



November 12, 2014

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

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

Scrip Code Nos.: BSE: 532835; NSE: ICRA EQ

Sub: - Submission of Unaudited Financial Results (Standalone & Consolidated) and the Limited Review Reports

Dear Sirs,

Pursuant to Clause 41 and other applicable Clauses of the Listing Agreement with the Stock Exchanges, please find enclosed the Unaudited Financial Results (Standalone & Consolidated) of the Company for the second quarter and the half year ended September 30, 2014, reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held today, November 12, 2014. A Press Release in this regard is also enclosed.

Please also find enclosed the Limited Review Reports submitted by M/s. B S R & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company.

Kindly take the above on record.

Regards,

Sincerely,

(Naresh Takkar)
Managing Director & CEO
DIN:00253288

Encl: As above

PART I: STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED SEPTEMBER 30, 2014							
Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	(Rs. in lakh)
		30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Net sales/income from operations	4,393.40	3,671.36	3,863.01	8,150.62	7,074.50	16,289.93
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations	4,393.40	3,671.36	3,863.01	8,150.62	7,074.50	16,289.93
2	Expenses						
	(A) Purchase of stock-in-trade	-	-	-	-	-	-
	(B) Employee benefits expense	1,818.77	1,782.09	1,711.46	3,600.86	3,308.95	6,866.18
	(C) Depreciation and amortisation expense (Refer note 3)	114.49	58.28	59.06	172.77	114.03	245.20
	(D) Other expenses	812.67	713.87	729.15	1,526.54	1,366.99	2,715.45
	Total expenses (2A to 2D)	2,745.93	2,554.24	2,499.67	5,300.17	4,789.97	9,826.83
3	Profit/(Loss) from operations before other income, finance costs, prior period adjustments and exceptional items (1-2)	1,647.47	1,117.12	1,363.34	2,850.45	2,284.53	6,463.10
4	Other income	722.48	1,237.95	391.42	1,960.43	1,321.05	1,728.71
5	Profit/(Loss) from ordinary activities before finance costs, prior period adjustments and exceptional items (3+4)	2,369.95	2,355.07	1,754.76	4,810.88	3,605.58	8,191.81
6	Finance costs	-	-	-	-	-	-
7	Profit/(Loss) from ordinary activities after finance costs but before prior period adjustments and exceptional items (5-6)	2,369.95	2,355.07	1,754.76	4,810.88	3,605.58	8,191.81
8	Prior period adjustments (Refer note 4)	(678.96)	-	-	(764.82)	-	-
9	Profit/(Loss) from ordinary activities after finance costs and prior period adjustments but before exceptional items (7-8)	1,690.99	2,355.07	1,754.76	4,046.06	3,605.58	8,191.81
10	Exceptional items	-	-	-	-	-	-
11	Profit/(Loss) from ordinary activities before tax (9+10)	1,690.99	2,355.07	1,754.76	4,046.06	3,605.58	8,191.81
12	Tax expense	(591.66)	(415.21)	(517.87)	(1,006.87)	(848.86)	(2,318.66)
13	Net Profit/(Loss) from ordinary activities after tax (11-12)	1,099.33	1,939.86	1,236.89	3,039.19	2,756.72	5,873.15
14	Extraordinary items (net of tax expense)	-	-	-	-	-	-
15	Net Profit/(Loss) for the period (13+14)	1,099.33	1,939.86	1,236.89	3,039.19	2,756.72	5,873.15
16	Minority interest	-	-	-	-	-	-
17	Net Profit/(Loss) after taxes and minority interest (15-16)	1,099.33	1,939.86	1,236.89	3,039.19	2,756.72	5,873.15
18	Paid up equity share capital (Face Value : Rs. 10 per share)	979.94	1,000.00	1,000.00	979.94	1,000.00	1,000.00
19	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	34,565.46
20.i	Earnings per share (before extraordinary items) (of Rs. 10/- each) (not annualised)						
	(a) Basic	11.23	19.40	12.37	31.04	27.57	58.73
	(b) Diluted	11.15	19.40	12.37	30.80	27.57	58.73
20.ii	Earnings per share (after extraordinary items) (of Rs. 10/- each) (not annualised)						
	(a) Basic	11.23	19.40	12.37	31.04	27.57	58.73
	(b) Diluted	11.15	19.40	12.37	30.80	27.57	58.73
See accompanying note to the financial results							
PART II: SELECT INFORMATION FOR THE QUARTER AND THE HALF YEAR ENDED SEPTEMBER 30, 2014							
Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
		30/09/2014	30/06/2014	30/09/2013	30/09/2014	30/09/2013	31/03/2014
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	4,994,378	4,994,378	7,149,100	4,994,378	7,149,100	7,149,100
	- Percentage of shareholding	49.94%	49.94%	71.49%	49.94%	71.49%	71.49%
2	Promoters and promoter group shareholding						
a)	Pledged/Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b)	Non-Encumbered						
	- Number of shares	5,005,622	5,005,622	2,850,900	5,005,622	2,850,900	2,850,900
	- Percentage of shares (as a % of the total shareholding of the promoters and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	50.06%	50.06%	28.51%	50.06%	28.51%	28.51%
B	INVESTOR COMPLAINTS: QUARTER ENDED SEPTEMBER 30, 2014						
	Pending at the beginning of the quarter	Received during the quarter		Disposed of during the quarter		Remaining unresolved at the end of the quarter	
	Nil	9		9		NIL	

Notes:**1. STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

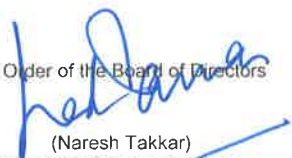
(Rs. in lakh)

Sr. No.	Particulars	As at 30/09/2014	As at 31/03/2014
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share capital	979.94	1,000.00
	(b) Reserves and surplus	37,597.19	34,565.46
	Sub-total - Shareholders' funds	38,577.13	35,565.46
2	Minority Interest	-	-
3	Non-current liabilities		
	(a) Long-term borrowings	-	-
	(a) Deferred tax liabilities (net)	-	-
	(b) Other long-term liabilities	186.66	34.88
	(c) Long-term provisions	604.45	543.78
	Sub-total - Non-current liabilities	791.11	578.66
4	Current liabilities		
	(a) Short-term borrowings	-	-
	(b) Trade payables	134.55	105.84
	(c) Other current liabilities	6,956.54	3,643.09
	(d) Short-term provisions	1,350.13	4,650.06
	Sub-total - Current liabilities	8,441.22	8,398.99
	TOTAL - EQUITY AND LIABILITIES	47,809.46	44,543.11
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	1,610.68	1,681.64
	(b) Goodwill on consolidation	-	-
	(c) Non-current investments	22,837.52	15,548.17
	(d) Deferred tax assets (net)	376.68	157.86
	(e) Long-term loans and advances	1,945.44	2,074.18
	(f) Other non-current assets	629.16	550.38
	Sub-total - Non-current assets	27,399.48	20,012.23
2	Current assets		
	(a) Current investments	15,051.17	21,651.17
	(b) Trade receivables	3,277.82	1,171.43
	(c) Cash and bank balances	1,286.74	1,137.07
	(d) Short-term loans and advances	502.59	545.60
	(e) Other current assets	291.66	25.61
	Sub-total - Current assets	20,409.98	24,530.88
	TOTAL - ASSETS	47,809.46	44,543.11

- 2 During the current quarter, the Company has consolidated the financial results of the ICRA Employees Welfare Trust ("Trust") with the Company. The Trust primarily holds equity shares of the Company which were issued by the Company and are to be transferred to the employees of the Company under various Employee Stock Option Plans (ESOPs) in force. Consequently, the face value of 200,557 equity shares held by Trust as at September 30, 2014 amounting to Rs. 20.06 lakhs is reduced from the share capital and excess of net worth (after elimination of inter-company loans) of Rs. 12.72 lakhs has been adjusted from Reserves and Surplus.
- 3 During the current quarter, pursuant to Companies Act, 2013 (the Act) being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the quarter and six months ended is higher by Rs. 49.99 lakhs (including Rs. 25.66 lakhs relating to quarter ended June 30, 2014). In respect of assets whose useful life is already expired as on April 1, 2014, depreciation of Rs. 20.18 lakhs (net of deferred tax impact of Rs. 10.39 lakhs) has been adjusted in Reserves and Surplus in accordance with the requirements of Schedule II of the Act. The change was required to be accounted for in the quarter ended June 30, 2014.
- 4 Prior period adjustments represent aggregate impact of adjustment for certain accounting practices in relation to revenue recognition (Rs. 486.09 lakhs and Rs. 571.95 lakhs for the quarter and six months ended September 30, 2014 respectively) and accrual for lease rentals and compensated absences (Rs. 192.87 lakhs for the quarter and six months ended September 30, 2014 respectively).

During the current quarter, the current investments of Rs 20,451.17 lakhs which were presented as non-current investment as at March 31, 2014 has been reclassified to current investments. Further, loan and advances/ tax paid in earlier years amounting to Rs. 1,522.60 lakhs which was presented as short term loans and advances as at March 31, 2014 has been reclassified to long term loans and advances.

- 5 During the period ended June 30, 2014, Moody's Corporation (the ultimate holding company of Moody's Group including Moody's Singapore Pte Ltd and Moody's Investment Company India Private Limited), on successful completion of February 2014-initiated Open Offer, acquired through Moody's Singapore Pte Ltd, 2,154,722 equity shares representing 21.55% of the share capital of ICRA. Consequently, the shareholding of Moody's Group in ICRA has increased from 28.51% to 50.06%.
- 6 The Company business activity falls within a single primary business segment viz. "Credit Rating Agency".
- 7 In addition to reclassifications stated in note 4 above, the previous period figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of the current period's classification.
- 8 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on November 12, 2014. A Limited Review of these financial results as required under clause 41 of Listing Agreement has been carried out by the Statutory Auditors of the Company. The figures relating to quarter ended June 30, 2014, quarter and six months ended September 30, 2013 were reviewed and year ended March 31, 2014 were audited by the erstwhile Statutory Auditor.

By Order of the Board of Directors

(Naresh Takkar)
Managing Director & C.E.O.
(DIN: 00253288)

Place : Gurgaon

Date : November 12, 2014

B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

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Fax: + 91 124 2549 101

To the Board of Directors

ICRA Limited

- 1 We have reviewed the accompanying Standalone Unaudited Financial Results ('the Statement') of ICRA Limited ('the Company') for the quarter and the half year ended 30 September 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing agreement issued by the Securities and Exchange Board of India ("Listing Agreement") except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors on 12 November 2014. Our responsibility is to issue a report on this Statement, based on our review. The Standalone Unaudited Financial Results for the quarter ended 30 June 2014 included in the Statement were reviewed earlier by the then statutory auditors of the Company whose report has been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.
- 2 We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410- "Review of Interim Financial information prepared by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3 We draw your attention to note 4 of the Statement which describes the prior period impact of adjustment for certain recognition and measurement related accounting practices in relation to revenue recognition, accrual for lease rentals and compensated absences and classification related adjustments for current investments and loan and advances/ advance taxes. Our review opinion is not qualified in respect of this matter.
- 4 Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards and other recognised accounting practices and policies, has not disclosed



B S R & Co. LLP

the information required to be disclosed in terms of clause 41 of the Listing Agreement, including the manner in which is to be disclosed, or that is contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

Registration number:101248W/W-100022



Pravin Tulsyan

Partner

Membership No. 108044

Place:Gurgaon, India

Date:12 November 2014

PART I: STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED SEPTEMBER 30, 2014						
Sr. No.	Particulars	Quarter ended 30/09/2014	Quarter ended 30/06/2014	Quarter ended 30/09/2013	Half year ended 30/09/2014	Half year ended 30/09/2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
						Year ended 31/03/2014 Audited
1	Income from operations					
	(a) Net sales/income from operations	7,677.22	6,820.91	7,002.56	14,583.99	12,846.25
	(b) Other operating income	-	-	-	-	-
	Total Income from operations	7,677.22	6,820.91	7,002.56	14,583.99	12,846.25
2	Expenses					
	(A) Purchase of stock-in-trade	0.04	0.93	14.62	0.97	14.62
	(B) Employee benefits expense	3,674.87	3,502.69	3,323.85	7,177.56	6,467.07
	(C) Depreciation and amortisation expense (Refer note 5)	272.94	183.27	124.57	456.21	237.84
	(D) Other expenses	2,035.63	1,613.28	1,763.51	3,648.91	3,300.58
	Total expenses (2A to 2D)	5,983.48	5,300.17	5,226.55	11,283.65	10,020.11
3	Profit/(Loss) from operations before other income, finance costs, prior period adjustments and exceptional items (1-2)	1,693.74	1,520.74	1,776.01	3,300.34	2,826.14
4	Other income	782.16	1,276.83	498.75	2,058.99	1,576.73
5	Profit/(Loss) from ordinary activities before finance costs, prior period adjustments and exceptional items (3+4)	2,475.90	2,797.57	2,274.76	5,359.33	4,402.87
6	Finance costs	(50.86)	(48.00)	(0.05)	(98.86)	(0.05)
7	Profit/(Loss) from ordinary activities after finance costs but before prior period adjustments and exceptional items	2,425.04	2,749.57	2,274.71	5,260.47	4,402.82
8	Prior period adjustments (Refer note 6)	(810.77)	-	-	(896.63)	-
9	Profit/(Loss) from ordinary activities after finance costs and prior period adjustments but before exceptional items (7-8)	1,614.27	2,749.57	2,274.71	4,363.84	4,402.82
10	Exceptional items (Refer note 7)	(413.15)	0.00	0.00	(413.15)	0.00
11	Profit/(Loss) from ordinary activities before tax (9+10)	1,201.12	2,749.57	2,274.71	3,950.69	4,402.82
12	Tax expense (Refer note 6)	(920.41)	(564.88)	(697.55)	(1,485.29)	(1,156.63)
13	Net Profit/(Loss) from ordinary activities after tax (11-12)	280.71	2,184.69	1,577.16	2,465.40	3,246.19
14	Extraordinary items (net of tax expense)	-	-	-	-	-
15	Net Profit/(Loss) for the period (13+14)	280.71	2,184.69	1,577.16	2,465.40	3,246.19
16	Minority interest	(3.84)	4.49	20.00	0.65	31.46
17	Net Profit/(Loss) after taxes and minority interest (15-16)	284.55	2,189.18	1,557.16	2,464.75	3,214.73
18	Paid up equity share capital (Face Value : Rs. 10 per share)	979.94	1,000.00	1,000.00	979.94	1,000.00
19	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	37,793.86
20.i	Earnings per share (before extraordinary items) (of Rs. 10/- each) (not annualised)					
	(a) Basic	2.91	21.80	15.57	25.18	32.15
	(b) Diluted	2.89	21.80	15.57	24.98	32.15
20.ii	Earnings per share (after extraordinary items) (of Rs. 10/- each) (not annualised)					
	(a) Basic	2.91	21.80	15.57	25.18	32.15
	(b) Diluted	2.89	21.80	15.57	24.98	32.15
See accompanying note to the consolidated financial results						
PART II: SELECT INFORMATION FOR THE QUARTER AND THE HALF YEAR ENDED SEPTEMBER 30, 2014						
Sr. No.	Particulars	Quarter ended 30/09/2014	Quarter ended 30/06/2014	Quarter ended 30/09/2013	Half year ended 30/09/2014	Half year ended 30/09/2013
						Year ended 31/03/2014
A	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares	4,994,378	4,994,378	7,149,100	4,994,378	7,149,100
	- Percentage of shareholding	49.94%	49.94%	71.49%	49.94%	71.49%
2	Promoters and promoter group shareholding					
	a) Pledged/Encumbered					
	- Number of shares	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil
	b) Non-Encumbered					
	- Number of shares	5,005,622	5,005,622	2,850,900	5,005,622	2,850,900
	- Percentage of shares (as a % of the total shareholding of the promoters and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	50.06%	50.06%	28.51%	50.06%	28.51%
B	INVESTOR COMPLAINTS: QUARTER ENDED SEPTEMBER 30, 2014					
	Pending at the beginning of the quarter					
	Received during the quarter					
	Disposed of during the quarter					
	Remaining unresolved at the end of the quarter					
	Nil	9	0	Nil		

Notes:

1. SEGMENT WISE REVENUE RESULTS

(Rs. in lakh)

Sr. No.	Particulars	Quarter ended 30/09/2014	Quarter ended 30/06/2014	Quarter ended 30/09/2013	Half year ended 30/09/2014	Half year ended 30/09/2013	Year ended 31/03/2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	Operating Revenue from:						
	(A) Rating, research and other services	4,434.85	3,722.56	3,888.08	8,243.27	7,130.43	16,435.65
	(B) Consulting services	687.80	635.25	655.47	1,323.05	1,184.68	2,681.22
	(C) Outsourced and information services	803.28	725.56	676.45	1,528.84	1,292.06	2,689.77
	(D) Professional and I. T. services etc.	1,776.30	1,754.40	1,803.20	3,530.70	3,277.57	6,560.78
	Total of all segments	7,702.23	6,837.77	7,023.20	14,625.86	12,884.74	28,367.42
	Less: Inter-segment revenue	(25.01)	(16.86)	(20.64)	(41.87)	(38.49)	(71.20)
	Net Sales / Income from operations	7,677.22	6,820.91	7,002.56	14,583.99	12,846.25	28,296.22
2	Segment Results :						
	(Profit before tax and interest from each segment)						
	(A) Rating, research and other services	1,480.56	1,453.75	1,512.81	2,934.31	2,778.54	7,475.07
	(B) Consulting services	69.22	49.20	(8.77)	118.42	(82.83)	178.64
	(C) Outsourced and information services	227.56	157.64	214.10	385.20	321.67	656.64
	(D) Professional and I. T. services etc.	(47.76)	347.33	354.36	769.57	566.56	1,172.54
	Total of all segments	1,729.58	2,007.92	2,072.50	3,737.50	3,563.94	9,482.89
	Less Finance costs	(50.86)	(48.00)	(0.05)	(98.86)	(0.05)	(81.78)
	Less Depreciation and amortisation expenses (not allocable)	(272.94)	(183.27)	(124.57)	(456.21)	(237.84)	(601.02)
	Add Unallocable income net of unallocable expenses (including exceptional items)	(204.65)	972.92	325.83	768.26	1,076.77	550.62
	Profit before tax	1,201.12	2,749.57	2,274.71	3,950.69	4,402.82	9,790.71

2. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakh)

Sr. No.	Particulars	As at 30/09/2014	As at 31/03/2014
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share capital	979.94	1,000.00
	(b) Reserves and surplus	40,669.24	37,793.86
	Sub-total - Shareholders' funds	41,649.18	38,793.86
2	Minority Interest	50.91	48.17
3	Non-current liabilities		
	(a) Long-term borrowings	1,550.46	1,582.12
	(a) Deferred tax liabilities (net)	141.53	271.20
	(b) Other long-term liabilities	188.06	36.28
	(c) Long-term provisions	1,206.15	948.64
	Sub-total - Non-current liabilities	3,086.20	2,838.24
4	Current liabilities		
	(a) Short-term borrowings	33.19	65.34
	(b) Trade payables	548.91	449.98
	(c) Other current liabilities	8,115.59	4,687.15
	(d) Short-term provisions	1,482.32	4,724.01
	Sub-total - Current liabilities	10,180.01	9,926.48
	TOTAL - EQUITY AND LIABILITIES	54,966.30	51,606.75
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	5,091.24	5,403.07
	(b) Goodwill on consolidation	4,178.96	4,226.65
	(c) Non-current investments	13,150.15	5,993.45
	(d) Deferred tax assets (net)	533.97	483.62
	(e) Long-term loans and advances	2,537.75	2,377.80
	(f) Other non-current assets	629.16	550.38
	Sub-total - Non-current assets	26,121.23	19,034.97
2	Current assets		
	(a) Current investments	15,082.39	21,682.39
	(b) Trade receivables	6,677.80	4,283.71
	(c) Cash and bank balances	5,121.08	4,726.57
	(d) Short-term loans and advances	1,190.03	1,497.09
	(e) Other current assets	773.77	382.02
	Sub-total - Current assets	28,845.07	32,571.78
	TOTAL - ASSETS	54,966.30	51,606.75

- 3 The consolidated unaudited financial results of ICRA Limited ("The Company") and its subsidiaries (collectively known as "the Group") are prepared in accordance with requirement of the Accounting Standard ("AS") 21 "Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006 (as amended).
- 4 During the current quarter, the Company has consolidated the financial results of the ICRA Employees Welfare Trust ("Trust") with the Company. The Trust primarily holds equity shares of the Company which were issued by the Company and are to be transferred to the employees of the Company under various Employee Stock Option Plans (ESOPs) in force. Consequently, the face value of 200,557 equity shares held by Trust as at September 30, 2014 amounting to Rs. 20.06 lakhs is reduced from the share capital and excess of net worth (after elimination of inter-company loans) of Rs. 12.72 lakhs has been adjusted from Reserves and Surplus.
- 5 During the current quarter, pursuant to Companies Act, 2013 (the Act) being effective from April 1, 2014, the Indian entities of the Group have revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the quarter and six months ended is higher by Rs. 84.28 lakhs (including Rs. 37.92 lakhs relating to quarter ended June 30, 2014). In respect of assets whose useful life is already expired as on April 1, 2014, depreciation of Rs. 95.82 lakhs (net of deferred tax impact of Rs. 32.57 lakhs) has been adjusted in Reserves and Surplus in accordance with the requirements of Schedule II of the Act. The change was required to be accounted for in the quarter ended June 30, 2014.
- 6 Prior period adjustments represent aggregate impact of adjustment for certain accounting practices in relation to revenue recognition (Rs. 486.09 lakhs and Rs. 571.95 lakhs for the quarter and six months ended September 30, 2014 respectively) and accrual for lease rentals and compensated absences (Rs. 324.68 lakhs for the quarter and six months ended September 30, 2014 respectively).

Tax expense for the current period includes impact of earlier period Deferred Tax expense amounting to Rs. 186.62 lakhs.

During the current quarter, the current investments of Rs 20,451.17 lakhs which were presented as non-current investment as at March 31, 2014 has been reclassified to current investments. Further, loan and advances / tax paid in earlier years amounting to Rs. 1,233.26 lakhs which was presented as short term loans and advances as at March 31, 2014 has been reclassified to long term loans and advances.

- 7 During the current quarter, the Group has recorded goodwill impairment loss of Rs. 413.15 lakh in relation to BPA Technologies, INC., owing to marked and economic developments.
- 8 During the period ended June 30, 2014, Moody's Corporation (the ultimate holding company of Moody's Group including Moody's Singapore Pte Ltd and Moody's Investment Company India Private Limited), on successful completion of February 2014-initiated Open Offer, acquired through Moody's Singapore Pte Ltd, 2,154,722 equity shares representing 21.55% of the share capital of ICRA. Consequently, the shareholding of Moody's Group in ICRA has increased from 28.51% to 50.06%.
- 9 The assets and liabilities have not been segregated to any of the reportable segments, as the assets are used interchangeably between segments.
- 10 In addition to reclassifications stated in note 6 above, the previous period figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of the current period's classification.
- 11 The above Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on November 12, 2014. A Limited Review of these financial results as required under clause 41 of Listing Agreement has been carried out by the Statutory Auditors of the Company. The figures relating to quarter ended June 30, 2014, quarter and six months ended September 30, 2013 were reviewed and year ended March 31, 2014 were audited by the erstwhile Statutory Auditor.

By Order of the Board of Directors

(Naresh Takkar)
Managing Director & C.E.O.
(DIN: 00253288)

Place : Gurgaon

Date : November 12, 2014

B S R & Co. LLP

Chartered Accountants

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To the Board of Directors

ICRA Limited

- 1 We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results ('the Statement') of ICRA Limited ('the Company') and its subsidiaries (collectively known as the 'the Group') for the quarter and the half year ended 30 September 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors on 12 November 2014. Our responsibility is to issue a report on this Statement, based on our review. The Consolidated Unaudited Financial Results for the quarter ended 30 June 2014 included in the Statement were reviewed earlier by the then statutory auditors of the Company whose report has been furnished to us and which have been relied upon by us for the purpose of our review of the Statement.
- 2 We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410-"Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- 3 We draw your attention to note 6 of the Statement which describes the prior period impact of adjustment for certain recognition and measurement related accounting practices in relation to revenue recognition, accrual for lease rentals, compensated absences, tax expense and classification related adjustments for current investments and loan and advances/ advance taxes. Our review opinion is not qualified in respect of this matter.
- 4 Based on our review conducted as above, nothing has come to our attention that cause us to believe that the accompanying Statement, prepared in accordance with the applicable accounting standards and other recognised accounting practices and policies, has not disclosed



B S R & Co. LLP

the information required to be disclosed in terms of clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP

Chartered Accountants

Registration number:101248W/W-100022



Pravin Tulsyan

Partner

Membership No. 108044

Place:Gurgaon, India

Date:12 November 2014



PRESS RELEASE
GURGAON, NOVEMBER 12, 2014

ICRA Limited: Unaudited Financial Results for the Second Quarter and the Half Year ended September 30, 2014

The Board of Directors of ICRA Limited (ICRA) at its meeting held today approved the Unaudited Financial Results of the Company for the second quarter and the half year ended September 30, 2014.

HIGHLIGHTS

ICRA's Operating Income for the quarter ended September 30, 2014 (Q2, 2014-15) shows growth of 14% to Rs. 439.34 million from Rs. 386.30 million in the corresponding quarter of the previous fiscal year. In terms of business segments, the growth in operating revenue was mainly led by debt ratings and bank loan ratings, while structured finance ratings and NSIC/SME¹ business ratings also reported growth during Q2, 2014-15. In terms of clientele, the growth was driven both by the acquisition of new clients and repeat business from existing ones.

ICRA's Total Income for Q2, 2014-15 shows growth of 20% to Rs. 511.59 million from Rs. 425.44 million in Q2, 2013-14. This increase is attributable also to Other Income, which was higher by 85% during the period under consideration following the maturing of investments in fixed maturity plans. Over the same horizon, ICRA's Profit after Tax shows a decline of 11% to Rs. 109.93 million from Rs. 123.69 million. The decline is attributable mainly to accounting policy changes covering revenue recognition (negative impact of Rs. 48.61 million), booking of rent equalisation (negative impact of Rs. 15.58 million), and provision for expenses on casual leaves outstanding (negative impact of Rs. 3.71 million).² Without these changes (collectively referred to as "accounting policy changes" hereinafter) the Profit after Tax for Q2, 2014-15 would have been higher by Rs. 44.82 million, reflecting 25% growth over the corresponding previous.

For the half year ended September 30, 2014 (H1, 2014-15), ICRA's Operating Income stood at Rs. 815.06 million as against Rs. 707.45 million in the corresponding period of the previous fiscal, reflecting growth of 15%. ICRA's Total Income stood at Rs. 1,011.11 million in H1, 2014-15 versus Rs. 839.56 million in H1, 2013-14, reflecting growth of 20%. Over the same horizon, ICRA's Profit after Tax shows growth of 10% to Rs. 303.92 million from Rs. 275.67 million. In the absence of the "accounting policy changes", the Profit after Tax for H1, 2014-15 would have been higher by Rs. 50.48 million, showing 29% growth over the corresponding previous.

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

² During the quarter ended September 30, 2014, the Company updated its revenue recognition policy to record a proportion of initial rating fees over the 11 months subsequent to the month in which the rating was awarded. Surveillance fees are accounted for on a time proportion basis. The Company also updated its policy on the booking of Rent payments to follow the practice of Rent equalisation on a straight line basis. Further, the Company extended the practice of making provision for Ordinary Leaves to cover Casual Leaves.

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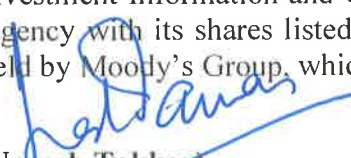


Group ICRA's³ consolidated Operating Income for Q2, 2014-15 shows increase of about 10% to Rs. 767.72 million from Rs. 700.26 million in the corresponding quarter of the previous fiscal. Group ICRA's consolidated Total Income for Q2, 2014-15 stands at Rs. 845.94 million versus Rs. 750.13 million for Q2, 2013-14, reflecting growth of 13%, the higher growth being attributable also to the 57% increase in Other Income during the period under consideration. Over the same horizon, Group ICRA's PAT (after Minority Interest) shows a decline of 82% to Rs. 28.46 million from Rs. 155.72 million. The decline is attributable mainly to the "accounting policy changes", in addition to the booking of impairment of goodwill value in one of the subsidiary companies (negative impact of Rs. 41.32 million). Without these factors, the Profit after Tax for Q2, 2014-15 would have been higher by Rs. 94.84 million and the extent of decline lower at 21% over the corresponding previous.

Group ICRA's consolidated Operating Income stood at Rs. 1,458.40 million in H1, 2014-15 as against Rs. 1,284.63 million in H1, 2013-14, reflecting growth of 14%. Group ICRA's consolidated Total Income was at Rs. 1,664.30 million in H1, 2014-15 as against Rs. 1,442.30 million in H1, 2013-14, reflecting growth of 15%. Over the same horizon, Group ICRA's Profit after Tax (after Minority Interest) shows a decline of 23% from Rs. 321.47 million to Rs. 246.48 million. The decline is attributable mainly to the "accounting policy changes", besides the booking of impairment of goodwill value in one of the subsidiary companies, as mentioned earlier. Without these factors, Profit after Tax for H1, 2014-15 would have been higher by Rs. 100.50 million, reflecting 8% growth over the corresponding previous.

About ICRA Limited

ICRA Limited was set up in 1991 by leading Indian financial/investment institutions, commercial banks and financial services companies as an independent and professional Investment Information and Credit Rating Agency. Today, ICRA is a full-service Credit Rating Agency with its shares listed on the BSE and the National Stock Exchange. ICRA is majority-held by Moody's Group, which has 50.06% equity ownership stake in the Company.


(Naresh Takkar)**Managing Director & CEO**

For further information, please contact:

Naresh Takkar**Managing Director & CEO**

Phone: 0124-4545300; Fax: 0124-4050424

Corporate Office

ICRA Limited (CIN:L74999DL1991PLC042749)

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³ Group ICRA consists of ICRA Limited, its subsidiaries, and their subsidiaries.