



October 3, 2012

Mr. Sydney Miranda
AGM-DCS
Department of Corporate Services
The Bombay Stock Exchange Limited
Floor 1, Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai-400 001

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

Dear Sirs,

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

Sub: - Rating Services in Nepal

We would like to bring to your kind notice that ICRA Nepal Limited, a Subsidiary of ICRA Limited (ICRA), has launched its Rating Services in Nepal following grant of Rating Licence by the Securities Board of Nepal (SEBON). A copy of the Press Release issued in this regard is enclosed for your kind information.

You are requested to take note of the above development.

Regards,

Sincerely,

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

Encl: As above



ICRA Limited

An Associate of Moody's Investors Service

FOR IMMEDIATE RELEASE

Gurgaon, October 3, 2012

ICRA poised to offer rating services in Nepal

India's rating major ICRA Limited (ICRA) is poised to offer credit rating services in Nepal following the grant of rating licence to its subsidiary **ICRA Nepal Limited** (ICRA Nepal) by the Securities Board of Nepal (SEBON). ICRA Nepal was incorporated in November 2011 as a subsidiary of ICRA, which has a 51 per cent equity holding in the company; the rest is held by Nepali institutional and individual shareholders.

The first credit rating agency (CRA) to be established in the Himalayan nation, ICRA Nepal will initially offer the services of Rating of Debt Instruments and Rating of Equity as envisaged under the country's Credit Rating Regulations, 2011. Rating of issuers including banks, financial institutions, insurance companies and others will follow subsequently.

ICRA's venturing into Nepal and its increasing footprints beyond Indian shores underscore the growing international acceptance of an agency that is already a leading provider of credit rating, grading, and investment information services in India. Significantly, ICRA has helped in the establishment of CRAs in several countries. It has provided Technical Services in the setting up of Rating Agencies in Bangladesh, Kuwait and Bulgaria. Further, ICRA has been operating a Credit Rating Agency in Indonesia and one in Sri Lanka through its subsidiaries in those countries.

Speaking on the occasion, **Mr. P.K. Choudhury**, Vice-Chairman and Group CEO, ICRA, said that the grant of licence from SEBON "comes at a time when financial sector reforms are being pursued in Nepal as part of a process that ICRA is quite familiar with, having been established in the watershed year of 1991—the time when the Indian economy was first being opened up and the drive towards globalisation began".

"The entry into Nepal also reaffirms our confidence in the future growth of the economy," Mr. Choudhury added.

Elaborating on the significance of having a CRA against the backdrop of Nepal's efforts at invigorating its financial sector, **Mr. Naresh Takkar**, Managing Director, ICRA, said, "A CRA is integral to the reforms process; it can contribute significantly to the growth and professionalization of the financial system. Globally, CRAs have been known to assist regulators promote transparency in the financial markets and also provide intermediaries with a tool to improve efficiency in the funds raising process."

ICRA Nepal will benchmark its rating process and methodology to the international standards that ICRA follows. Towards this end, ICRA Nepal has entered into a Technical Support Services Agreement with ICRA, which envisages, among other things, ICRA helping it with the rating process and methodologies, analytical software, research base, and analyst training.

According to **Mr. Deepak Raj Kafle**, Managing Director, ICRA Nepal, "Our objective is to provide information and guidance to institutional and individual investors and creditors. We will draw on ICRA's immense experience and strengths to build up both our product portfolio and research capabilities. And as we go along, we will add more products, say, rating of loans and lines of credit, of the claims paying ability of insurance companies, and so on."

About ICRA

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment information and credit rating agency. Today, ICRA and its subsidiaries, along with their subsidiaries, together form the ICRA Group of Companies. ICRA is a public limited company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange.

For further details contact

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PRESS RELEASE