schemes and accounting provisions for leave encashment and gratuity. Contribution to the provident fund scheme is deposited in accordance with the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Liabilities for gratuity and leave encashment are provided on the basis of actuarial valuations at the year end and by management estimates for interim periods keeping in view the last actuarial valuation.
- h) Employees Stock Option Scheme (ESOS):-** The accounting value of stock options is determined on the basis of "intrinsic value" representing the excess of the market price on the date of grant over the exercise price of the options granted under the ESOS of the Company. Accounting value is amortised as "deferred employees' compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note No.18 "Share Based Payments" issued by the ICAI.
- i) Assets on Lease:-**
- i) Owned assets given under operating leases are included in fixed assets. Depreciation in respect of these assets is recognised as an expense and related income as credits in the statement of profit and loss.
 - ii) The assets taken on operating leases are not capitalised in the books of the Company and lease payments are charged to the statement of profit and loss. Lease income on sharing of such assets with other companies is recognised in the statement of profit and loss.
- j) Miscellaneous Expenditure:-** Miscellaneous Expenditure is fully charged to Profit and Loss Account during the year in which it is incurred.
- k) Taxes on Income:-** Provision for taxation for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961 or the laws applicable in other tax jurisdictions as the case may be. Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.
- l) Foreign Currency Transactions:-**
- i) Transactions in foreign currencies are accounted for at the rates of exchange prevailing on the dates of the transactions. The gains or losses arising out of subsequent fluctuations on the date of the balance sheet or settlement before that date are charged to the statement of profit and loss.
 - ii) For the purpose of consolidation, foreign operations of the subsidiaries, being "non-integral operations" in terms of Accounting Standard - 11 (The Effects of Changes in Foreign Exchange Rates), income and expenses are translated at monthly average rates and the assets and liabilities are stated at the closing rate. The net impact of such changes is disclosed under Foreign Currency Translation Reserve.
- m) Capital Work in Progress:-**
- i) Capital work in progress represents expenditure incurred on development of various items of software to be licensed, which are under development, at the end of the accounting year. On completion of development of such software, the cost incurred is capitalised as "intangible assets".
 - ii) Software developed in-house and for commercial use are capitalised as software and shown under "intangible assets". These are amortised over a period of 5 years.

(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.

2. SHARE CAPITAL

AUTHORISED		
15,000,000 (previous year 15,000,000) equity shares of Rs. 10/- each	1,500.00	1,500.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
10,000,000 (previous year 10,000,000) equity shares of Rs. 10/- each fully paid up (Of the above, 9,06,000 shares of Rs. 10 each have been issued to the Employees Welfare Trust pursuant to an Employees Stock Options Scheme)	1,000.00	1,000.00

(A) Reconciliation of number of shares

Equity Shares

Opening balance (no. of shares)	10,000,000	10,000,000
Changes during the year (no. of shares)	0	0
Closing balance (no. of shares)	10,000,000	10,000,000

(B) Reconciliation of shares capital

Equity Shares

Opening balance	1,000.00	1,000.00
Changes during the year	0.00	0.00
Closing balance	1,000.00	1,000.00

(C) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(D) Shares held by holding company/ultimate holding company/by subsidiaries or associates of the holding company/ultimate holding company

0 0

(E) Shares held by each shareholder holding more than 5 per cent shares

Name of the Shareholder	No. of Shares As at March 31, 2013 (As at March 31, 2012)		
i) Moody's Investment Company India Private Limited	2,850,900 (2,850,900)	285.09 28.509%	285.09 28.509%
ii) State Bank of India	973,101 (999,900)	97.31 9.731%	99.99 9.999%
iii) Life Insurance Corporation of India	668,741 (668,741)	66.87 6.687%	66.87 6.687%
iv) Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Tax Relief 96	637,357 (490,600)	63.74 6.374%	49.06 4.906%
v) Franklin Templeton Mutual Fund A/c Franklin India Prima Plus	561,223 (539,659)	56.12 5.612%	53.97 5.397%
vi) General Insurance Corporation of India	522,999 (522,999)	52.30 5.230%	52.30 5.230%
vii) Punjab National Bank	501,646 (501,646)	50.16 5.016%	50.16 5.016%
viii) ICRA Employees Welfare Trust	356,360 (519,271)	35.64 3.564%	51.93 5.193%

(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
3. RESERVES AND SURPLUS		
a) Securities Premium Account		
- Opening balance	6,939.37	6,511.23
- Add: Amount of exercise of employee stock options during the year	741.48	428.14
	7,680.85	6,939.37
b) Capital Redemption Reserve		
- Opening balance	30.43	30.43
- Add: Transferred from statement of profit and loss	-	-
	30.43	30.43
c) General Reserve		
- Opening balance	9,326.90	8,817.90
- Add: Transferred from statement of profit and loss	604.00	509.00
	9,930.90	9,326.90
d) Employees Stock Options Outstanding		
- Opening balance	2,349.53	2,951.53
- Options granted during the year	-	-
- Options exercised during the year	(741.48)	(428.14)
- Options lapsed during the year	(94.80)	(173.86)
	1,513.25	2,349.53
Less: Deferred Employees Compensation		
- Opening balance	(734.38)	(2,200.23)
- Options granted during the year	-	-
- Options lapsed during the year	94.80	173.86
- Amortisation of deferred employees compensation	480.65	1,291.99
	(158.93)	(734.38)
	1,354.32	1,615.15
e) Surplus		
- Opening balance	11,233.06	8,694.33
- Transferred from statement of profit and loss	5,915.54	5,400.89
- Proposed dividend	(2,200.00)	(2,000.00)
- Corporate tax on proposed dividend	(373.89)	(324.45)
- Transferred to capital redemption reserve	-	(30.43)
- Transferred to general reserve	(604.00)	(509.00)
- Profit of erstwhile Axiom Technologies Ltd.	-	(28.74)
- Adjustment arising for amalgamation with Axiom	-	30.46
	13,970.71	11,233.06
f) Foreign currency translation reserve		
- Opening Balance	16.42	(75.01)
- Add: Addition during the period	(59.88)	91.43
	(43.46)	16.42
	32,923.75	29,161.33



(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
4. Non-current liabilities		
(a) Other Long-term liabilities		
Other than trade payables	33.62	25.53
	33.62	25.53
(b) Long-term provisions		
Provision for employee benefits	824.04	718.61
Others	27.31	26.35
	851.35	744.96
5. Current liabilities		
(a) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	0.96	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	408.28	262.07
	409.24	262.07
(b) Other current liabilities		
Advance received from clients	1,052.51	1,027.30
Refund due to public offer applicants	0.39	0.45
Unclaimed dividend	7.17	5.89
Unearned revenue	1,876.28	1,634.17
Statutory dues	331.60	278.49
Other liabilities	728.67	340.50
	3,996.62	3,286.80
(c) Short-term provisions		
Provision for income tax (net of prepaid taxes)	-	0.08
Provision for wealth tax	0.95	0.24
Proposed dividend	2,200.00	2,000.00
Provision for corporate tax on proposed dividend	373.89	324.45
Provision for employee benefits	1,826.84	1,582.44
Others	16.16	41.51
	4,417.84	3,948.72

Non-current assets**6. Fixed assets***(Rupees in lakh)*

Sr. No.	Particulars	GROSS				DEPRECIATION				NET CARRYING VALUE	
		As at April 1, 2012 Rs.	Additions Rs.	Disposals/ Adjustments Rs.	As at March 31, 2013 Rs.	Up to March 31, 2012 Rs.	For the period Rs.	Disposals/ Adjustments Rs.	Up to March 31, 2013 Rs.	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
(i)	Tangible Assets										
1	Buildings	1,956.03	-	-	1,956.03	867.94	54.40	-	922.34	1,033.69	1,088.09
2	Data Processing Equipment	1,245.36	233.97	(53.05)	1,426.28	899.83	189.00	(28.89)	1,059.94	366.34	345.53
3	Furniture and Fixtures	432.36	19.85	(26.28)	425.93	283.39	31.06	(18.66)	295.79	130.14	148.97
4	Office Equipment	255.23	26.67	(8.46)	273.44	132.54	22.41	(4.03)	150.92	122.52	122.69
5	Air Conditioners	124.47	2.69	(6.82)	120.34	57.36	9.48	(4.27)	62.57	57.77	67.11
6	Electrical Fittings	59.72	0.38	(0.68)	59.42	36.34	3.33	(0.56)	39.11	20.31	23.38
7	Vehicles	131.69	61.93	(44.54)	149.08	65.53	22.14	(33.99)	53.68	95.40	66.16
8	Leasehold Improvements	517.93	13.53	(17.20)	514.26	214.38	62.36	(9.21)	267.53	246.73	303.55
9	Time Sharing Sterling Holiday Resort	0.98	-	-	0.98	0.17	0.01	-	0.18	0.80	0.81
	Sub Total	4,723.77	359.02	(157.03)	4,925.76	2,557.48	394.19	(99.61)	2,852.06	2,073.70	2,166.29
(ii)	Intangible Assets										
1	Softwares	611.45	80.00	(0.31)	691.14	500.48	66.50	-	566.98	124.16	110.97
2	IMaCS' Risk Scorer & IMaCS' C-Cube	87.47	-	-	87.47	51.81	17.49	-	69.30	18.17	35.66
3	IMaCS' Equity Link Debenture- ELD	-	15.02	-	15.02	-	5.01	-	5.01	10.01	-
	Sub Total	698.92	95.02	(0.31)	793.63	552.29	89.00	-	641.29	152.34	146.63
(iii)	Capital work-in-progress										
		-	-	-	-	-	-	-	-	-	-
(iv)	Intangible assets under development										
		45.77	77.57	(15.02)	108.32	-	-	-	-	108.32	45.77
	Total	5,468.46	531.61	(172.36)	5,827.71	3,109.77	483.19	(99.61)	3,493.35	2,334.36	2,358.69
	Previous Period	5,207.19	408.77	(147.50)	5,468.46	2,778.33	465.30	(133.86)	3,109.77	2,358.69	

7. Non-current Investments (At Cost)

Particulars	Face Value (Rupees)	Quantity As at March 31, 2013 (Numbers)	Quantity As at March 31, 2012 (Numbers)	Amount As at March 31, 2013 (Rs. in lakh)	Amount As at March 31, 2012 (Rs. in lakh)
Other Investments					
a) - Others—Quoted, Fully Paid Up					
i Equity shares of CRISIL Limited	1	3,000.000	3,000.000	0.15	0.15
Sub-total (others)				0.15	0.15
Aggregate market value of other equity instruments				26.53	26.58
Total (a)				0.15	0.15
b) Mutual Funds—Quoted					
- In Balanced Mutual Funds					
i HDFC Prudence Fund - Dividend, Option : Payout	10	159,632.207	159,632.207	50.00	50.00
Sub total (Balanced Mutual Funds)				50.00	50.00
- In Fixed Maturity Plans					
i ICICI Prudential FMP Series 54-18 Months Plan A Cumulative	10	0.000	8,000,000.000	-	800.00
ii DSP BlackRock FMP-13M-Series 4 - Growth	10	0.000	4,500,000.000	-	450.00
iii SBI Debt Fund Series - 370 Days - 11 - Growth	10	0.000	5,000,000.000	-	500.00
iv Tata Fixed Maturity Plan Series 30 Scheme C - Growth	10	0.000	9,000,000.000	-	900.00
v L&T FMP - V (March367D A) - Growth	10	0.000	4,999,990.000	-	500.00
vi Axis Fixed Term Plan - Series 21 (394 Days) - Growth	10	6,000,000.000	6,000,000.000	600.00	600.00
vii Birla Sun Life Fixed Term Plan Series ES-Growth	10	6,000,000.000	6,000,000.000	600.00	600.00
viii DWS Fixed Maturity Plan Series 6 Growth Plan	10	6,000,000.000	6,000,000.000	600.00	600.00
ix Reliance Fixed Horizon Fund - XXI - Series 9 - Growth	10	0.000	5,999,990.000	-	600.00
x Birla Sun Life Fixed Term Plan Series EE-Growth	10	0.000	10,000,000.000	-	1,000.00
xi L&T Fixed Maturity Plan- Series 6- Plan F-Growth	10	0.000	9,999,990.000	-	1,000.00
xii HDFC FMP 400D February 2012 (1) - Growth Series XXI	10	10,000,000.000	10,000,000.000	1,000.00	1,000.00
xiii ICICI Prudential FMP-Series 61-1 Year Plan C Cumulative	10	0.000	10,000,000.000	-	1,000.00
xiv IDFC Fixed Maturity Plan - Yearly Series 61 - Growth	10	0.000	9,999,990.000	-	1,000.00
xv Kotak FMP Series 80 - Growth	10	10,000,000.000	10,000,000.000	1,000.00	1,000.00
xvi ICICI Prudential FMP-Series 63-378 Days Plan I Cumulative	10	9,999,990.000	9,999,990.000	1,000.00	1,000.00
xvii DSP BlackRock FMP Series 38-12.5M - Growth	10	12,000,000.000	12,000,000.000	1,200.00	1,200.00
xviii Sundaram Fixed Term Plan CJ 366 Days Growth	10	0.000	11,999,990.000	-	1,200.00
xix JP Morgan India Fixed Maturity Plan Series 6 Growth	10	15,000,000.000	15,000,000.000	1,500.00	1,500.00
xx Religare FMP-Series XII-Plan A-370 Days-Growth Plan	10	0.000	16,422,970.000	-	1,642.30
xxi HDFC FMP 372D January 2013(2) Series 23-Direct-Growth	10	12,000,000.000	0.000	1,200.00	-
xxii JP Morgan India Fixed Maturity Plan Series 12-Direct-Growth	10	10,000,000.000	0.000	1,000.00	-
xxiii JP Morgan India Fixed Maturity Plan Series 16-Direct-Growth	10	6,000,000.000	0.000	600.00	-
xxiv L & T FMP- VII (January 507 D A) Direct Plan Growth	10	12,000,000.000	0.000	1,200.00	-
xxv Reliance Fixed Horizon Fund-XXIII-Series 4-Direct Plan-Growth Plan	10	6,000,000.000	0.000	600.00	-
xxvi Reliance Yearly Interval Fund Series 1-Direct Plan-Growth Plan	10	12,000,000.000	0.000	1,200.00	-
xxvii Religare Active Income Fund - Direct Plan Growth	10	4,313,536.597	0.000	600.00	-
xxviii Religare Fixed Maturity Plan-Series XVII-Plan F (392 days) Direct Plan	10	6,000,000.000	0.000	600.00	-
xxix Religare Short Term Fund - Direct Plan Growth	10	3,818,615.752	0.000	600.00	-
xxx Sundaram Fixed Term Plan - DC 15 Months Direct Growth	10	12,000,000.000	0.000	1,200.00	-
xxxi Sundaram Fixed Term Plan - DH 378 Days Direct Growth	10	8,000,000.000	0.000	800.00	-
xxxi Tata Fixed Maturity Plan Series 42 Scheme G Direct Plan - Growth	10	10,000,000.000	0.000	1,000.00	-
xxxi Taurus Fixed Maturity Plan 369 Days Series - X - Direct Plan	10	10,000,000.000	0.000	1,000.00	-
Sub total (Fixed Maturity Plans)				19,100.00	18,092.30

Investments Contd...**Non-Current Investments (At Cost)**

Particulars	Face Value (Rupees)	Quantity As at March 31, 2013 (Numbers)	Quantity As at March 31, 2012 (Numbers)	Amount As at March 31, 2013 (Rs. in lakh)	Amount As at March 31, 2012 (Rs. in lakh)
- In Other Plans					
i SBI Magnum Income Fund FR Savings Plus Bond Plan-Growth	10	0.000	2,826,395.710	-	400.00
ii Templeton Floating Rate Income Fund Institutional Option - Dividend Reinvestment	10	6,858,593.420	6,557,024.303	709.35	678.15
iii Templeton Floating Rate Income Fund Retail Option - Dividend Reinvestment	10	166,581.868	0.000	18.17	-
Sub total (Other Plans)				727.52	1,078.15
Total (b)				19,877.52	19,220.45
Diminution due to change in carrying value of investments				(12.29)	(8.74)
Net investments (b)				19,865.23	19,211.71
Total (Non-current quoted Investments)				19,865.38	19,211.86
Aggregate market value of quoted investments				20,843.36	19,745.73

(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
8. Long-term loans and advances		
Loans to staff (secured, considered good)	123.07	114.44
Loan to ICRA Employees Welfare Trust (unsecured, considered good)	640.47	1,274.46
Advance for Capital Asset	753.51	-
Security Deposits		
- Unsecured, considered good	403.63	275.95
- Unsecured, considered doubtful	4.62	51.35
Others (unsecured, considered good)	341.23	166.67
	2,266.53	1,882.87
Less: Provision for doubtful long-term loans and advances	(4.62)	(51.35)
	2,261.91	1,831.52

9. Current Investments (At Cost)					
Particulars	Face Value (Rupees)	Quantity As at March 31, 2013 (Numbers)	Quantity As at March 31, 2012 (Numbers)	Amount As at March 31, 2013 (Rs. in lakh)	Amount As at March 31, 2012 (Rs. in lakh)
Mutual Funds—Quoted					
i) Investment in Government or trust securities					
i Citizen Investment Trust	62.44	50,000.000	0.000	31.22	-
ii) In Other Plans					
i Birla Sunlife Savings Fund Inst. - Growth	100.00	0.00	391,856.06	-	800.00
ii JP Morgan India Treasury Fund - Super Inst. Growth Plan	10.00	0.00	5,704,669.27	-	800.00
iii Reliance Money Manager Fund - Growth Plan - Growth Option	1,000.00	55,539.08	54,664.08	822.34	800.00
iv IDBI Ultra Short Term Fund - Growth	1,000.00	0.00	90,298.26	-	1,000.00
v SBI Ultra Short Term Debt Fund - Regular Plan - Growth	1,000.00	74,365.48	74,365.48	1,000.00	1,000.00
vi Sundaram Ultra ST Fund Retail Growth	10.00	37,167.81	37,167.81	5.00	5.00
vii Religare Ultra Short Term Fund - Growth	1,000.00	78,851.22	0.00	1,200.00	-
Total (Mutual Fund Investments)				3,058.56	4,405.00
Diminution due to change in carrying value of investments				-	-
Net (Mutual Fund Investments)				3,058.56	4,405.00
Aggregate amount of unquoted investments				-	-
Aggregate amount of quoted investments				3,058.56	4,405.00
Total (Current investments)				3,058.56	4,405.00
Aggregate market value of mutual fund (quoted) investments				3,325.25	4,465.14

(Rupees in lakh)		
Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
10. Trade receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
- considered good	1,409.28	1,284.25
- considered doubtful	464.10	174.07
	1,873.38	1,458.32
Others		
- considered good	3,315.29	2,414.95
- considered doubtful	11.56	1.84
	3,326.85	2,416.79
Total	5,200.23	3,875.11
Less provision for doubtful trade receivables	(475.66)	(175.91)
	4,724.57	3,699.20
11. Cash and bank balances		
a) Cash and cash equivalents		
Current accounts	2,207.05	587.33
Cash on hand	5.19	4.45
Unpaid dividend	7.17	5.89
Balance with bank payable to public offer applicants	0.39	0.45
Cheques, drafts on hand	7.28	2.46
b) Other bank balances		
Bank deposits	2,343.52	3,345.39
Margin money	164.68	139.45
	4,735.28	4,085.42
12. Short-term loans and advances		
Loans to staff (secured, considered good)	95.58	70.45
With others		
- Unsecured, considered good	1,696.92	861.43
- Unsecured, considered doubtful	15.37	22.68
Prepaid taxes (net of provision)	653.46	408.54
	2,461.33	1,363.10
Less: provision for doubtful short-term loans and advances	(15.37)	(22.68)
	2,445.96	1,340.42
13. Other current assets		
Interest accrued but not due on investments and deposits	73.12	106.42
Unbilled revenue	114.08	88.02
Other receivables	1.43	0.70
	188.63	195.14

(Rupees in lakh)		
Particulars	2012-13 Rs.	2011-12 Rs.
14. Revenue from Operations		
Rating services fees	14,955.55	13,947.17
Consulting fees	2,573.00	2,517.00
Outsourced and information services	2,159.77	1,757.86
Professional and I.T. services etc.	5,390.19	2,459.85
Sales	-	0.40
Software services fees	62.55	63.89
	25,141.06	20,746.17
15. Other Income		
Interest income	289.78	324.42
Dividend from subsidiary companies	-	45.24
Dividend income	55.36	171.22
Profit on sale/redemption of investments (net)	1,316.08	1,349.94
Foreign exchange gain (net)	59.32	107.22
Rental income	2.92	3.72
Reversal in diminution in carrying value of investments	-	68.01
Other non-operating income	67.85	58.91
	1,791.31	2,128.68
16. Employee benefit expense		
Salaries and allowances	9,829.50	7,250.20
Profit sharing	1,183.84	1,128.89
Contribution to provident fund	388.91	329.01
Amortisation of deferred employees compensation	480.65	1,291.99
Staff welfare expenses	818.28	588.03
Training and recruitment expenses	83.87	70.91
	12,785.05	10,659.03
17. Finance cost		
Interest expenses	-	0.47
	-	0.47
18. Other Expenses		
a) Administrative Expenses		
Rent	734.70	541.20
Rates and taxes	182.35	41.20
Repairs and maintenance - building	0.44	0.27
Repairs and maintenance - others	321.13	275.34
Communication expenses	319.25	267.74
Electricity and water expenses	242.82	187.62
Printing and stationery	236.40	188.87
Insurance charges	43.24	32.26
Books and periodicals	39.69	37.71
	2,120.02	1,572.21
b) Others		
Travelling and conveyance	1,049.43	907.00
Directors' sitting fees	12.83	13.08
Legal and professional charges	2,289.85	883.58
Conference and meeting expenses	64.27	95.00
Advertisement expenses	18.43	38.95
Auditors' remuneration and expenses	15.56	12.71
Technical services	29.71	48.76
Bad debts/advances written off (net of provisions)	574.04	79.28
Fees and subscription	38.32	37.50
Loss on sale/redemption of investments	-	0.28
Remuneration to non executive directors	41.00	42.00
Recruitment expenses	28.31	9.70
Miscellaneous expenses	88.52	92.82
	4,250.27	2,260.66
Total (Other Expenses)	6,370.29	3,832.87

19. Contingent liabilities and capital commitments:-

	As at March 31, 2013 (Rs. in lakh)	As at March 31, 2012 (Rs. in lakh)
(1) Contingent liabilities not provided for are as under:-		
Claims against the Company disputed and not acknowledged as debts	-	12.85
Guarantees given by Banks against counter guarantees of the Company	347.11	373.53
Disputed income tax demands	191.44	300.80
Total	538.55	687.18

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

(2) Other commitments:-

Estimated amount of contracts remaining to be executed on capital account and not provided for	270.97	0.00
Total	270.97	0.00

- 20.** As required under the Micro, Small and Medium Enterprises Development Act, 2006, the disclosure related to Trade Payable (under Note - 5 of "Current Liabilities") is based on the information received from the Suppliers to the Company. Payable to MSME at the end of the year is Rs. 0.96 lakh (previous year NIL).
- 21.** 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 the Company have been issued to the ICRA Employees Welfare Trust for grant of options to the eligible employees. Accordingly, the ICRA Employees Welfare Trust has granted stock options to those eligible employees from the pool of 9,06,000 equity shares in two tranches so far. The first tranche was granted during 2006-07 and the second during 2010-11. 3,86,729 options were exercised till March 31, 2012 and 1,62,911 options were exercised during the year under review.
- 22.** A sum of Rs. 751.30 lakh and Rs. 1291.99 lakh was amortised during the financial year 2010-11 and 2011-12 respectively as "deferred employees compensation" in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The said amounts were taken as disallowable expenses while making provisions for Income Tax during respective years. Following the rationale of recent judgments passed by the High Court of Madras and the Income Tax Appellate Tribunal, Chandigarh, on identical facts, the Company has reversed Income Tax provision of Rs. 249.56 lakh and Rs. 419.19 lakh relating to the financial years 2010-11 and 2011-12 respectively and adjusted the same against Current Tax.
- 23.** In view of recovery of security deposit from Associated Journals Limited in May 2013, provision of Rs. 46.72 Lakh for doubtful advance created in this regard has been reversed during the year. Further, in view of the Accounting Standard-9, interest amounting to Rs. 44.55 Lakh recovered in May 2013 has been accounted for as income during the year.

24. Segment Reporting:-

Segmentwise Revenues and Results

Particulars	2012-13 (Rs. in lakh)	2011-12 (Rs. in lakh)
Segment Revenues		
a) Rating services	14,955.55	13,947.17
b) Consulting services	2,573.00	2,517.00
c) Outsourced and Information services	2,159.77	1,757.86
d) Professional and I.T. Services etc.	5,452.74	2,524.14
Segment total	25,141.06	20,746.17
Segment Results		
a) Rating services	6,593.16	6,622.98
b) Consulting services	119.89	187.46
c) Outsourced and Information services	350.67	212.18
d) Professional and I.T. Services etc.	(199.71)	248.61
Total of all segments	6,864.01	7,271.23
Non-operating income over expenses	913.02	1,111.25
Depreciation	(483.19)	(465.30)
Profit before interest, prior period adjustments and tax	7,293.84	7,917.18
Interest paid	-	-
Profit before prior period adjustments and tax	7,293.84	7,917.18
Exceptional items	(89.55)	-
Profit before tax	7,204.29	7,917.18
Provision for tax	(1,323.48)	(2,531.12)
Profit after tax before minority interest	5,880.81	5,386.06

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

25. Earning Per Share:-

Profit after tax	5,915.54	5,400.89
Number of shares outstanding at the end of the period (face value Rs. 10 per share)	10,000,000	10,000,000
Basic earning per share (Rs.) (face value Rs. 10 per share)	59.16	54.01
Diluted earning per share (Rs.) (face value Rs. 10 per share)	59.16	54.01
Cash earning per share (Rs.) (face value Rs. 10 per share)	68.79	71.58
(The earning per share has been calculated on the weighted average basis).		
(Cash EPS is computed after considering Depreciation and Amortisation of Deferred Employees Compensation)		

26. Provision for taxes has been arrived at as follows:-

Particulars	2012-13 (Rs. in lakh)	2011-12 (Rs. in lakh)
Current income tax	(2,427.07)	(2,681.45)
Deferred tax	411.93	47.85
Wealth tax	(0.95)	(0.24)
Income tax for previous year	695.71	(19.12)
MAT Credit Entitlement	(3.10)	121.84
	(1,323.48)	(2,531.12)

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

Particulars	As at March 31, 2013 (Rs. in lakh)	As at March 31, 2012 (Rs. in lakh)
Depreciation	377.75	173.56
Preliminary Expenses	(0.67)	(2.23)
Provision for gratuity	(151.57)	(113.26)
Provision for leave encashment	(118.89)	(98.91)
Provision for leave travel allowance	(24.61)	-
Provision for medical	(16.61)	-
Provision for doubtful debts	(69.51)	(52.06)
Provision for doubtful loans and advances	(1.50)	(16.66)
Diminution due to change in carrying value of investments	(3.98)	(2.84)
Disallowance under the Income Tax Act, 1961	(43.31)	(37.64)
Disallowance u/s 35D	(0.05)	-
Provision for doubtful Out of Pocket Expenses	(4.52)	(6.60)
Fiscal Loss	(147.19)	(103.82)
Business Loss Carried Forward	(13.36)	-
	(218.02)	(260.46)

28. Related Party Disclosure:-

Name and Relationship	Name of the Company	Nature of Transaction	2012-13 (Rs. in lakh)	2011-12 (Rs. in lakh)
Mr. P.K. Choudhury (Whole-time Director)	ICRA Limited	Managerial remuneration	202.46	196.90
Mr. Naresh Takkar (Whole-time Director)	ICRA Limited	Managerial remuneration	196.41	174.36
Mr. R. Raghuttama Rao (Whole-time Director)	ICRA Management Consulting Services Limited	Managerial remuneration	79.42	75.01
Mr. Prateep Kumar Guha (Whole-time Director)	ICRA Techno Analytics Limited	Managerial remuneration	50.60	45.89
Ms. Sushmita Ghatak (Chief Operating Officer)	ICRA Online Limited	Managerial remuneration Loan	50.31 14.32	43.61 14.96
Mr. Rajesh Dubey (Executive Director)	ICRA Online Limited	Managerial remuneration	-	21.53
Ms. Minon Almasyhur (Whole-time Director)	PT ICRA Indonesia	Managerial remuneration	65.22	55.74
Mr. W. Don Barnabas (Whole-time Director)	ICRA Lanka Limited	Managerial remuneration	21.67	14.64
Mr. Deepak Raj Kafle (Managing Director)	ICRA Nepal Limited	Managerial remuneration	7.49	2.21

29. Operating Leases:-

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

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

	2012-13 (Rs. in lakh)	2011-12 (Rs. in lakh)
Lease payment recognised in the statement of Profit and Loss	849.47	674.82

Future minimum lease payments:-

	March 31, 2013 (Rs. in lakh)	March 31, 2012 (Rs. in lakh)
Not later than one year	774.33	619.67
Later than one year but not later than 5 years	2,704.19	2,089.24
Later than 5 years	851.06	1,243.51
	4,329.58	3,952.42

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

	2012-13 (Rs. in lakh)	2011-12 (Rs. in lakh)
Sub-lease receipts recognised in the statement of Profit and Loss	59.36	77.66

Future minimum sub-lease receipts:-

	March 31, 2013 (Rs. in lakh)	March 31, 2012 (Rs. in lakh)
Not later than one year	144.35	191.78
Later than one year but not later than 5 years	169.30	782.39
Later than 5 years	-	218.66
	313.65	1,192.83

30. Figures are expressed in lakhs of rupees.

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

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

For and on behalf of the Board

(VIPIN AGGARWAL)
PARTNER
MEMBERSHIP NO. : 016544

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

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

Place : New Delhi
Dated : May 24, 2013

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

CASH FLOW STATEMENT FOR 2012-13*(Rs. in lakh)*

Particulars	2012-13 Increase/(Decrease)	2011-12 Increase/(Decrease)
A. Cash Flow from Operating Activities:		
Profit Before Taxation from ordinary activities	7,204.29	7,917.18
Adjustments for:		
Depreciation and amortisation	483.19	465.30
Provision for employee benefits	349.83	183.18
(Profit) / Loss on sale of fixed assets (Net)	3.00	4.42
(Profit) / Loss on sale of Investments (Net)	(1,316.08)	(1,349.66)
Interest received on deposits and securities	(289.78)	(324.42)
Dividend income	(55.36)	(216.46)
Non-operating income (other than interest and dividend)	(130.09)	(169.85)
Interest Paid on Loans	-	0.47
Income accrued but not due	6.51	50.42
Reversal in diminution in carrying value of Investments	-	(68.01)
Provision for diminution in value of investments	3.54	5.29
Amortisation of deferred employees compensation	480.65	1,291.99
Adjustment for securities premium for options exercised during the year	(741.48)	(428.14)
Minority Interest relating to post acquisition profit	34.73	14.83
Adjustment arising for amalgamation with Axiom	-	1.72
Operating Profit before Working Capital changes	6,032.95	7,378.26
Adjustments for:		
Trade & Other Receivables		
Trade receivables	(1,025.37)	(455.54)
Loans & advances	(1,809.18)	(350.02)
Sundry deposits	(115.82)	(21.41)
Trade Payables		
Trade payables	73.21	6.04
Advances received	29.52	(18.79)
Other liabilities	736.74	407.12
Paid to Public Offer Applicants	(0.06)	-
Cash generated from / (used in) operations	3,921.99	6,945.66
Taxes paid (net)	(1,525.33)	(3,026.40)
Net cash generated from / (used in) operating activities (A)	2,396.66	3,919.26

Contd...

(Rs. in lakh)

Particulars	2012-13 Increase/(Decrease)	2011-12 Increase/(Decrease)
B. Cash Flow from Investing Activities:		
Purchase of fixed assets	(531.61)	(408.77)
Sale proceeds from fixed assets	69.75	9.22
Investments made during the period	(12,902.93)	(20,791.64)
Sale proceeds from investments	14,908.38	17,711.59
Loan repaid by ICRA Employees Welfare Trust	633.99	327.96
Interest received on deposits and securities	289.78	324.42
Dividend income	55.36	216.46
Other income	130.09	169.85
Goodwill on acquisition of subsidiaries	(3,220.80)	(78.43)
Foreign currency translation reserve	(59.87)	86.37
Net Cash generated from/(used in) Investing Activities (B)	(627.86)	(2,432.97)
C. Cash Flow from Financing Activities:		
Increase in securities premium	741.48	428.14
Unpaid dividend	1.28	0.93
Interest paid on loans	-	(0.47)
Minority interest	462.75	(12.57)
Dividend and dividend tax paid	(2,324.45)	(2,021.02)
Net cash generated from/(used in) financing activities (C)	(1,118.94)	(1,604.99)
Net increase/(decrease) in cash and bank balances (A+B+C)	649.86	(118.70)
Cash and bank balances (opening balance)	4,085.42	4,204.12
Cash and bank balances (closing balance)	4,735.28	4,085.42
Net increase/(decrease) in cash and bank balances	649.86	(118.70)
As per our report of even date attached for VIPIN AGGARWAL & ASSOCIATES Chartered Accountants (Registration No. 014454N)	For and on behalf of the Board	
(VIPIN AGGARWAL) PARTNER MEMBERSHIP NO. : 016544	(NARESH TAKKAR) MANAGING DIRECTOR & C.E.O.	(P.K. CHOUDHURY) CHAIRMAN & GROUP C.E.O.
Place : New Delhi Dated : May 24, 2013	(VIJAY WADHWA) C.F.O. & CO. SECRETARY	

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies for the year ended March 31, 2013

(Rs. in lakh)

1.	Name of the Subsidiary Company	ICRA Management Consulting Services Limited (IMaCS)	ICRA Techno Analytics Ltd.	ICRA Online Limited	PT ICRA Indonesia	ICRA Lanka Limited	ICRA Nepal Limited	Pragati Development Consulting Services Limited (PDCSL)	IMaCS Virtus Global Partners, Inc. (IVGP)	ICRA Sapphire Inc.	ICRA Global Capital, Inc. (Including BPA Technologies, Inc.)
2.	Financial year of the Subsidiary ended on	March 31, 2013	March 31, 2013	March 31, 2013	December 31, 2012 (See Note 1)	March 31, 2013	July 15, 2012 (See Note 2)	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
3.	Holding Company's share in Equity Share Capital	100%	100%	100%	99%	100%	51%	100%	66.67% (IMaCS holds 66.67% Equity Share in IVGP)	100% holding by ICRA Techno Analytics Limited	100% holding by ICRA Techno Analytics Limited
4.	Net aggregate amount of the Profits of the subsidiary not dealt with in the Holding Company's accounts. (i) Profits/(Losses) for the Current Financial Year of the Subsidiary Company (ii) Profits/(Losses) for the Previous Financial Year of the Subsidiary Company, since it became the subsidiary of ICRA	20.02 159.59	196.58 356.03	230.13 63.90	(194.45) (188.07)	(32.07) (57.65)	(10.99) (5.24)	7.41 4.26	(0.62) (38.88)	(263.41) 3.13	(82.90) -
5.	Net aggregate amount of the Profits of the subsidiary dealt with in the Holding Company's accounts. (i) For the Current Financial Year of the Subsidiary Company (ii) For the Previous Financial Year of the Subsidiary Company, since it became the subsidiary of ICRA	NIL Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
6.	Details of material changes occurred between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of (i) Purchase of Equity Shares of Subsidiary from erstwhile Shareholder (ii) Investment in Equity Shares of Subsidiary	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:-

1. The financial year of PT ICRA Indonesia ends on December 31. However, the results given are as of March 31, 2013.
2. The financial year of ICRA Nepal Limited is from July 16 of each year to July 15 of the following year. The above details are as on March 31, 2013.

For and on behalf of the Board

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

(PK. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.

Place : New Delhi
Dated : May 24, 2013

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

Statement containing brief financial details of Subsidiary Companies as on March 31, 2013

(Rs. in lakh)

1	Name of the Subsidiary Company	ICRA Management Consulting Services Limited (IMaCS)	ICRA Techno Analytics Ltd.	ICRA Online Limited	PT ICRA Indonesia	ICRA Lanka Limited	ICRA Nepal Limited	Pragati Development Consulting Services Limited (PDCSL)	IMaCS Virtus Global Partners, Inc. (IVGP)	ICRA Sapphire Inc.	ICRA Global Capital, Inc. (Including BPA Technologies, Inc.)
2	Country	India	India	India	Indonesia	Sri Lanka	Nepal	India	USA	USA	USA
3	Reporting Currency	INR	INR	INR	IDR	LKR	NPR	INR	USD	USD	USD
4	Exchange Rate	1	1	1	0.005588	0.428284	0.623628	1	54.29	54.39	54.39
5	Share Capital	15,000,000 equity shares of Rs. 10/- each fully paid up	2,14,53,351 equity shares of Rs. 10/- each fully paid up	89,51,458 equity shares of Rs. 10/- each fully paid up	12,22,282 equity shares of IDR 10,000 each fully paid up	38,48,900 equity shares of LKR 10/- each fully paid up	2,00,000 equity shares of NPR 100/- each fully paid up	50,000 equity shares of Rs. 10/- each fully paid up	75,000 equity shares fully paid up	1,66,666.67 equity shares fully paid up	1,10,75,000 equity shares fully paid up
6	Reserves & Surplus	818.94	4867.26	626.56	(597.57)	(102.33)	(16.23)	11.67	(63.03)	(359.12)	(186.32)
7	Total Assets	2,898.17	7335.87	1809.38	443.87	67.16	122.67	47.32	15.30	1075.45	5517.16
8	Total Liabilities	2,898.17	7335.87	1809.38	443.87	67.16	122.67	47.32	15.30	1075.45	5517.16
9	Investments other than Investment in Subsidiary	37.87	0	0	0	0	31.22	0	0	0	0
10	Turnover	2,504.66	1807.37	2350.22	117.95	10.63	0	133.16	13.83	886.36	3018.90
11	Profit/(Loss) Before Taxation	31.43	306.63	353.82	(259.88)	(45.02)	(10.96)	11.27	(0.62)	(263.41)	(206.79)
12	Provision for Taxation	(11.41)	(110.05)	123.69	65.43	12.95	0.03	(3.86)	0	0	96.70
13	Profit After Taxation after Minority Interest	20.02	196.58	230.13	(194.45)	(32.07)	(10.99)	7.41	(0.62)	(263.41)	(82.90)
14	Proposed Dividend	0	0	0	0	0	0	0	0	0	0

Notes:-

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31/03/13.
- IDR denotes Indonesian Rupiah, LKR denotes Sri Lankan Rupee, NPR denotes Nepali Rupee and USD denotes United States Dollar.
- The financial year of PT ICRA Indonesia ends on December 31. However, the results given are as of March 31, 2013.
- The financial year of ICRA Nepal Limited is from July 16 of each year to July 15 of the following year. The above details are as on March 31, 2013.

(NARESH TAKKAR)
MANAGING DIRECTOR & C.E.O.

For and on behalf of the Board

(PK. CHOUDHURY)
CHAIRMAN & GROUP C.E.O.

Place : New Delhi
Dated : May 24, 2013

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

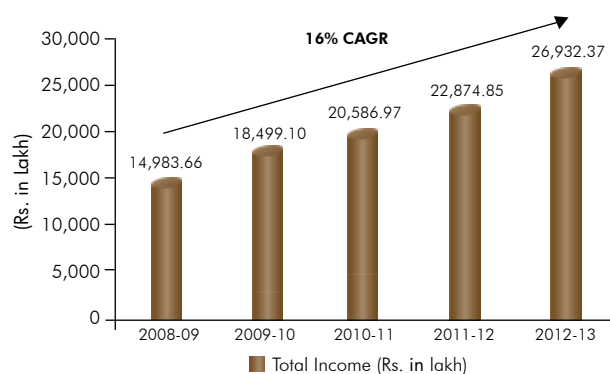
Financial Highlights of Group ICRA

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

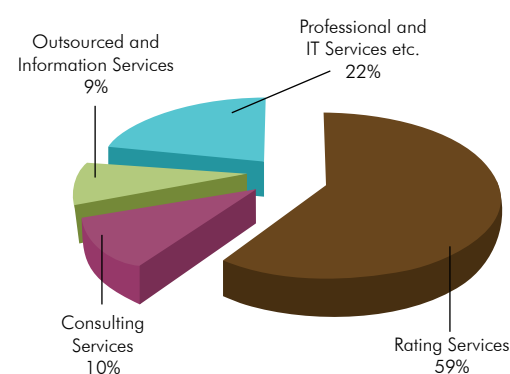
Note: Prior Period Adjustments up to the financial year 2006-07 are reflected below "Profit After Tax", and with effect from the financial year 2007-08 the same are reflected above "Profit After Tax".

Group ICRA: Selective Data/Ratio Analysis

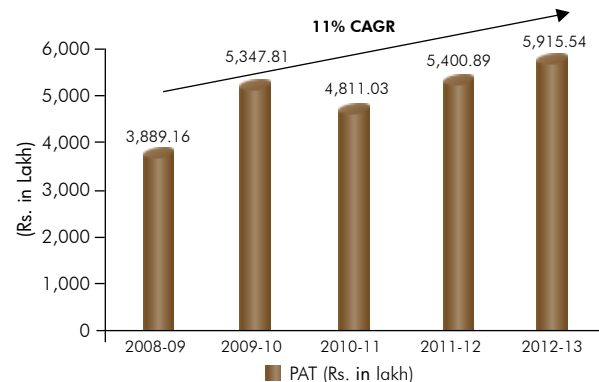
Trend in Total Income



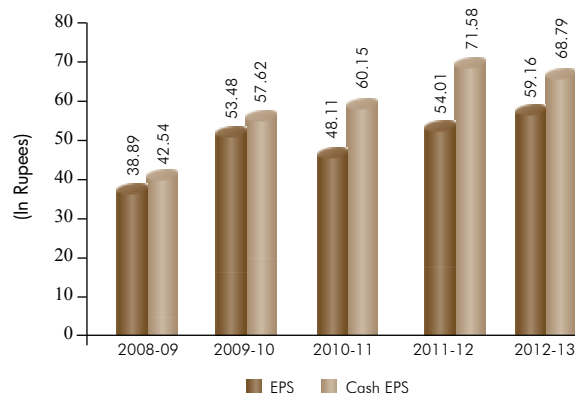
Segment-Wise Revenue 2012-13



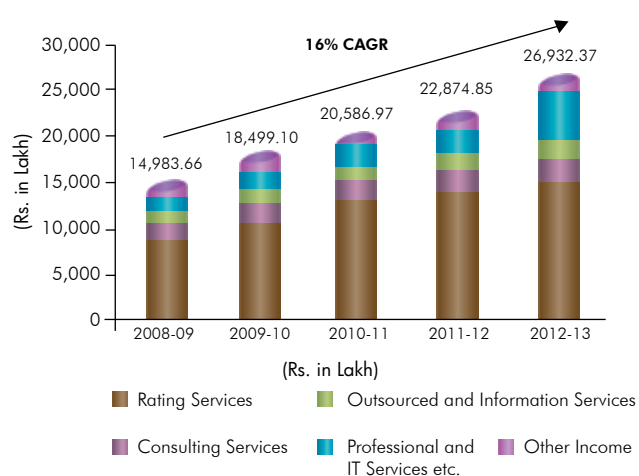
Trend in Profit after Tax (after Minority Interest)



Trend in EPS and Cash EPS



Year-on-Year Total Income



NOTICE

Notice is hereby given that the **Twenty-Second** Annual General Meeting of the Members of **ICRA Limited** will be held on Friday, the 2nd day of August, 2013, at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended as on that date, the Directors' Report and the Auditors' Report thereon.
2. To declare Dividend on the Equity Shares for the year ended March 31, 2013.
3. To appoint a Director in place of Dr. Uddesh Kohli, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Prof. Deepak Nayyar, who retires by rotation, and being eligible, offers himself for reappointment.
5. To reappoint Auditors and to fix their remuneration, and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution** pursuant to Section 224A of the Companies Act, 1956:

"RESOLVED THAT pursuant to the provisions of Section 224A, and other applicable provisions, if any, of the Companies Act, 1956, M/s. Vipin Aggarwal & Associates, Chartered Accountants, (Registration No. 014454N), be and are hereby reappointed the Statutory Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company."

SPECIAL BUSINESS

6. To consider and approve the reappointment of Mr. Pranab Kumar Choudhury, a Whole-time Director designated as Chairman & Group CEO, 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 269 of the Companies Act, 1956, the Members hereby accord their approval to the reappointment of Mr. Pranab Kumar Choudhury as the Chairman & Group CEO of the Company for the period from February 1, 2013 to January 31, 2016 in accordance with the provisions of Sections 198, 269, 309, and 310 and Section I of Part-II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto and which forms a part of this Notice.

RESOLVED FURTHER THAT the necessary Agreement, recording the terms as set out in the Explanatory Statement annexed hereto and which forms a part of this Notice, be executed between the Company and Mr. Pranab Kumar Choudhury.

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."



NOTICE

7. To appoint Dr. Min Ye as 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 Dr. Min Ye, who was appointed as an Additional Director of the Company with effect from May 24, 2013 at the meeting of the Board of Directors of the Company and who holds office till the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement by rotation.

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

8. To appoint Mr. Simon Richard Hastilow as 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 Mr. Simon Richard Hastilow, who was appointed as an Additional Director of the Company with effect from May 24, 2013 at the meeting of the Board of Directors of the Company and who holds office till the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement by rotation.

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

By Order of the Board of Directors
For ICRA Limited

(Vijay Wadhwa)
CFO & Company Secretary

Place: New Delhi
Date: May 24, 2013

Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110 001

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. 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.
3. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
4. Members/Proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.
5. The Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business under Item Nos. 6, 7 and 8 above, are annexed hereto and form a part of this Notice.
6. 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.
7. The Ministry of Corporate Affairs (MCA), Government of India, through its Circulars dated April 21, 2011 and April 29, 2011, has allowed companies to send to their Members notices/ documents in the electronic form while complying with Section 53 of the Companies Act, 1956. ICRA Limited (the Company) continues to participate in the "Green Initiative" of the MCA, and for the financial year ended March 31, 2012, delivered electronically its Annual Report, Notice of AGM, and other documents to all Members who had registered their email IDs with their Depository Participants/the Registrar and Share Transfer Agent. To enable the Company send its Annual Report, Notice of AGM, and other documents for the financial year ended March 31, 2013 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.
8. The Securities and Exchange Board of India has issued Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 regarding use of electronic payment modes for making payments to investors. In order to enable us use the electronic payment mode, **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

Notes:

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.

9. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 days prior to the date of the Annual General Meeting so as to enable the Company keep the information ready.
10. Members may write to the Company Secretary of the Company for the annual accounts of the Subsidiary Companies. The annual accounts of the Subsidiary Companies shall also be available for inspection by any Member at the Registered Office of the Company.
11. 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.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from July 30, 2013 to August 1, 2013 (both days inclusive) for determining the names of Members eligible to receive the dividend declared, if any, on the Equity Shares of the Company.
13. If the Shareholders 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 July 29, 2013, 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.
14. Those Shareholders who have not yet encashed/claimed the Dividend of the Company for any/all of the financial years 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are requested to encash/claim the same immediately. In terms of Section 205C of the Companies Act, 1956, the Company shall be required to transfer the unclaimed/unpaid Dividend of the Company on the expiry of seven years from the date it became due for payment, to the "Investor Education and Protection Fund", and subsequently, the Shareholders shall not have any right to claim the said Dividend from the Company or from the said Fund.

The details of the un-encashed/unclaimed Dividend for the Financial Years 2006-07 to 2011-12 as on March 31, 2013 are as under:

Dividend for the year	Unclaimed/unpaid dividend as on March 31, 2013 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2006-07	89,203.50	July 27, 2014
2007-08	1,52,800.00	July 29, 2015
2008-09	89,544.00	August 4, 2016
2009-10	1,32,209.00	August 12, 2017
2010-11	90,661.00	August 12, 2018
2011-12	1,62,660.00	August 3, 2019

15. The information required to be furnished under Clause 49 of the Listing Agreement about the Directors seeking appointment/reappointment is annexed hereto and forms a part of this Notice.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

Mr. P.K. Choudhury has been associated with the Company since its incorporation on January 16, 1991. Coming in on deputation from Industrial Finance Corporation of India Limited in 1991 as the Chief Executive Officer, Mr. Choudhury was appointed Managing Director (MD) of the Company with effect from July 1, 1993 for five years, and then reappointed MD consecutively for two five-year terms ending June 30, 2008. However, even before the completion of the term last mentioned, the Board of Directors of the Company elevated Mr. Choudhury to the position of Vice-Chairman of ICRA Limited and Group CEO of Group ICRA for three years with effect from July 1, 2006, and subsequently reappointed him for two years and seven months with effect from July 1, 2009 and for two years with effect from February 1, 2012. The Board of Directors in its meeting held on January 25, 2013 elevated Mr. Choudhury to the position of Chairman of ICRA Limited and Group CEO of Group ICRA with effect from February 1, 2013.

The Company has grown consistently under the stewardship of Mr. Choudhury, acquiring the status of a holding company with diversified business interests and several subsidiaries within its fold. Today, the Company—ICRA Limited (ICRA)—along with its subsidiaries and their subsidiaries together form the ICRA group of companies, that is, Group ICRA.

Group ICRA's growth under Mr. Choudhury's stewardship has been impressive and consistent year after year, business cycles notwithstanding. Significantly, Group ICRA, by diversifying its revenue base, has brought down its dependence on a limited range of service. Besides, Group ICRA has entered the international market, thereby widening its geographical reach as well. For instance, ICRA, in an effort to venture into the Asian region, has started operations in Indonesia, Sri Lanka and Nepal. Group ICRA has also been adding to its products portfolio over the years, growing organically and also through acquisitions. In 2012-13, a subsidiary of the Company acquired a majority stake of 75.1% in BPA Technologies Inc. (BPA), a California-based global business consulting and software technology services firm.

Following the resignation of Mr. D.N. Ghosh as the Chairman of the Company, it was felt that Mr. P.K. Choudhury should be elevated to that position, given his role in building up ICRA from scratch and in establishing a "group" with its business interests spanning Rating/Grading, Research, Management Consulting, Software Solutions & Services, and Information Services/KPO. It was also felt that considering the increasing competition in the domestic market, diversification of Group ICRA's activities (some of which are not firmly established yet) and Group ICRA's increasing geographical spread (with subsidiaries in several countries), a Chairman with executive responsibilities should be appointed and that the Chairman should also hold the position of Chief Executive Officer, Group ICRA.

The Board of Directors at its meeting on January 25, 2013 has approved, on the basis of the recommendation made by the Remuneration Committee, the appointment of Mr. P.K. Choudhury as the Chairman of the Company and the Chief Executive Officer of Group ICRA with effect from February 1, 2013 for a period of three years on the terms and conditions as mentioned below and subject to the approval of the Shareholders:

1	Salary (per month)	Starting salary of Rs. 4,80,000 per month in the pay scale of Rs.4,40,000 – 40,000 – 5,20,000.
2	Commission	Commission as approved by the Board on yearly basis, subject to a maximum of 1% of the net profits of the Company, computed in the manner referred to in Section 198 and other applicable provisions of the Companies Act, 1956.
3	Allowances and Perquisites	
i)	Allowances	Such other Allowances as payable to the members of staff under the Staff Rules of the Company, including City Compensatory Allowance and Deferred Incentive, subject to the terms and conditions as approved by the Remuneration Committee of the Company from time to time;
ii)	Housing	Furnished accommodation or House Rent Allowance not exceeding 60% of salary;
iii)	Medical	Reimbursement of all medical and hospitalisation expenses for self and family as per the Staff Rules of the Company;
iv)	Leave Travel Benefit	Leave Travel Benefit as per the Staff Rules of the Company;
v)	Mediclaime and Accidental Insurance	Premium in respect of mediclaime and accidental insurance policies as per the Staff Rules of the Company;
vi)	Provident Fund and Superannuation Fund	Contribution to provident and superannuation funds as per the Staff Rules of the Company;
vii)	Leaves, Gratuity and Leaves Encashment	As per the Staff Rules of the Company;
viii)	Provision of Car	Provision of car with driver (subject to recovery of an amount from salary as per the provisions of the Income Tax Act, 1961, for personal use of the car) or Conveyance Allowance not exceeding Rs. 50,000 per month or official vehicle with Allowances as per the Vehicle Scheme of the Company;
ix)	Provision of Communication Facilities at Residence	Telephone at residence for use on company business; other media, internet connection and such other communication facilities at residence for use on company business;
x)	Club Fees	Annual fees of up to three clubs, excluding admission and life membership fees.
4	Minimum Remuneration	Where in any financial year, during the currency of the tenure, the Company has no profits or its profits are inadequate, the remuneration by way of salary and perquisites will not exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any subsequent modification thereof.
5	Revision in Remuneration	The aforesaid remuneration, including salary, allowances, commission and perquisites, may be increased by the Board of Directors as may be considered appropriate from time to time as well as in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, within such prescribed limits.
6	Termination of Appointment	The appointment shall be terminable by three months' notice or by payment of three months' salary in lieu of notice by either party.
7	Retirement by Rotation and Sitting Fees	The appointment shall not be subject to retirement by rotation during the tenure. No sitting fees shall be paid for attending meetings of the Board of Directors or any Committee thereof.

The remuneration payable to Mr. P.K. Choudhury is in conformity with the provisions of the Companies Act, 1956, including Schedule XIII, and is within the permissible limits under the provisions of the Companies Act, 1956.

The above may be treated as an abstract of the terms of reappointment of Mr. P.K. Choudhury under Section 302 of the Companies Act, 1956.

Mr. P.K. Choudhury holds 3,600 Equity Shares of the Company and also holds Options granted to him under the Company's Employees Stock Option Scheme. None of the Directors of the Company, except Mr. P.K. Choudhury, is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that the elevation of Mr. P.K. Choudhury would be beneficial to the Company and hence recommends the Resolution at Item No. 6 for approval of the Members of the Company.

Item No. 7

Dr. Min Ye was appointed as an Additional Director of the Company on May 24, 2013 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Dr. Min Ye holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with the requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

Dr. Min Ye 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 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.

With Dr. Min Ye joining in as Director, the Company would be benefited from his extensive experience and expertise.

Dr. Min Ye does not hold any share in the Company. None of the Directors of the Company, except Dr. Min Ye, is in any way concerned or interested in this Resolution. Details regarding Dr. Min Ye 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 Dr. Min Ye would be beneficial to the Company and hence recommends the Resolution at Item no. 7 for approval of the Members of the Company.



Item No. 8

Mr. Simon Richard Hastilow was appointed as an Additional Director of the Company on May 24, 2013 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Hastilow holds office up to the date of the forthcoming Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with the requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

Mr. Hastilow 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.

With Mr. Hastilow joining in as Director, the Company would be benefited from his extensive experience and expertise.

Mr. Hastilow does not hold any share in the Company. None of the Directors of the Company, except Mr. Hastilow, is in any way concerned or interested in this Resolution. Details regarding Mr. Hastilow have been presented in the Annexure to the accompanying Notice.

The Board of Directors of your Company is of the opinion that Mr. Hastilow's appointment as Director would be beneficial to the Company and hence recommend the Resolution at Item no. 8 for approval of the Members of the Company.

By Order of the Board of Directors
For ICRA Limited

Place: New Delhi
Date: May 24, 2013

(Vijay Wadhwa)
CFO & Company Secretary

Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110 001

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

Name of Director	Dr. Uddesh Kohli	Prof. Deepak Nayyar	Mr. Pranab Kumar Choudhury	Dr. Min Ye	Mr. Simon Richard Hastilow
Date of Birth	December 12, 1940	September 26, 1946	January 22, 1947	May 2, 1963	August 12, 1969
Relationship with other Directors inter se	None	None	None	None	None
First Date of Appointment	October 15, 2001	February 4, 2002	June 30, 1993	May 24, 2013	May 24, 2013
Expertise in Specific Functional Areas	Strategic Planning; Corporate Governance; Development Finance; Restructuring, Reforms and Disinvestment of Public Sector Enterprises	Economics	General Management; Business Development; and Strategic Planning	Structured Finance/ Securitisation; and General Management	Sales; Marketing; Product Development; and General Management
Qualifications	Bachelor of Engineering, Indian Institute of Technology, Roorkee; Post-Graduate Diploma in Industrial Administration, Manchester University, UK; Ph.D. in Economics, Delhi School of Economics	B.A. Economics, University of Delhi; M.A. Economics, B. Phil and D. Phil in Economics, Balliol College, University of Oxford	M. Com.; F.C.A. (Fellow Member of The Institute of Chartered Accountants of India); P.G. Diploma in Advanced Financial Management; Maastricht School of Management; C.A.I.B., The Institute of Bankers, London; C.A.I.B., Indian Institute of Bankers	BE and an ME in electrical engineering, Tsinghua University, Beijing; Ph.D., Electrical and Computer Engineering, Carnegie Mellon University, USA	BA (Hons) in Business Studies, University of London; Diploma of the Chartered Institute of Marketing; Alumnus of the 2007 AMP Programme at INSEAD
No. of Equity Shares held in the Company	Nil	Nil	3,600	Nil	Nil
List of Other Companies in which Directorships are held	<ul style="list-style-type: none"> ALSTOM India Limited Lanco Infratech Limited PTC India Financial Services Limited National Energy Trading and Services Limited ICRA Techno Analytics Limited Powerwind Limited 	<ul style="list-style-type: none"> Birla Corporation Limited Oil & Natural Gas Corporation Limited 	<ul style="list-style-type: none"> ICRA Online Limited ICRA Management Consulting Services Limited ICRA Techno Analytics Limited Peerless Securities Limited The Peerless General Finance & Investment Company Limited ICRA Sapphire Inc. PT ICRA Indonesia ICRA Lanka Limited ICRA Nepal Limited BPA Technologies Inc. Peerless Financial Services Limited 	<ul style="list-style-type: none"> Moody's Group Australia Pty Limited Moody's Investors Service Pty Limited Moody's China (B.V.I.) Limited Moody's Asia Pacific Limited Moody's Company Hong Kong Limited Moody's Investors Service Hong Kong Limited Moody's (Japan) K.K. Moody's SF Japan K.K. Korea Investors Service Inc Moody's Investors Service (Korea) Inc. China Chengxin International Credit Rating Co., Limited Moody's Investors Service (Beijing), Limited Moody's Singapore Pte Limited Moody's Investment Company India Private Limited Moody's Shared Services India Private Limited Asia Securities Industry and Financial Markets Association Limited 	Nil



Name of Director	Dr. Uddesh Kohli	Prof. Deepak Nayyar	Mr. Pranab Kumar Choudhury	Dr. Min Ye	Mr. Simon Richard Hastilow
List of Committees of the Board of Directors (across all companies) in which Chairmanship/ Membership is held**	Chairman <ul style="list-style-type: none"> Shareholders'/ Investors' Grievance Committee of ICRA Limited Audit Committee of National Energy Trading and Services Limited Audit Committee of Powerwind Limited Transfer and Shareholders'/ Investors' Grievance Committee of ALSTOM India Limited Audit Committee of ICRA Techno Analytics Limited Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited Audit Committee of ALSTOM India Limited Audit Committee of Lanco Infratech Limited Audit Committee of PTC India Financial Services Limited Investors' Grievance Committee of PTC India Financial Services Limited 	Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited 	Member <ul style="list-style-type: none"> Audit Committee of ICRA Techno Analytics Limited Audit Committee of ICRA Online Limited Audit Committee of Peerless Securities Limited Audit Committee of Peerless Financial Services Limited Shareholders'/ Investors' Grievance Committee of ICRA Limited 	Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited 	Member <ul style="list-style-type: none"> Audit Committee of ICRA Limited

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



ICRA Limited

Registered Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110 001

Schedule IX of the Companies Act, 1956
[See Article 62 of the Table A and also Section 176 (6)]

FORM OF PROXY

Regd. Folio No..... No. of Share(s) held.....

DP ID No..... Client ID No.

I/We..... of.....

being a Member/Members of ICRA Limited hereby appoint Mr./Ms.

of..... or failing him/her Mr./Ms.

of.....

as my/our proxy to vote for me/us on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held on Friday, the 2nd day of August, 2013, at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110 010, and at any adjournment thereof.

Signed this day of, 2013 Signature of Member

Affix
Revenue
Stamp

Note: Proxies in order to be valid must be duly filled in, stamped, and signed and deposited at the Registered Office of the Company not less than 48 hours before the time of commencement of the meeting.



ICRA Limited

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ATTENDANCE SLIP

I hereby record my presence at the Twenty-Second Annual General Meeting of the Company held on Friday, the 2nd day of August, 2013, at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110010.

Full Name of the Member (in BLOCK LETTERS)

Regd. Folio No..... DP ID No.....

Client ID No. No. of Share(s) held.....

Full Name of the 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.

NATIONAL ELECTRONIC CLEARING SERVICE (NECS) MANDATE FORM

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

LINK INTIME INDIA PRIVATE LIMITED
UNIT: ICRA Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR, Naraina, New Delhi 110 028
Email ID: delhi@linkintime.co.in

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

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

Dear Sir/Madam,

Change in Mode of Payment to NECS

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

1. Folio No./Client ID No./DP ID No.:
(Folio No. given in equity share certificate(s)/customer ID No. given by your DPs)
2. Shareholder's Name : Mr./Ms./M/s.:
3. Shareholder's Address:
.....
4. Shareholder's Email ID:
5. Particulars of the Bank:
 - Bank Name:
 - Branch Name and Address:
 - Telephone Number of Bank:
 - The nine-digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank:
.....
(Please attach a photocopy of a cheque or a cancelled Bank cheque issued by your Bank for verifying the accuracy of the code number)
- Account Type (please ✓): Savings ☐ Current ☐ Cash Credit ☐
- Account Number (as appearing on the cheque book):
- RTGS/NEFT IFSC:
6. Date from which the Mandate should be effective:.....

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

Signature of the first/sole Shareholder

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

Bank's Stamp

Date:

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

**ICRA MANAGEMENT
CONSULTING SERVICES LIMITED**

Registered Office

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

Corporate Office

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

IMaCS VIRTUS GLOBAL PARTNERS, INC.

Registered Office

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

PRAGATI DEVELOPMENT CONSULTING SERVICES LIMITED

Registered Office

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

Corporate Office

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

ICRA TECHNO ANALYTICS LIMITED

Registered Office

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

Corporate Office

7th Floor, Convergence Contact Centre
Plot D 2/2, Block EP & GP, Sector V, Salt Lake
Kolkata 700091, India
Tel.: 91-33-40097800
Fax: 91-33-40097801
Web: www.icteas.com

ICRA SAPPHIRE, INC.

Registered and Corporate Office

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

ICRA GLOBAL CAPITAL, INC.

Registered and Corporate Office

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

BPA TECHNOLOGIES, INC.

Registered and Corporate Office

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

BPA TECHNOLOGIES PTE. LTD.

Registered and Corporate Office

10, Anson Road
#21-07, International Plaza
Singapore, SG 079903
Tel.: 0065-6220 9010
Fax: 0065-6324 8322
Email : info@bpatech.com
Website: www.bpatech.com

BPA TECHNOLOGIES PVT. LTD.

Registered Office

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

Corporate Office

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

ICRA ONLINE LIMITED

Registered Office

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

Branch Office

2nd, 5th & 6th Floor
Convergence Contact Centre
Plot D – 2/2, Block EP&GP
Sector V, Salt Lake City
Kolkata 700 091, India
Tel.: 91-33-40170100
Fax: 91-33- 40170101

Corporate Office

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

ICRA LIMITED

New Delhi

(Registered Office)

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

Gurgaon

(Corporate Office)

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

Mumbai

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

Kolkata

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

Chennai

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600035
Tel.: 91-44-45964300,
24340043/9659/8080/24330724/3293
Fax: 91-44-24343663

Bengaluru

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

Ahmedabad

907-908, Sakar II
Ellisbridge, Opp. Town Hall
Ahmedabad 380006
Tel.: 91-79-40271500/501/26585049
26582008/5494/4924
Fax: 91-79-40271501

Hyderabad

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

Pune

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

ICRA INDONESIA

Registered and Corporate Office

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

ICRA LANKA LIMITED

Registered and Corporate Office

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

ICRA NEPAL LIMITED

Registered and Corporate Office

Heritage Plaza- 1
2nd Floor, Kamaladi – 31
Kathmandu, Nepal
Tel.: 977 1 4169088/89
Fax: 977 1 4169088
Web: www.icranepal.com



ICRA

www.icra.in