



ICRA

ICRA Limited

August 23, 2019

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001, India
Scrip Code: 532835

The National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051, India
Symbol: ICRA

Dear Sir/Madam,

Sub: - Annual Report for the financial year 2018-19 and notice of Annual General Meeting

Pursuant to regulation 34 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report for the financial year 2018-19 and notice of the Twenty-Eighth Annual General Meeting of ICRA Limited (the “**Company**”) scheduled to be held on Saturday, September 28, 2019, at 3:30 pm at Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi-110003.

This is for your kind information and record.

Regards,

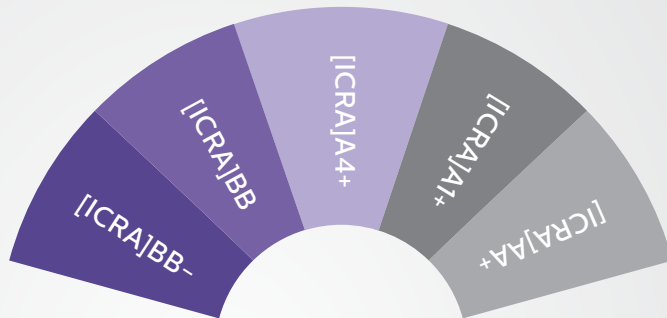
Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As Above



ICRA
A MOODY'S INVESTORS
SERVICE COMPANY



Enhancing
**BUSINESS
VALUE**

through
intellectual
leadership

CONTENTS

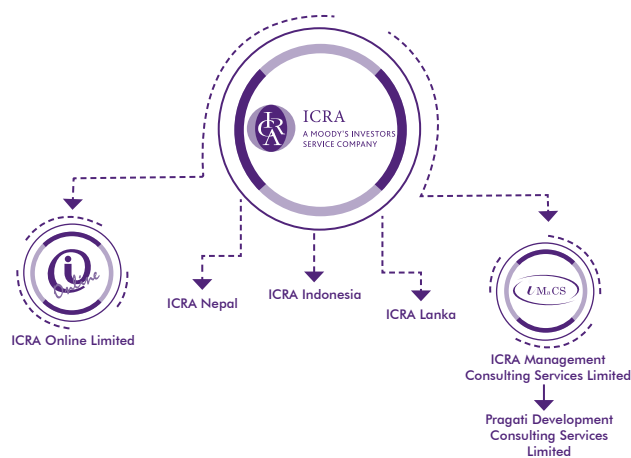
ICRA at a Glance.....	1
Board of Directors	6
Senior Management.....	8
Key trends	9
Financial highlights.....	11
Directors' Report	13
Corporate Governance Report	36
Auditors' Report on Corporate Governance.....	66
Management Discussion and Analysis Report	71
Secretarial Audit Report	82
Dividend Distribution Policy	85
Report on Corporate Social Responsibility Activities	87
Business Responsibility Report	90
Financial Statement	
Standalone	
Independent Auditors' Report	101
Balance Sheet	108
Statement of Profit and Loss	109
Cash Flow Statement	110
Notes to the Financial Statements	113
Consolidated	
Independent Auditors' Report	151
Balance Sheet	157
Statement of Profit and Loss	158
Cash Flow Statement	159
Notes to the Financial Statements	162
Statement containing Brief Financial Details of Subsidiary Companies.....	205
Shareholders Frequently Asked Questions	206

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 five subsidiaries: **ICRA Management Consulting Services Limited (IMaCS); 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, ICRA Group.** ICRA is majority-held by Moody's Group, which has 51.87% equity ownership stake in the Company.

ICRA Group Structure



Alliance with Moody's Investors Service

The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder¹. ICRA and Moody's Investors Services have entered into a Technical Services Agreement, which is aimed at benefiting ICRA's capabilities, through access to Moody's global research base and training tools. The agreement also envisages collaborative initiatives including joint outreach activities to address issues relating to the development of capital markets in India.

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. Working in collaboration, our teams for Monetary, Fiscal, Industry and Sector research generate comprehensive analysis and 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.

¹ through its group companies, Moody's Investment Company India Private Limited and Moody's Singapore Pte Ltd.

ICRA at a Glance

GROUP ICRA

The Services Spectrum*

ICRA	ICRA Lanka**	ICRA Nepal***
<p>RATING SERVICES</p> <ul style="list-style-type: none"> • Credit Rating • Bank Loan Rating • Structured Finance Rating • Issuer Rating • Rating of SSIs/SMEs • Corporate Governance Rating • Project Finance Rating • Mutual Fund Rating • Rating of Claims Paying Ability of Insurance Companies <p>GRADING SERVICES Microfinance Institutions, Construction Entities, Real Estate Developers and Projects, Education Institutes</p> <p>INDUSTRY RESEARCH</p> <p>www.icra.in</p>	<p>RATING SERVICES</p> <ul style="list-style-type: none"> • Credit Rating • Bank Loan Rating • Structured Finance Rating • Issuer Rating • Project Finance Rating • Mutual Fund Rating • Insurance Financial Strength <p>**The operations of ICRA Lanka Limited (ICRA Lanka) are limited to the Sri Lankan market</p> <p>www.icralanka.com</p>	<p>RATING SERVICES</p> <ul style="list-style-type: none"> • Debt Rating • Issuer Rating • Fund Management Quality Rating • Equity Grading • Bank Loan Rating <p>Rating Services to be offered in near future</p> <ul style="list-style-type: none"> • Claims Paying Ability of Insurance Companies <p>***The operations of ICRA Nepal Limited (ICRA Nepal) are limited to the Nepalese market</p> <p>www.icranepal.com</p>
<p>IMaCS</p> <p>Content</p> <ul style="list-style-type: none"> • Portfolio Analytics • Pricing Solutions • Scrip Level Valuations • Indices <p>Solutions</p> <ul style="list-style-type: none"> • Enterprise Risk Management Advisory • Credit Risk Management Solutions • Internal Credit Rating Models • Expected Credit Loss Calculator • Credit Administration Process • Operational, Credit and ALM/Market Risk • Industry Research across various sectors <p>Consulting</p> <ul style="list-style-type: none"> • Tariff and Regulations and Demand Estimation • Project Appraisals, Valuations and Transaction Due Diligence • Financial Feasibility, Demand Modelling • Risk Management • Bid Advisory <p>Services</p> <ul style="list-style-type: none"> • Program Management & Design • Training & Support • Data Analytics <p>www.imacs.in</p>	<p>ICRON</p> <p>Outsourced offerings</p> <ul style="list-style-type: none"> • Data Management • Financial & Accounting Support • IT Services <p>Financial Information: Product and Services</p> <ul style="list-style-type: none"> • Mutual Fund Data and Content • Wealth and Transaction Management Products • Research services • Portfolio Analytics • Investor education content • IT Tools for Financial Planning and Analytics <p>www.icraonline.com</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). ICRA's also offers an Independent Credit Evaluation (ICE) of the residual debt in entities, under the RBI's framework for resolution of stressed assets.

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. It's Rating focuses on entities in the financial and corporate sectors, besides long-, medium-, and short-term debt instruments issued by borrowers from various sectors of the economy.

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

ICRA Nepal Limited (ICRA Nepal), a subsidiary of ICRA, offers a wide range of Rating services in the Nepalese market. Using the accumulated experience and technical support from the holding company, it has developed capability to execute the diversified product. ICRA Nepal rates rupee-denominated long-term, medium-term and short-term debt instruments. Its services also include Issuer Rating, Fund Management Quality Rating and Grading of Equity Offers and Bank Loan Line of Credit Rating. The Rating/ Grading service with current focus in the banking and finance, insurance and hydro-electricity sector is also being offered to manufacturing companies, etc. Further, ICRA Nepal will roll out the Rating of Claims Paying Ability of insurance companies in the near future.

Grading Services

The Grading Services offered by ICRA employ pioneering concepts and methodologies, and include Grading of: Microfinance Institution (MFIs); Construction Entities; Real Estate Developers and Projects. These apart, ICRA has been offering services of Grading of the Renewable Energy Service Companies (RESCOs) and the System Integrators (SI); Grading of Management Education Institutes; Grading of Engineering Colleges/Universities; Grading of Fundamental Strength and Recovery Prospects; Assessment of the fundamental and financial strength of Real Estate Entities (REEs) & Real Estate Projects (REPs); and ICRA Corporate Responsibility and Sustainable-Business Grading.

Industry Research

Complementing the credit rating services, ICRA provides research services across the economy, industry and companies. The reports are tailored to meet the requirements of banks, mutual funds, insurance companies, PEs or venture funds and corporates.

ICRA Research covers 60 plus industries with the reports providing in-depth analyses across the following areas: Business and profitability outlook, industry analysis, competitive landscape, impact of regulatory environment, benchmarking of companies, industry credit profile, company profile on listed players, etc

ICRA's 'Credit Perspectives' provide detailed analysis on ratings assigned. These reports broadly cover the following areas: Key rating considerations, Rating sensitivity factors, Rating rationale, Company profile, Business update, Business outlook, Financial update, Financial outlook, etc

Consulting Services

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of the Company, is an Advisory and Analytics firm with wide repertoire of domestic and global clients. IMaCS offers its services under four heads namely, (1) Content (2) Solutions (3) Consulting, and (4) Services. IMaCS' clientele include banks and financial service companies, financial investors, corporates, governments, regulators, multilateral/bilateral development agencies, and not-for-profit organisations.

ICRA at a Glance

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

Outsourced Services

Incorporated in 1999, **ICRA Online Limited (ICRON)** is a wholly-owned subsidiary of ICRA Limited with delivery centres in Kolkata and Mumbai. ICRON has three lines of businesses that offer outsourcing solutions in Data Services, Content and Analytics to global and domestic clients.

The Data Services segment offers data management and financial and accounting services in areas of data sourcing, extraction, aggregation, populating chart of accounts, through automated and semi-automated processes, validation, ratio analysis, accounting adjustments, data interpretation, etc.

The Content segment engages in content of mutual funds and offers fund fact sheets and product notes, customized newsletters based on domestic and global capital market trends, performance scorecards of mutual fund schemes, fund reviews, bespoke reports, investor education content, etc. It also offers data and content for ULIPs.

ICRON is an ISO 9001:2015 and 27001: 2013 certified organisation.

Chairman Emeritus

Mr. D.N. Ghosh

Board of Directors

Mr. Arun Duggal
Chairman, Independent Director

Ms. Ranjana Agarwal
Independent Director

Ms. Radhika Vijay Haribhakti
Independent Director

Dr. Min Ye
Non Executive and Non Independent Director

Mr. Thomas John Keller Jr.
Non Executive and Non Independent Director

Mr. Navneet Agarwal
Non Executive and Non Independent Director

Mr. David Brent Platt
Additional Director, Non Executive and
Non Independent

Mr. Naresh Takkar
Managing Director & Group CEO

Board Committees**Audit Committee**

Ms. Ranjana Agarwal, Chairperson
Ms. Radhika Vijay Haribhakti
Mr. Arun Duggal
Dr. Min Ye

Nomination and Remuneration Committee

Ms. Radhika Vijay Haribhakti, Chairperson
Ms. Ranjana Agarwal
Mr. Thomas John Keller Jr.

Stakeholders Relationship Committee

Mr. Navneet Agarwal, Chairman
Ms. Ranjana Agarwal
Mr. Naresh Takkar

Corporate Social Responsibility Committee

Ms. Ranjana Agarwal, Chairperson
Mr. David Brent Platt
Mr. Navneet Agarwal
Mr. Naresh Takkar

Strategy Committee

Mr. Thomas John Keller Jr., Chairman
Dr. Min Ye
Mr. David Brent Platt
Mr. Naresh Takkar

Buyback Committee

Mr. Arun Duggal
Ms. Ranjana Agarwal
Mr. Naresh Takkar

Investment and Real Estate Committee

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

Risk Management Committee

Mr. Thomas John Keller Jr., Chairman
Ms. Ranjana Agarwal
Ms. Radhika Vijay Haribhakti
Mr. David Brent Platt
Mr. Navneet Agarwal
Mr. Naresh Takkar

Statutory Auditors

B S R & Co. LLP
Chartered Accountants

Interim Chief Operating Officer & Group Chief Financial Officer

Mr. Vipul Agarwal

General Counsel

Mr. Amit Gupta

Company Secretary & Compliance Officer

Mr. S. Shakeb Rahman

Bankers

HDFC Bank Limited
Kotak Mahindra Bank Limited
Axis Bank Limited
ICICI Bank Limited
State Bank of India

Registrar and Share Transfer Agent

Link Intime India Private Limited

Registered Office

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

Corporate Office

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

ICRA Board of Directors



Mr. Arun Duggal

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

Mr. Duggal is also Chairman of Board of Directors of International Asset Reconstruction Company Private Limited and Mangalore Chemicals & Fertilizers Limited. He is on the Boards of ITC Limited, Info Edge and Jubilant Pharma Limited, Singapore.

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

Mr. Duggal is involved in several initiatives in social and education sectors. For air pollution abatement in Delhi, Mr. Duggal is the founder of newly established - 'Centre of Excellence for Research on Clean Air (CERCA)' at Indian Institute of Technology, Delhi, India. He was erstwhile Chairman of the American Chamber of Commerce, India.

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



Ms. Ranjana Agarwal

Ms. Ranjana Agarwal is an Independent Director on the board of ICRA Limited and chairs their Audit and CSR committees. She is also on the board of KDDL Ltd., Indo Rama Synthetics (India) Ltd., Shubham Housing Development Finance Co. Ltd., Joyville Shapoorji Housing Ltd., Ugro Capital Limited, ICRA Management Consulting Services Limited and ICRA Online Limited.

Ms. Agarwal is the founder and managing partner of Vaish & Associates, Chartered Accountants and has over 30 years of experience in audit, tax and related services including succession planning and business valuations. She was also a partner in CC Chokshi & Co. and Deloitte Haskins & Sells until 2000.

Ms. Agarwal was the national president of the women wing of FICCI and currently chairs their 'FLO women directors' programme. She also started the India chapter of 'Women Corporate Directors', USA.

Ms. Agarwal is on the governing body of Mobile Crèches, VAPW Trust, HVK Foundation and has been doing work in the field of education, health care and medical assistance to handicapped persons.

Ms. Ranjana Agarwal is a graduate in Economics from Lady Shri Ram College, Delhi University and has done her CA training from Price Waterhouse Coopers.



Ms. Radhika Haribhakti

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

She is on the Boards of Directors of Adani Ports and Special Economic Zone Limited, EIH Associated Hotels Limited, Mahanagar Gas Limited, Navin Fluorine International Limited and Rain Industries Limited. At these companies, she is a member of several board committees, including some which she chairs.

Ms. Haribhakti has also been closely associated with issues of women empowerment and financial inclusion and has served on the Boards of non profits for over 18 years, including 12 years as Chairperson. She is the former Chair of Friends of Women's World Banking (FWWB) and Swadhaar Finaccess, both non profits engaged in providing financial solutions to women in economically disadvantaged communities. She has also served on the Governing Council of Citigroup Micro Enterprise Award and CII's National Committee on Women Empowerment.

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

ICRA Board of Directors



Dr. Min Ye

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

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



Mr. Thomas John Keller Jr

Mr. Thomas John Keller Jr. is a Non-Independent and Non-Executive Director of ICRA Limited.

Mr. Keller recently retired from his dual role as Managing Director and Head of both the Commercial Group and Regional Management of Moody's Investors Service (MIS), leaving the Commercial role in January 2019 and the Regional Management role June 30, 2019.

As Head of the Commercial Group, Mr. Keller drove MIS's sales and marketing efforts, product development and strategic initiatives. As Head of the Regional Management organization, he provided global leadership to advance, execute and communicate strategies across regions in which MIS operates. In addition, he oversaw the relationships with MIS's non-Moody's-branded affiliates to manage risk exposure and enhance cooperation. He was also the executive sponsor of Moody's LGBTQ+ Employee Resource Group and a board member of the Hetrick-Martin Institute.

Prior to these roles, Mr. Keller held a number of leadership positions in the company, including head of sovereign ratings, managing director for the Global Public, Project and Infrastructure Finance Group, head of MIS Asia Pacific, and representative director of Moody's Japan. Mr. Keller joined the company in 1992 as a senior analyst. Prior to Moody's, he worked at Chemical Bank and Manufacturers Hanover Trust Company. He earned a B.B.A. from the University of Rhode Island and an M.B.A. from Iona College.



Mr. David Brent Platt

Mr. David Brent Platt is an Additional Director of ICRA Limited under the category of Non-Executive, Non-Independent Director. Mr. Platt currently serves as SVP & Chief Strategy Officer for Moody's Corporation, with responsibility for Corporate Development, Global Communications and Moody's CSR activities. Previously, Mr. Platt served as Managing Director and Head of Corporate Development for Moody's from January 2013 to November 2018.

Prior to joining Moody's, Mr. Platt provided M&A and corporate finance advisory services to clients, including Moody's, from 2010 to 2012. Previously, he served as a Managing Director in the M&A Group at Deutsche Bank from 2007 to 2009, advising companies and boards across a range of industries. Prior to Deutsche Bank, Mr. Platt served as a Managing Director in the M&A Group at Bank of America and held similar roles in the M&A Groups at Citigroup and Donaldson, Lufkin & Jenrette from 1997 to 2007. From 1992 to 1997, Mr. Platt was a Senior Investment Analyst in the Money Market Fixed Income Division at Fidelity Investments where his responsibilities included credit risk assessment, setting of exposure limits and investment oversight for a broad range of corporate and municipal credits as well as structured products.

Mr. Platt holds an M.B.A. from the University of Chicago, a B.A. from the University of California, Berkeley in Political Economies of Industrialized Societies and earned the CFA designation.



Mr. Navneet Agarwal

Mr. Navneet Agarwal is a Non-Independent and Non-Executive Director of ICRA Limited. Mr. Agarwal is a Managing Director and head of Moody's Structured Finance Primary Ratings for the Americas in addition to Other Permissible Services for structured finance globally. Previously, Mr. Agarwal has led the US RMBS new ratings, the surveillance function for Moody's U.S. Asset Finance Group and a CLO surveillance team. He has also served on the Global Structured Finance Credit Committee and acted as a Group Credit Officer. Mr. Agarwal has published and spoken extensively on Moody's behalf and has also served in various analytic capacities in the RMBS, ABS and Structured Credit Ratings teams.

Prior to joining Moody's, Mr. Agarwal spent seven years as the head of debt syndication with a boutique investment bank in India, where he also managed a proprietary book. He has also worked with Unit Trust of India as an investment manager and Banc of America Securities. Mr. Agarwal received an M.B.A. with Honors from The University of Chicago, Booth School of Business. He has an MMS from the University of Mumbai and a BBS from the University of Delhi. He is also a CFA charter holder.

ICRA Board of Directors



Mr. Naresh Takkar

Mr. Naresh Takkar is the Managing Director & Group CEO of ICRA. Prior to holding this position he was Joint Managing Director & Chief Rating Officer of ICRA. He is also a Non Executive Chairman of ICRA Online Limited and a Director on the Boards of ICRA Management Consulting Services Limited and ICRA Lanka Limited. 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. Vipul Agarwal
Interim Chief Operating
Officer & Group Chief
Financial Officer



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



Mr. L. Shivakumar
Executive Vice-President
& Head Institutional
Corporate Group



Mr. Jayanta Chatterjee
Executive Vice-President
& Head Strategic and
Emerging Corporate Group



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



Mr. Subrata Ray
Senior Group Vice-President



Mr. Amit Gupta
General Counsel



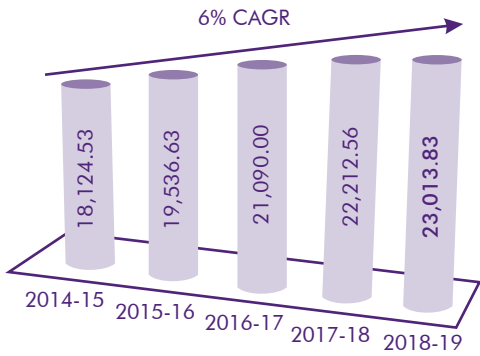
Ms. Sheetal Sandhu
Group HR Head



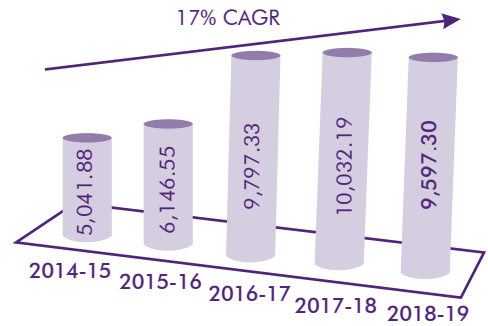
Mr. S. Shakeb Rahman
Company Secretary &
Compliance Officer

ICRA : Key Trends

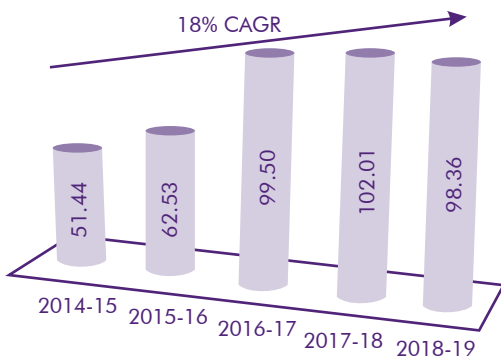
Trend in Operating Income (in Rs. lakh)



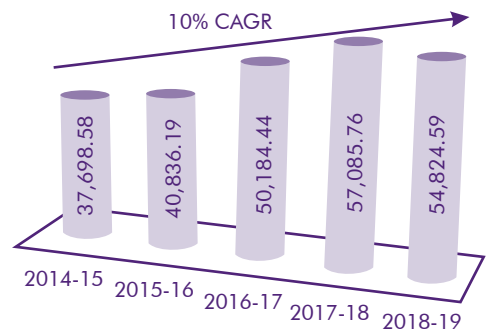
Trend in Profit after Tax (in Rs. lakh)



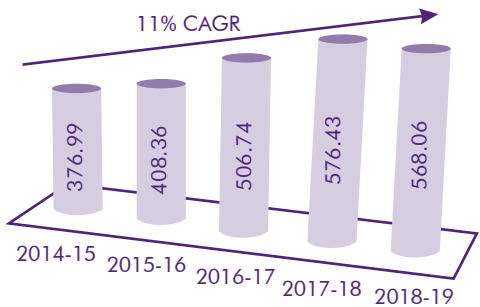
Trend in EPS (basic) (in Rs.)



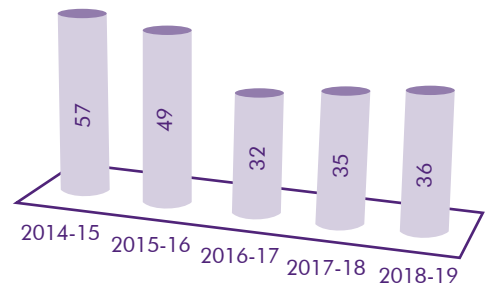
Trend in Net Worth (in Rs. lakh)



Trend in Book Value per Share (in Rs.)

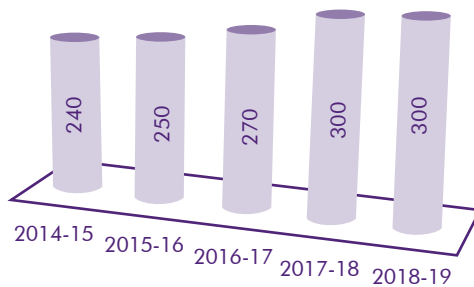


Trend in Dividend Payout (%)
(Including Corporate Dividend Tax)



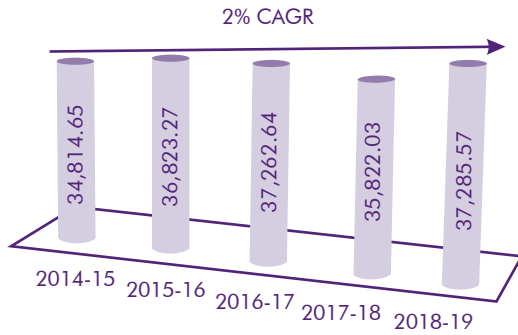
Trend in Dividend (%)

(Dividend for the year 2018-19 is subject to approval of Members)

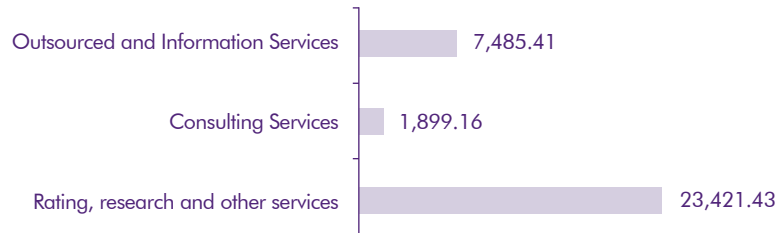


Group ICRA : Key Trends

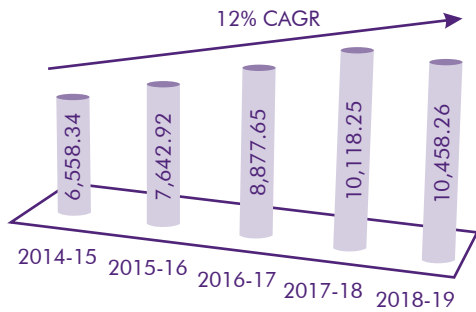
Trend in Total Income (in Rs. lakh)



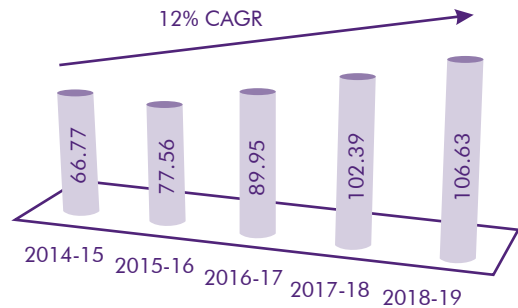
Segment-wise revenue 2018-19 (in Rs. lakh)



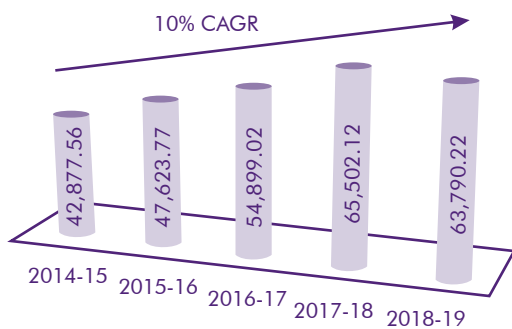
Trend in profit after tax (before minority interest) (in Rs. lakh)



Trend in EPS (basic) (in Rs.)



Trend in net worth (in Rs. lakh)



Financial Highlights of ICRA Limited

		(Rs. in lakh)										
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19		
1 Operating Income	10,616.39	12,930.51	13,936.08	14,859.41	16,289.93	18,124.53	19,536.63	21,090.00	22,212.56	23,013.83		
2 Non-Operating Income	2,177.99	1,254.26	1,973.77	1,624.12	1,728.71	2,492.54	2,369.31	4,882.74	5,074.27	4,452.79		
3 Total Income	12,794.38	14,184.77	15,909.85	16,483.53	18,018.64	20,617.07	21,905.94	25,972.74	27,286.83	27,466.62		
4 PBDIT (before prior period adjustments & exceptional items)	7,606.80	7,083.74	7,762.39	7,498.60	8,437.01	9,898.97	10,109.57	13,049.42	14,853.37	13,396.63		
5 Depreciation	(195.56)	(203.23)	(189.64)	(210.74)	(245.20)	(369.08)	(355.60)	(320.27)	(265.78)	(243.42)		
6 Interest	-	-	-	-	-	-	-	(3.89)	(3.46)	(46.54)		
7 Prior Period Adjustments	-	-	-	-	-	(764.82)	-	-	-	-		
8 Exceptional Items	-	-	-	-	-	(1,151.95)	(345.52)	681.29	-	-		
9 Profit Before Tax	7,411.24	6,880.51	7,572.75	7,287.86	8,191.81	7,613.12	9,408.45	13,406.55	14,584.13	13,106.67		
10 Tax Provision	(2,410.87)	(2,389.15)	(2,482.77)	(1,249.53)	(2,318.66)	(2,571.24)	(3,261.90)	(3,609.22)	(4,551.94)	(3,509.37)		
11 Profit After Tax	5,000.37	4,491.36	5,089.98	6,038.33	5,873.15	5,041.88	6,146.55	9,797.33	10,032.19	9,597.30		
12 Other comprehensive income, net of tax	-	-	-	-	-	-	-	(47.95)	(21.98)	(23.11)		
13 Total comprehensive income for the year	5,000.37	4,491.36	5,089.98	6,038.33	5,873.15	5,041.88	6,146.55	9,749.38	10,010.21	9,574.19		
14 Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	990.33	990.33	965.12		
15 Securities Premium	6,511.23	6,511.23	6,939.37	7,680.85	8,459.63	8,608.94	8,703.56	4,966.98	5,078.29	-		
16 Net Worth	20,959.74	24,234.13	28,291.65	32,236.74	35,565.46	37,698.58	40,836.19	50,184.44	57,085.76	54,824.59		
17 Dividend (%)	170%	170%	200%	220%	230%	240%	250%	270%	300%	300%		
18 Basic Earnings Per Share (Rs.)	50.00	44.91	50.90	60.38	58.73	51.44	62.53	99.50	102.01	98.36		
19 Book Value Per Share (Rs.)	209.60	242.34	282.92	322.37	355.65	376.99	408.36	506.74	576.43	568.06		

Note: The figures of financial years 2016-17, 2017-18 and 2018-19 are as per Ind AS

Financial Highlights of Group ICRA

		(Rs. in lakh)											
	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19		
1	Operating Income	16,232.08	19,302.91	20,746.17	25,141.06	28,296.22	32,191.42	34,115.48	33,303.44	30,886.50	32,806.00		
2	Non-Operating Income	2,267.02	1,284.06	2,128.68	1,791.31	1,934.69	2,623.23	2,707.79	3,959.20	4,935.53	4,479.57		
3	Total Income	18,499.10	20,586.97	22,874.85	26,932.37	30,230.91	34,814.65	36,823.27	37,262.64	35,822.03	37,285.57		
4	PBDIT (before prior period adjustments & exceptional items)	8,340.64	7,850.35	8,382.95	7,687.48	10,473.51	12,516.88	12,812.66	14,085.59	16,443.31	15,816.75		
5	Depreciation	(414.43)	(452.63)	(465.30)	(483.19)	(601.02)	(965.36)	(957.69)	(853.82)	(752.52)	(562.24)		
6	Interest	(0.48)	(0.07)	(0.47)	-	(81.78)	(198.30)	(55.15)	(3.89)	(10.36)	(50.70)		
7	Prior Period Adjustments	0.29	-	-	-	-	(896.63)	-	-	-	-		
8	Exceptional Items	-	-	-	-	-	(413.15)	-	-	-	-		
9	Profit Before Tax	7,926.02	7,397.65	7,917.18	7,204.29	9,790.71	10,043.44	11,799.82	13,227.88	15,680.43	15,203.81		
10	Tax Provision	(2,578.39)	(2,589.45)	(2,531.12)	(1,323.48)	(2,898.37)	(3,485.10)	(4,156.90)	(4,350.23)	(5,562.18)	(4,745.55)		
11	Profit After Tax (before minority interest)	5,347.63	4,808.20	5,386.06	5,880.81	6,892.34	6,558.34	7,642.92	8,877.65	10,118.25	10,458.26		
12	Other comprehensive income, net of tax	-	-	-	-	-	-	-	(60.78)	0.01	(43.32)		
13	Total comprehensive income for the year	5,347.63	4,808.20	5,386.06	5,880.81	6,892.34	6,558.34	7,642.92	8,816.87	10,118.26	10,414.94		
14	Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	990.33	990.33	965.12		
15	Securities Premium	6,511.23	6,511.23	6,939.37	7,680.85	8,459.63	8,608.94	8,703.56	4,966.98	5,078.29	-		
16	Net Worth	22,172.39	25,704.81	30,161.33	33,923.75	38,793.86	42,877.56	47,623.77	54,899.02	65,502.12	63,790.22		
17	Basic Earnings Per Share (Rs.)	53.48	48.11	54.01	59.16	68.92	66.77	77.56	89.95	102.39	106.63		
18	Book Value Per Share (Rs.)	221.72	257.05	301.61	339.24	387.94	428.78	476.24	554.35	661.42	660.96		

Note: The figures of financial years 2016-17, 2017-18 and 2018-19 are as per Ind AS

Directors' Report

**To,
The Members,
ICRA Limited**

Your Directors have the pleasure in presenting the 28th Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2019.

Financial Performance

During its 28th year of operations, your Company has earned a net profit of Rs. 95.97 crore as against Rs. 100.32 crore during the previous year. Your Company's basic earnings per share for the year ended March 31, 2019 was Rs.98.36, as against Rs. 102.01 in the previous year. The financial results of your Company (standalone and consolidated) for the year ended March 31, 2019 are presented in the following tables.

Particulars	Standalone	
	2017-18 (Rs. crore)	2018-19 (Rs. crore)
Revenue from operations	222.13	230.14
Other income	50.74	44.53
Total income	272.87	274.67
Total expenses	127.03	143.60
Profit before exceptional items and tax	145.84	131.07
Exceptional items	-	-
Profit before tax	145.84	131.07
Total tax expense	45.52	35.10
Profit for the year	100.32	95.97
Total other comprehensive income, net of tax	(0.22)	(0.23)
Total comprehensive income for the year	100.10	95.74

Figures are extracted from the audited standalone financial statements as per Indian Accounting Standards (Ind AS).
1 crore = 10 million

Particulars	Consolidated	
	2017-18 (Rs. crore)	2018-19 (Rs. crore)
Revenue from operations	308.86	328.06
Other income	49.36	44.80
Total income	358.22	372.86
Total expenses	201.42	220.82
Profit before tax	156.80	152.04
Total tax expense	55.62	47.46
Profit for the year	101.18	104.58
Total other comprehensive income, net of tax	0.00	0.43
Total comprehensive income for the year	101.18	104.15

Figures are extracted from the audited consolidated financial statements as per Indian Accounting Standards (Ind AS).
1 crore = 10 million

Directors' Report

Review of Operations

Rating Services

Market Overview

The market for the credit rating business in FY2019 faced headwinds in terms of rising interest rates and tight liquidity conditions in the first half of the year and later because of the increased risk aversion towards the debt instruments of non-banking financial companies (NBFCs), which typically account for 55-60% of the total debt issuances. Even as the economic growth is estimated to have picked up marginally during FY2019, it was primarily supported by the Government's thrust on the road sector and affordable housing even as the broad-based recovery in investment activity continued to be delayed.

Bond issuances in the first half witnessed a decline of 12% on a YoY basis because of rising interest rates as well as higher base of the previous year. With rising interest rate differential between long-term debt and short-term borrowings, there was a shift to commercial paper (CP) borrowings. However, the bond issuances improved during the second half with YoY growth of 75%, as the borrowers replaced short-term debt with longer maturity debt to reduce asset-liability mismatches, there was a decline in corporate bond yields, a surge in issuances of Government of India (GoI) fully-serviced bonds by various public-sector undertakings as well as due to a favourable base effect of relatively lower issuances in H2 FY2018.

Revival in bank credit growth during FY2019 was mainly driven by the demand from the NBFCs and the retail segments. A reduction in the Statutory Liquidity Ratio (SLR) holding requirements for banks, recapitalisation of public sector banks, and external rating-based risk-capital allocation by banks for more categories of NBFCs may further improve the overall bank credit growth.

Economic growth in FY2019 picked up modestly as the transition impact, witnessed on various sectors because of the GST implementation, waned and the Government's thrust on infrastructure and housing activities continued. The depreciation of the Indian rupee also provided an impetus to exports even as domestic consumption continued to remain strong. Notwithstanding the above positives, the impact of the credit squeeze witnessed by the NBFCs had an adverse impact on consumption as well as supply of credit to micro-small and medium enterprises, which was reflected in the slowing growth of industrial activity as well as the services sector, starting from the second half of FY2019. Consumption growth has slowed down quite significantly since then and with increasing concerns on trade wars, corporate leverage and the Government's fiscal constraints to scale up expenditure in infrastructure sectors, the overall sentiment has turned somewhat negative in the last few months. On the positive side, with the recapitalisation of public sector banks, a recovery in investment activity is likely to find funding support.

While bank credit growth is expected to be steady during FY2020, debt capital markets activity will be driven by factors like inflation, interest rate trajectory and the demand for corporate bonds amid a large supply of Government bonds. An increased regulatory thrust, by the RBI as well as by SEBI, to part finance incremental borrowings through the market route, in case of large borrowers, is likely to support the bond market, though the current risk aversion amongst market participants against all but the highest rated bonds, or those backed by strong parentage, may continue to act as impediments in the short run.

Corporate Sector

The bank credit growth to the corporate sector was moderate in FY2019 as the pick-up in the investment cycle continued to get deferred. Borrowings through the bond route were impacted by high yields for most parts of the year and also due to increased risk aversion from debt investors in the second half of the financial year but showed a significant pick-up towards the end of the last quarter as yields subsided.

Credit growth showed a revival in the second half of the year because of enhanced demand for working capital loans. Also, the capacity utilisation levels in several industries improved and fresh investments have been visible on the marginal improvement in a few capital-intensive sectors like steel and cement. Given the borrowings of the Central and state governments as well as public sector undertakings planned for the year, there are apprehensions about the manner in which yields would play out. On the positive side, the SEBI rule that large corporates with a rating of AA and above must raise 25% of their incremental borrowings through the bond market from this year onwards and, likewise, the RBI requirement to part-finance incremental borrowings in case of large exposures through the market route is expected to provide an impetus to bond issuances, provided the demand-side issues are addressed. While fund-raising through new instruments like Infrastructure Investment Trusts (InvITs), formed under the Sebi InvIT Regulations 2014, did not show adequate traction, your Company was associated with the rating of the first Real Estate Investment Trust (REIT) under the SEBI REIT Regulations, 2014.

Directors' Report

Your Company was also involved in the Independent Credit Evaluation (ICE) of stressed assets as required under the Reserve Bank of India's revised framework for resolution of stressed assets.

Financial Sector

The trend of rising bond yields during H1 FY2019 resulted in issuers' preference for bank credit and the widening interest rate differential between short-term and long-term debt improved the attractiveness of short-term borrowings for the NBFCs. As a result, commercial paper (CP) volumes touched all-time highs during Q2 FY2019. Though, during H2 FY2019, concerns on asset-liability mismatches also prompted borrowers to raise long-term bonds during H2 FY2019 even if it was at a relatively higher cost. Because of the above factors, the bond issuances from both banks and the NBFCs, which were down during H1 FY2019, rose significantly during H2 FY2019, with a corresponding moderation in CP volumes outstanding.

With recapitalisation, public sector banks (PSBs) are expected to see improved credit growth during FY2020, which, coupled with phasing out of Basel II debt capital instruments and continued growth of private banks should support bond issuances from banks. Your Company continues to maintain strong presence in debt issuances from the banking sector. With increased competition from banks, increased cost of funds for the NBFCs and increased risk aversion to them, the NBFCs may face a challenging year for growth going ahead. With likely pressure on profitability and asset quality, some of them may witness a relatively muted year of growth and hence issuances during FY2020. Your Company continues to remain active in this sector.

The year under review continued to witness Tier II bond issuances from insurance companies to strengthen their regulatory solvency profile, which is in addition to the ratings done on the claims-paying ability of these companies. Your Company continued to maintain a strong position in this segment.

Rating downgrades during FY2019 impacted the quality of the underlying portfolios of various debt mutual fund (MF) schemes and also resulted in higher risk aversion for investors. As a result, the asset under management for debt MFs witnessed a muted YoY growth of ~2% during FY2019. With a view to match the investor's risk appetite, various new schemes like overnight funds were also launched by the MFs, which further expanded this segment during the year under review for your Company.

Structured Finance

During FY2019, the securitisation market witnessed the highest-ever issuance volumes of Rs. 1.97 lakh crore, a surge of nearly 135% over the previous fiscal (Rs. 84,000 crore in FY2018). The market particularly gained buoyancy in H2 FY2019 driven by the liquidity crisis in the financial sector, that forced the NBFCs and the HFCs to increasingly look at the securitisation route as an alternate funding tool. The relaxation of the minimum holding period (MHP) criteria for long-tenure loans by the RBI also helped, as it increased the supply of assets eligible for securitisation in the system.

Continuing the trend that started in FY2017 (pursuant to the clarity on legacy tax issues and removal of the distribution tax on securitisation trusts), healthy participation from the MFs and foreign investors continued to push the non-priority sector loan volumes.

In FY2019, your Company rated the country's first covered bond transaction and the first persistent securitisation transaction in the vehicle finance asset category. Your Company also rated the first REIT vehicle launched in the country and continued to maintain its position as a thought leader and a leading credit rating agency (CRA) in the structured finance segment.

Going forward, the extent of priority sector loan (PSL) shortfall in the banking system and the availability of eligible assets with sellers are expected to be the key factors influencing securitisation /assignment volumes. However, any significant traction in the priority sector loan certificates (PSLCs) market or widespread adoption of the loan co-origination framework by banks for sourcing PSL assets could restrict issuance volumes in the medium to long term. Nonetheless, increasing appetite for non-PSL assets is a healthy trend that is expected to continue.

Industry Research

During the year 2018-19, your Company has made deeper inroads with a cross section of clients across the market segments. ICRA research has regular coverage on 60+ industries with several sub-segments within the corporate sector and multiple sub-segments under the financial services and structured finance sectors. Clients continue to appreciate the analytical depth of our reports and the level of engagement with our analysts.

Directors' Report

Franchise Development

Your Company continues to enhance its franchise through periodic conferences, seminars, webinars and media activities aimed at promoting its visibility and brand strength.

During the year, your Company organised several seminars and conferences, to disseminate its views on credit trends in specific sectors in the domestic markets. Like every year, ICRA held joint events with Moody's, involving speakers and panelists representing the broad market, which were very well received by the event participants. Further, your Company's sector-specific webinars and thematic research reports continued with a view to enhance our brand.

Your Company continues to be at the forefront, in terms of share of voice, in the electronic and print media through regular releases expressing our opinion on contemporary issues with credit significance.

It continues to be a preferred partner in powering the *Financial Advisor Awards* along with CNBC-TV18. These awards have a strong franchise and are a matter of considerable pride for the winners.

Change in nature of business

During 2018-19, there was no change in the nature of business of your Company.

Subsidiary Companies (including step-down subsidiaries)

At the beginning of the year 2018-19, your Company had six subsidiaries, including one step-down subsidiary.

The Board of Directors of your Company had approved the merger of two of its wholly-owned subsidiaries - ICRA Management Consulting Services Limited, which is involved in consulting services, with and into ICRA Online Limited, involved in outsourcing and information services, subject to requisite approvals. Pursuant to the aforesaid approval, an amalgamation scheme has been filed for approval of the merger with the Hon'ble National Company Law Tribunals in Delhi and Kolkata. The Hon'ble National Company Law Tribunal, New Delhi, has sanctioned the scheme of amalgamation filed by ICRA Management Consulting Services Limited.

The said scheme of amalgamation will be effective upon sanctioning of the scheme filed by ICRA Online Limited by the Hon'ble National Company Law Tribunal, Kolkata.

Apart from the above, there has been no material change in the nature of the business of the subsidiaries.

As of March 31, 2019, your Company had namely the following subsidiaries, including the step-down subsidiary:

S. No.	Name of Subsidiary Companies	Category	Country of Incorporation
1.	ICRA Management Consulting Services Limited [§]	Subsidiary	India
2.	Pragati Development Consulting Services Limited	Step-down subsidiary	India
3.	ICRA Online Limited [§]	Subsidiary	India
4.	PT. ICRA Indonesia*	Subsidiary	Indonesia
5.	ICRA Lanka Limited	Subsidiary	Sri Lanka
6.	ICRA Nepal Limited	Subsidiary	Nepal

[§]Scheme of amalgamation filed with the Hon'ble National Company Law Tribunal

*liquidation initiated by the Company

Highlights of performance of subsidiary companies and their contribution to the overall performance of the Company during the year 2018-19 are provided in the Management Discussion and Analysis Report.

The consolidated financial statements of Group ICRA, consisting of ICRA Limited, its subsidiaries, and step-down subsidiary, for the year 2018-19, which form a part of the Annual Report, are attached. The Auditors' Report on the consolidated financial statements is also attached. In compliance with the relevant provisions of the Companies Act, 2013, a statement containing the brief financial details in Form AOC-1 as per Rule 5 of the Companies (Accounts) Rules, 2014, of the said subsidiaries is annexed to the consolidated financial statements, prepared in accordance with the prescribed Accounting Standards.

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

Directors' Report

Branches of the Company

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

Board meetings held during the year

During the year, five meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report attached as *Annexure-III* to this Report.

Human Resource Development & Training

Human resources continued to provide a variety of training & development opportunities in the year under review with an aim to build employee capacity to meet strategic needs and align with the company's strategic plan and overall mission.

A fundamental belief of our management philosophy is to invest in our employees and enable them to develop new skills and capabilities which benefit them as well as the Company. A variety of training & development programmes were provided in areas of Functional & Behavioural Skills, Team Building, Managerial effectiveness with emphasis placed on improving skill, competency and knowledge. New hires go through a systematic on-boarding programme, designed to equip them adequately with the right skills and competencies to achieve their best potential.

ICRA continues to focus on building a strong talent pipeline across levels through regular in-house and external programmes. Developing and strengthening capabilities of all employees has remained an ongoing priority. Deserving employees, who demonstrate high performance and potential, are awarded challenging assignments and higher responsibilities. They are provided adequate training and coaching to prepare them towards the same.

The Company's talent management strategy is focused on building leaders of tomorrow. We invest through world class leadership development programmes to build the talent bank in the organisation. The Company has a robust talent review programme and ensures a succession plan towards critical positions, annually.

There is a harmonious relationship between the employees and the management of your Company. The consultative and participative management style of your Company has facilitated the achievement of its corporate goals. The employee morale has been high, resulting in a positive contribution to your Company's progress.

Employees Stock Option Scheme (ESOS)

The Employee Stock Option Scheme 2006 ('the Scheme') expired on June 27, 2016, after completion of 10 years. During the year under review, the eligible employees had exercised their last instalment of granted options.

The members of your Company in the Annual General Meeting held on August 9, 2018, by passing a special resolution had adopted a new scheme called Employees Stock Option Scheme 2018 (**ESOS 2018**), under which an aggregate of 31,950 stock options are proposed to be granted. Permanent employees (excluding Promoters and Independent Directors) of your Company and its subsidiaries are eligible to participate in the ESOS 2018. An estimated 31,950 stock options (shares of which are with the ICRA Employees Welfare Trust) will be granted under the ESOS 2018.

The disclosures in terms of Regulation 14 of the SEBI (Share-based Employee Benefits) Regulations, 2014 read with Circular No CIR/CFD/POLICY CELL/2/2015, dated June 16, 2015, issued by SEBI, are available on the Company's website and the web-link for the same is:

[https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=27&Title=Corporate%20Governance&Report=Disclosure%20by%20Board%20of%20Directors%20\(ESOP\)_2018_March.pdf](https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=27&Title=Corporate%20Governance&Report=Disclosure%20by%20Board%20of%20Directors%20(ESOP)_2018_March.pdf)

Particulars of Employees

The disclosure under the provisions of Section 197(12) of the Companies Act, 2013, regarding the ratio of the remuneration of each Director to the median employee's remuneration and such other details as specified in Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Directors' Report (*Annexure I*). A statement showing the names of the top ten employees in terms of remuneration drawn and other particulars of the employees drawing remuneration in excess of the limits set out in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as well as the names and other particulars of every employee covered under the rule are available at the registered office of the Company, and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

With regard to the provisions of Section 136(1) of the Companies Act, 2013, the Directors' Report, excluding the information provided in compliance with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being sent to the members of the Company.

Directors' Report

Extract of the Annual Return

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

Corporate Governance

The report of the Board of Directors of your Company on Corporate Governance is presented as a separate section (*Annexure III*) titled Corporate Governance Report, which forms a part of the Annual Report.

The composition of the Board, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee and other committees of the Board, the number of meetings of the Board and committees of the Board, and other matters are presented in the Corporate Governance Report.

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

Your Company has obtained a certificate from a practicing company secretary that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority.

Management Discussion & Analysis

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

Insider Trading Regulations

Based on the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Code of Conduct for prevention of insider trading is in force in your Company. The Board of Directors of the Company has adopted the Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, the policy for determination of legitimate purposes, and policy for enquiry in case of the leak of unpublished price sensitive information in compliance with the said regulations and the same have been uploaded on the Company website.

Material Changes and Commitments

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

Buyback of Shares

During the year 2018-19, the Board of Directors of your Company at its meeting held on August 9, 2018, had approved the buyback of the Company's fully paid-up equity shares of the face value of Rs. 10 each from its members/beneficial owners, other than those who are promoters or the persons in control of the Company and the promoter group, from the open market through the stock exchange mechanism i.e. using the electronic trading facilities of the BSE Limited and the National Stock Exchange of India Limited, where the equity shares are listed in accordance and consonance with the provisions contained in the Companies Act, 2013 and the provisions contained in the SEBI (Buyback of Securities) Regulations, 2018 (Buyback Regulations).

The buyback commenced from October 1, 2018 and closed on December 12, 2018. Your Company bought back 2,52,049 equity shares at an average price of Rs. 3,388.18 per equity share for a total consideration of Rs. 85,39,87,926.34/- (Rupees Eighty-Five Crore Thirty-Nine Lakh Eighty-Seven Thousand Nine Hundred Twenty-Six and Thirty-Four Paise Only) (excluding transaction costs), representing 99.9986% of the total approved amount of Rs. 85.40 crore (Rupees Eighty-Five Crore and Forty Lakh Only) towards the buyback.

Share Capital

As on March 31, 2019, the Company's issued, subscribed and paid-up equity share capital, stood at Rs. 9,65,12,310 (Nine Crore Sixty-Five Lakh Twelve Thousand Three Hundred and Ten Only) divided into 96,51,231 equity shares of Rs. 10/- each.

Directors' Report

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

As your Company is not involved in any manufacturing activity, the particulars relating to conservation of energy and technology absorption, as mentioned in the Companies (Accounts) Rules, 2014, are not applicable to it. However, emphasis is placed on the 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 the financial statements.

Update regarding certain ongoing matters

The Company is in the process of addressing certain ongoing matters. First, the Securities and Exchange Board of India (SEBI) has initiated adjudication proceedings ('Adjudication Proceeding') related to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries. The settlement application filed in this regard by the Company has been rejected by SEBI. The Company is also cooperating with government agencies and responding to their queries in relation to this matter. Secondly, the Board of Directors of the Company appointed external experts to examine and report on anonymous representations against its officials, which were forwarded to the Company by SEBI (Representations). There have been certain allegations, during the course of the internal examination of the representation, which appear to be retaliatory in nature, for which the Board is in the process of appointing external experts to examine. Thirdly, the Company has received a letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group. The Company has submitted its responses to SEBI on such observations.

While the Company has made a provision for penalty on a prudent basis with regards to the Adjudication Proceeding, the Adjudication Proceedings as well as the examinations and other matters noted above remain ongoing, the results of which are not yet available or known. In the meantime, the Board of Directors of the Company, on July 1, 2019, placed its Managing Director and Group CEO on administrative leave, with immediate effect until further notice.

As on date, the Company is unable to estimate the impact, if any, that may result from a potential unfavourable conclusion of these matters or any related inquiry.

Directors and Key Managerial Personnel

During 2018-19, Ms. Farisa Zarin, Non-Executive, Non-Independent Director of your Company, resigned from the Board of your Company inclusive of membership in any and all committees of the Board. The resignation of Ms. Zarin was effective from March 29, 2019. During the year under review, the Members of the Company at the Annual General Meeting held on August 9, 2018 approved the appointment of Mr. Navneet Agarwal as Non-Executive Non-Independent Director of the Company.

The Board of Directors of your Company appointed Mr. David Brent Platt as an Additional Director of your Company under the category of Non-Executive Non-Independent. Mr. Platt's appointment is effective from April 30, 2019. The Nomination and Remuneration Committee and the Board of your Company recommend appointment of Mr. Platt under the category of Non-Executive Non-Independent Director, liable to retire by rotation, for approval of the Members of the Company at the forthcoming Annual General Meeting. The resolution seeking Mr. Platt's appointment as Director has been included in the Agenda of the Annual General Meeting.

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in its meeting held on May 9, 2019, has considered the matter of re-appointment of Mr. Arun Duggal, Ms. Ranjana Agarwal and Ms. Radhika Vijay Haribhakti, Independent Directors who are to complete their first term in 2019. The Board had decided to place the proposal for re-appointment of Mr. Arun Duggal, Ms. Ranjana Agarwal and Ms. Radhika Vijay Haribhakti, as Independent Directors for a further term of five years, for approval of the members at the forthcoming Annual General Meeting.

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

Proposal for the above appointment/re-appointment forms a part of the Agenda for the forthcoming Annual General Meeting and the resolutions are recommended for your approval. The profiles of Mr. Duggal, Ms. Agarwal, Ms. Haribhakti, Dr. Ye, and Mr. Platt are presented in the Notice of the 28th Annual General Meeting, as required under the Companies Act, 2013, and the Listing Regulations.

On July 1, 2019, the Board of Directors of your Company, pending the completion of the examination of the concerns raised in the anonymous representation that was forwarded to the Company by the Securities and Exchange Board of India (SEBI), placed Mr. Naresh Takkar, Managing Director & Group CEO, on administrative leave, effective from July 1, 2019, until further notice.

Directors' Report

In addition, the Board of Directors of your Company appointed Group Chief Financial Officer (Group CFO), Mr. Vipul Agarwal, as Interim Chief Operating Officer of the Company, effective from July 1, 2019. Mr. Agarwal has assumed responsibility for the day-to-day operations of your Company and, during Mr. Takkar's period of leave, reports to the Board of Directors. Mr. Agarwal continues to hold his position as the Group CFO.

Independent Directors' Declaration

As required under Section 149(7) of the Companies Act, 2013 read with Schedule IV of Companies Act, 2013, the Company has received a confirmation/declaration from each of the Independent Directors stating that they meet the criteria of independence. The following Non-Executive Directors of the Company are independent in terms of Section 149(6) of the Companies Act, 2013, and the Listing Regulations:

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

Directors' Responsibility Statement

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

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures from the same
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities
- (iv) the Directors had prepared the Annual Accounts on a going concern basis
- (v) the Directors had laid down the internal financial controls, followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

Policy on Directors' Appointment

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

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

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

Directors' Report

Board and Directors' Performance Evaluation

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

Your Company's Board had undertaken a formal performance evaluation in a comprehensive and structured manner as a part of the strengthening exercise. Based on the recommendations of the Nomination and Remuneration Committee, the Board has adopted a process of receiving anonymous feedback and discussing the same at the meeting to ensure the Directors' collective participation and meaningful discussion over the performance of the Board, its Committees, individual Directors and Chairperson of the Board.

Your Company's Board believes that trust in the evaluation process and its confidentiality is critical for the success of the evaluation exercise, therefore, the Board encourages fair and transparent evaluations and maintains anonymity of those providing the feedback.

During the evaluation process, various suggestions were made by individual Board members to further enhance the effectiveness of your Company's Board. The results of the feedback were discussed with the Board and its respective committee members. Individual feedback was shared by the Chairman with each Board member separately.

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

Auditors

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of your Company, at the 24th Annual General Meeting to hold office until the conclusion of the 28th Annual General Meeting. The Audit Committee and the Board of Directors have considered and recommended the appointment of Statutory Auditors to the Members of the Company.

The disclosures, as required under Regulation 36(5) of the Listing Regulations, will be presented in the Notice of the 28th Annual General Meeting.

Comments on Auditors' Report

The notes to the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments, except for the disclosure pertaining to certain ongoing matters, as provided under '*Update regarding certain ongoing matters*' and '*Directors and Key Managerial Personnel*' of this report of the Board of Directors.

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

Secretarial Audit

The Board of Directors of the Company has appointed M/s. Chandrasekaran Associates, Company Secretaries (Certificate of Practice No. 13725), as the Secretarial Auditor of the Company for the financial year 2018-19 in terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the Listing Regulations. The Secretarial Audit Report for financial year 2018-19 has been annexed to this Report (*Annexure V*). The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

As per the requirement of the Listing Regulations, material subsidiary has appointed a secretarial auditor, who has undertaken secretarial audit of the material subsidiary for the financial year ended March 31, 2019.

Transfer to Reserves

Your Company proposes not to transfer any amount to the General Reserve.

Dividend

The Board of Directors recommends for approval of the Members at the forthcoming Annual General Meeting, payment of dividend of Rs. 30 per equity share for the financial year ended March 31, 2019. If the members approve the dividend at the forthcoming Annual General Meeting, the dividend shall be paid to: (i) all those members whose names appear in the Register of Members as on Wednesday, September 25, 2019; and (ii) all those members whose names appear on that date as beneficial owners as furnished by the National Securities Depository Limited and Central Depository Services (India) Limited.

Directors' Report

Dividend Distribution Policy

Your Company has formulated a Dividend Distribution Policy ('the Policy') pursuant to Regulation 43A of the Listing Regulations. The objective of the Policy is to maintain stability in the dividend payout of the Company, subject to the applicable laws and to ensure a regular dividend income for the members and long-term capital appreciation for all stakeholders of the Company.

Your Company would ensure to strike the right balance between the quantum of dividend paid and the amount of profits retained in the business for various purposes. The Board of Directors refers to this Policy while declaring/recommending dividends on behalf of the Company. Through this Policy, the Company would try to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws. The Policy has been annexed to this report (Annexure VI) and also uploaded on the Company's website - www.icra.in.

Transfer to Investor Education and Protection Fund

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

During 2018-19, the unclaimed dividend amount of Rs. 90,389 towards the unpaid dividend account of the Company for the financial year 2010-11 was transferred to the Investor Education and Protection Fund. The said amount had remained unclaimed for seven years, despite reminder letters having been sent to each of the members concerned.

Pursuant to Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendments, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the Company in the demat account of Investor Education and Protection Fund (IEPF) Authority (the Authority) within a period of thirty days of such shares becoming due to be transferred to the IEPF, as per the procedure mentioned in the said Rules. Accordingly, your Company has transferred 142 equity shares to the demat account of the Authority and in terms of the said rules. All benefits accruing on such shares viz. bonus shares, split, consolidation, fraction shares etc. except the right issue shall also be credited to such a demat account.

Members may note that unclaimed dividend and shares transferred to the demat account of the Authority can be claimed back by them from the Authority by following the procedure mentioned in the said Rules.

Risk Management Policy

Your Company has formulated a risk management policy. This policy is a formal acknowledgement of the commitment of your Company to risk management. The aim of the policy is not to have the risk eliminated completely from the Company's activities, but rather to ensure that every effort is made by the Company to manage risks appropriately to maximise potential opportunities and minimise the adverse effects of risk. The Board and the Risk Management Committee monitor and review the risk management plan.

Internal Control System and their Adequacy

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

Corporate Social Responsibility

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

Business Responsibility Report

Your Company, in accordance with the provisions of Regulation 34(2)(f) of the Listing Regulations has prepared a Business Responsibility Report for the year 2018-19. The Business Responsibility Report describes the initiatives taken by the Company from the environmental, social and governance perspective. The Business Responsibility Report has been annexed to this report (Annexure VIII) and forms a part of the Director's Report.

Directors' Report

Particulars of Contracts or Arrangements with Related Parties

Your Company has entered into contracts or arrangements with its related parties. The related-party transactions are disclosed in the financial statements for the year ended March 31, 2019. There have been no material-related party transactions as per Section 188(1) of the Companies Act, 2013 and as per Regulation 23 of the Listing Regulations, and the required disclosures of information in Form AOC-2 in terms of Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are annexed to this report (Annexure IX).

Policy on Prohibition, Prevention and Redressal of Sexual Harassment

Your Company has formulated a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. The Company has constituted an Internal Committee for prevention and redressal of sexual harassment at the workplace separately for all the branches. The Company has not received any complaints. The disclosures in relation The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, has also been made in the Corporate Governance Report.

Deposits

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

Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees and investments are disclosed in the financial statements for the year ended March 31, 2019.

Vigil Mechanism/Whistle-Blower Policy

Your Company has established a vigil mechanism in compliance with the provisions of Section 177 (9) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations. Your Company has adopted a Whistle-Blower Policy to report unethical/illegal/improper behaviour. Your Company has made employees aware of the whistle-blower policy to enable them to report instances of leak of unpublished price sensitive information.

The said whistle-blower policy also provides for adequate safeguards against victimisation of persons who use such vigil mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. Further, no stakeholders have been denied access to the Audit Committee.

Composition of the Audit Committee

Your Company has constituted an Audit Committee, the composition of which has been provided in the Corporate Governance Report. During the financial year 2018-19, the Board accepted all the recommendations of the Audit Committee.

Litigations

There are two pending cases in the Hon'ble High Court at Madras, which are for injunction petitions by clients against publishing of surveillance rating by your Company.

Acknowledgements

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

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

For and on behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

Place : Gurugram
Date : August 22, 2019

Annexure I

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2018-19 and the percentage increase in remuneration of each Director and Key Managerial Personnel during the financial year 2018-19:

Name of the Director/Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
Mr. Arun Duggal	Independent Director	1.43:1	Nil
Ms. Ranjana Agarwal	Independent Director	1.10:1	Nil
Ms. Radhika Vijay Haribhakti	Independent Director	1.10:1	Nil
Dr. Min Ye	Non- Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Mr. Thomas John Keller Jr.	Non- Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Ms. Farisa Zarin*	Non- Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Mr. Navneet Agarwal	Non- Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Mr. David Brent Platt**	Additional Director, Non- Executive and Non-Independent	Not Applicable	Not Applicable
Mr. Naresh Takkar	Managing Director & Group CEO	28.48:1	6.66%
Mr. Vipul Agarwal	Group Chief Financial Officer	Not Applicable	4.49%
Mr. Amit Gupta	General Counsel	Not Applicable	3.94%
Mr. S. Shakeb Rahman	Company Secretary	Not Applicable	15.93%

*Ceased to be a Director with effect from March 29, 2019.

**Appointed as an Additional Director with effect from April 30, 2019.

¹Non-Executive Non Independent Directors have waived sitting fees and also waived commission payable to them for the financial year 2018-19.

- (ii) The percentage increase in the median remuneration of employees for the financial year 2018-19 was 11.70%.
- (iii) The number of permanent employees on the rolls of the Company as of March 31, 2019 was 444.
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel (including KMP) in the financial year was 10.80% whereas the increase in the managerial remuneration was 6.66%. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies.
- (v) The remuneration paid during the financial year 2018-19 is as per the Remuneration Policy of the Company.

Annexure II

Form No. MGT-9**Extract of Annual Return as on the financial year ended on March 31, 2019****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L74999DL1991PLC042749
2.	Registration Date	16/01/1991
3.	Name of the Company	ICRA Limited
4.	Category/Sub-Category	Public Company
5.	Address of the Registered office and contact details	1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi – 110001 Tel.: +91.11.23357940-45 Email Id: investors@icraindia.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. Link Intime India Private Limited, Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058, Tel: +91.11.4141 0592 Fax: +91.11.4141 0591 Email Id: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service	% of total turnover of the company
1.	Rating/Grading Services	66190	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	ICRA Management Consulting Services Limited ^s 1105, 11th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi 100 001, India	U74140DL2004PLC131454	Subsidiary	100	2(87)
2.	ICRA Online Limited ^s Infinity Benchmark, 17th Floor, Plot -G1, Block-GP, Sector-V, Salt Lake Kolkata, West Bengal-700091 India	U72900WB1999PLC109180	Subsidiary	100	2(87)
3.	ICRA Lanka Limited 10-02, East Tower, World Trade Center, Colombo 1, Sri Lanka	NA	Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
4.	ICRA Nepal Limited Sunrise Bizz Park, 6th Floor, Dillibazar, Kathmandu-33, Nepal	NA	Subsidiary	51	2(87)
5.	PT. ICRA Indonesia*	NA	Subsidiary	99	2(87)
6.	Pragati Development Consulting Services Limited 1105, 11th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi 100 001, India	U74140DL2011PLC213174	Subsidiary	100	2(87)

[§]Scheme of amalgamation filed with the Hon'ble National Company Law Tribunal

*Under liquidation

IV. SHAREHOLDING PATTERN

(EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	2850900	0	2850900	28.7874	3055900	0	3055900	31.6633	2.8759
	Sub Total (A)(1)	2850900	0	2850900	28.7874	3055900	0	3055900	31.6633	2.8759
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Bodies Corporate	2154722	0	2154722	21.7577	1949722	0	1949722	20.2018	-1.5559
	Sub Total (A)(2)	2154722	0	2154722	21.7577	1949722	0	1949722	20.2018	-1.5559
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	5005622	0	5005622	50.5451	5005622	0	5005622	51.8651	1.3200
(B)	Public Shareholding									
[1]	Institutions									

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(a)	Mutual Funds / UTI	990063	0	990063	9.9973	1276612	0	1276612	13.2275	3.2302
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	1062664	0	1062664	10.7304	879540	0	879540	9.1132	-1.6172
(f)	Financial Institutions / Banks	401912	0	401912	4.0584	62873	0	62873	0.6515	-3.4069
(g)	Insurance Companies	1412005	0	1412005	14.2580	1419173	0	1419173	14.7046	0.4466
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	3866644	0	3866644	39.0441	3638198	0	3638198	37.6967	-1.3474
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	207	0	207	0.0021	0	0	0	0.0000	-0.0021
	Sub Total (B)(2)	207	0	207	0.0021	0	0	0	0.0000	-0.0021
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	464504	1540	466044	4.7060	485789	345	486134	5.0370	0.3310
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	141894	0	141894	1.4328	137911	0	137911	1.4289	-0.0039
(b)	NBFCs registered with RBI	0	0	0	0.0000	2525	0	2525	0.0262	0.0262
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	IEPF	0	0	0	0.0000	349	0	349	0.0036	0.0036
	Trusts	3003	0	3003	0.0303	3003	0	3003	0.0311	0.0008
	Hindu Undivided Family	21900	0	21900	0.2211	21219	0	21219	0.2199	-0.0012
	Non Resident Indians (Non Repat)	10477	0	10477	0.1058	10576	0	10576	0.1096	0.0038
	Non Resident Indians (Repat)	23164	0	23164	0.2339	24033	0	24033	0.2490	0.0151
	Foreign Portfolio Investor (Individual)	20	0	20	0.0002	0	0	0	0.0000	-0.0002

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Clearing Member	3717	0	3717	0.0375	2701	0	2701	0.0280	-0.0095
	Bodies Corporate	319905	0	319905	3.2303	287010	0	287010	2.9738	-0.2565
	Sub Total (B)(3)	988584	1540	990124	9.9979	975116	345	975461	10.1071	0.1092
	Total Public Shareholding(B)=(1)+(B)(2)+(B)(3)	4855435	1540	4856975	49.0441	4613314	345	4613659	47.8038	-1.2403
	Total (A)+(B)	9861057	1540	9862597	99.5892	9618936	345	9619281	99.6690	0.0798
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	40683	0	40683	0.4108	31950	0	31950	0.3310	-0.0798
	Total (A)+(B)+(C)	9901740	1540	9903280	100.0000	9650886	345	9651231	100.0000	

Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares held	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares held	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Moody's Investment Company India Private Limited	2850900	28.7874	0.0000	3055900	31.6633	0.0000	2.8759
2.	Moody's Singapore Pte Ltd	2154722	21.7577	0.0000	1949722	20.2018	0.0000	-1.5559
	Total	5005622	50.5451	0.0000	5005622	51.8651	0.0000	1.3200

Change in Promoters' Shareholding:

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		no. of shares held	% of total shares of the company	date of transaction	no. of shares	no. of shares held	% of total shares of the company
1	Moody's Investment Company India Private Limited	2850900	28.7874			2850900	29.5392
	Transfer			21 Dec 2018	205000	3055900	31.6633
	At the end of the year					3055900	31.6633
2	Moody's Singapore Pte Ltd	2154722	21.7577			2154722	22.3259
	Transfer			21 Dec 2018	(205000)	1949722	20.2018
	At the end of the year					1949722	20.2018

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 96,51,231 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE MNC FUND	951928	9.8633			951928	9.8633
	Transfer			06 Apr 2018	450	952378	9.8679
	Transfer			13 Apr 2018	450	952828	9.8726
	Transfer			20 Apr 2018	450	953278	9.8773
	Transfer			27 Apr 2018	450	953728	9.8819
	Transfer			04 May 2018	180	953908	9.8838
	Transfer			18 May 2018	108	954016	9.8849
	Transfer			25 May 2018	306	954322	9.8881
	Transfer			20 Jul 2018	324	954646	9.8914
	Transfer			27 Jul 2018	108	954754	9.8926
	AT THE END OF THE YEAR					954754	9.8926
2	LIFE INSURANCE CORPORATION OF INDIA	889006	9.2113			889006	9.2113
	Transfer			06 Apr 2018	602	889608	9.2176
	Transfer			13 Apr 2018	5608	895216	9.2757
	Transfer			20 Apr 2018	701	895917	9.2829
	Transfer			27 Apr 2018	257	896174	9.2856
	AT THE END OF THE YEAR					896174	9.2856
3	PARI WASHINGTON INDIA MASTER FUND, LTD.	0	0.0000			0	0.0000
	Transfer			06 Jul 2018	330202	330202	3.4213
	Transfer			17 Aug 2018	5126	335328	3.4745
	Transfer			24 Aug 2018	5725	341053	3.5338
	Transfer			14 Sep 2018	570	341623	3.5397
	Transfer			21 Sep 2018	263	341886	3.5424
	Transfer			29 Sep 2018	1042	342928	3.5532
	Transfer			12 Oct 2018	7362	350290	3.6295
	Transfer			09 Nov 2018	98000	448290	4.6449
	Transfer			16 Nov 2018	97892	546182	5.6592
	Transfer			11 Jan 2019	80000	626182	6.4881
	Transfer			15 Mar 2019	4835	631017	6.5382
	Transfer			29 Mar 2019	126	631143	6.5395
	AT THE END OF THE YEAR					631143	6.5395
4	GENERAL INSURANCE CORPORATION OF INDIA	522999	5.4190			522999	5.4190
	AT THE END OF THE YEAR					522999	5.4190

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
5	RELIANCE CAPITAL TRUSTEE CO. LTD.-A/C RELIANCE SMALL CAP FUND	0	0.0000			0	0.0000
	Transfer			22 Mar 2019	230000	230000	2.3831
	Transfer			29 Mar 2019	26209	256209	2.6547
	AT THE END OF THE YEAR					256209	2.6547
6	HDFC LIFE INSURANCE COMPANY LIMITED	146891	1.5220			146891	1.5220
	Transfer			13 Apr 2018	(5097)	141794	1.4692
	Transfer			08 Jun 2018	5400	147194	1.5251
	Transfer			22 Jun 2018	707	147901	1.5325
	Transfer			30 Jun 2018	3893	151794	1.5728
	AT THE END OF THE YEAR					151794	1.5728
7	PLATINUM ASIA FUND	184851	1.9153			184851	1.9153
	Transfer			29 Sep 2018	(332)	184519	1.9119
	Transfer			05 Oct 2018	(19103)	165416	1.7139
	Transfer			12 Oct 2018	(19062)	146354	1.5164
	Transfer			19 Oct 2018	(3172)	143182	1.4836
	Transfer			26 Oct 2018	(1856)	141326	1.4643
	AT THE END OF THE YEAR					141326	1.4643
8	M3 INVESTMENT PRIVATE LIMITED	71660	0.7425			71660	0.7425
	AT THE END OF THE YEAR					71660	0.7425
9	PPFAS MUTUAL FUND - PARAG PARIKH LONG TERM EQUITY FUND	37835	0.3920			37835	0.3920
	Transfer			15 Feb 2019	63	37898	0.3927
	Transfer			22 Feb 2019	46	37944	0.3932
	Transfer			01 Mar 2019	2107	40051	0.4150
	Transfer			08 Mar 2019	16000	56051	0.5808
	Transfer			15 Mar 2019	8400	64451	0.6678
	Transfer			29 Mar 2019	1198	65649	0.6802
	AT THE END OF THE YEAR					65649	0.6802
10	RADHAKISHAN DAMANI	48451	0.5020			48451	0.5020
	AT THE END OF THE YEAR					48451	0.5020
11	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.P.	83150	0.8615			83150	0.8615
	Transfer			20 Jul 2018	(1393)	81757	0.8471
	Transfer			27 Jul 2018	(1488)	80269	0.8317
	Transfer			12 Oct 2018	(14741)	65528	0.6790
	Transfer			01 Feb 2019	(205)	65323	0.6768
	Transfer			08 Feb 2019	(933)	64390	0.6672

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			15 Feb 2019	(415)	63975	0.6629
	Transfer			22 Feb 2019	(986)	62989	0.6527
	Transfer			01 Mar 2019	(1711)	61278	0.6349
	Transfer			08 Mar 2019	(7553)	53725	0.5567
	Transfer			15 Mar 2019	(9551)	44174	0.4577
	Transfer			22 Mar 2019	(3380)	40794	0.4227
	Transfer			29 Mar 2019	(16416)	24378	0.2526
	AT THE END OF THE YEAR					24378	0.2526
12	PUNJAB NATIONAL BANK	340000	3.5229			340000	3.5229
	Transfer			25 May 2018	(58)	339942	3.5223
	Transfer			01 Jun 2018	(4439)	335503	3.4763
	Transfer			08 Jun 2018	(5503)	330000	3.4193
	Transfer			30 Jun 2018	(330000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	FRANKLIN TEMPLETON INVESTMENT FUNDS	300929	3.1180			300929	3.1180
	Transfer			19 Oct 2018	(58083)	242846	2.5162
	Transfer			09 Nov 2018	(81600)	161246	1.6707
	Transfer			16 Nov 2018	(81600)	79646	0.8252
	Transfer			23 Nov 2018	(20800)	58846	0.6097
	Transfer			30 Nov 2018	(6000)	52846	0.5476
	Transfer			07 Jan 2019	(52846)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	SMALLCAP WORLD FUND, INC	291264	3.0179			291264	3.0179
	Transfer			23 Nov 2018	(9836)	281428	2.9160
	Transfer			30 Nov 2018	(22585)	258843	2.6820
	Transfer			07 Dec 2018	(5963)	252880	2.6202
	Transfer			14 Dec 2018	(983)	251897	2.6100
	Transfer			21 Dec 2018	(606)	251291	2.6037
	Transfer			28 Dec 2018	(91)	251200	2.6028
	Transfer			04 Jan 2019	(19785)	231415	2.3978
	Transfer			25 Jan 2019	(2510)	228905	2.3718
	Transfer			01 Feb 2019	(152)	228753	2.3702
	Transfer			15 Mar 2019	(228753)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 9651231 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

Shareholding of Directors and Key Managerial Personnel

Name of the Director(s)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company*
Mr. Arun Duggal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Ms. Ranjana Agarwal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Ms. Radhika Vijay Haribhakti	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Dr. Min Ye	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Thomas John Keller Jr.	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Navneet Agarwal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Naresh Takkar	At the beginning of the year	42,000	0.435	42,000	0.435
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	42,000	0.435	42,000	0.435
Mr. Vipul Agarwal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	Nil	NA	Nil	NA

Name of the Director(s)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company*
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Amit Kumar Gupta	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. S. Shakeb Rahman	At the beginning of the year	210	0.002	210	0.002
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	90 (ESOPs)	0.001	90 (ESOPs)	0.001
	At the end of the year (or on the date of separation, if separated during the year)	300	0.003	300	0.003

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payments

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

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**Remuneration of Managing Director (MD), Whole-Time Directors (WTD) and/or Manager:***(in Rs. lakh)*

Sl. No.	Particulars of Remuneration	Mr. Naresh Takkar
1.	Gross Salary*	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	311.27
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.24
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission**	
	As 1% of net profit	128.14
	Others	-
5.	Others	-
	Total (A)	439.65
	Ceiling as per the Act	640.70

*The payment of Long Term Deferred Incentive and other incentive for the FY 2018-19, aggregating to INR 65.40 lacs, shall be decided by the Board on the recommendation of the Committee. However, the Company has made full provision for the same amount in the FY 2018-19

**The payment of commission for the FY 2018-19, within the approved limit, shall be decided by the Board on the recommendation of the Committee. However, the Company has made a provision of 1% of the net profits of the Company, computed in accordance with Section 198 of the Companies Act, 2013 in the FY 2018-19.

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

Particulars of Remuneration	Mr. Arun Duggal	Ms. Ranjana Agarwal	Ms. Radhika Vijay Haribhakti	Dr. Min Ye	Mr. Thomas John Keller Jr.	Ms. Farisa Zarin#	Mr. Navneet Agarwal	Total Amount
Independent Directors:								
Fees for attending Board/ Committee meetings (sitting fee)	6.20	11.00	7.40	-	-	-	-	24.60
Commission	22.00	17.00	17.00	-	-	-	-	56.00
Others	-	-	-	-	-	-	-	-
Total (1)								
Fees for attending Board/ Committee meetings (sitting fee)	-	-	-	Nil *	Nil*	Nil*	Nil*	Nil*
Commission	-	-	-	Nil*	Nil*	Nil*	Nil*	Nil*
Others	-	-	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-	-	-
Total (B)= (1+2)	28.20	28.00	24.40	Nil	Nil	Nil	Nil*	80.60
Total Managerial Remuneration*	22.00	17.00	17.00	-	-	-	-	56.00
Overall Ceiling as per the Act								128.14

*Ceased to be a Director with effect from March 29, 2019.

#Excluding Sitting Fee.

*Non-Executive Non Independent Directors have waived sitting fees and commission payable to them for the financial year 2018-19.

Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD*(in Rs. lakh)*

Sl. No.	Particulars of Remuneration	Mr. Vipul Agarwal (Group Chief Financial Officer)	Mr. Amit Kumar Gupta (General Counsel)	Mr. S. Shakeb Rahman (Company Secretary & Compliance Officer)	Total Amount
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	191.92	74.87	24.57	291.36
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.24	0.24	0.24	0.72
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	As 1% of net profit	-	-	-	-
	Others	-	-	-	-
5.	Others	-	-	-	-
	Total (A)	192.16	75.11	24.81	292.08
	Ceiling as per the Act				

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure III

Corporate Governance Report

A. Company's Philosophy on Corporate Governance

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

B. Board of Directors

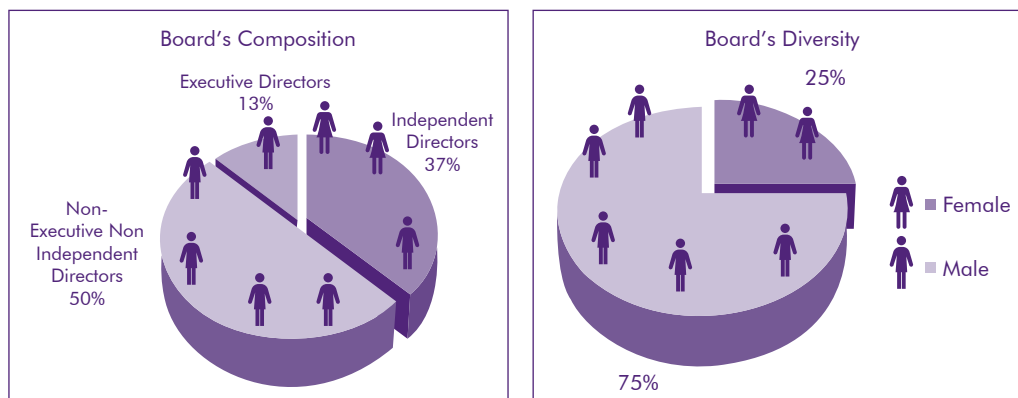
(i) Board Membership Criteria

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

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

(ii) Composition of the Board

(i) The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors with a balanced structure. As on the date of this report, the Board consists of eight members, one of whom is an Executive Director. Of the seven Non-Executive Directors, including two women Directors, three are Independent Directors and four Non-Executive Non-Independent Directors, including one Additional Director. The Chairman of the Board is a Non-Executive and Independent Director. Your Company believes in a balanced governance structure with the separation of the posts of a chairperson and a chief executive officer. Your Company acknowledges that while all directors have equal fiduciary responsibilities, appointing a Non-Executive and Independent Director as Chairman of the Board facilitates better engagement of, and by, the Independent Directors on the Board. The number of Non-Executive Directors is more than 50% of the total number of Directors.



In compliance with Regulation 25(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) none of the Independent Directors of your Company serve as Independent Directors in more than seven listed entities. It also specifies that an Independent Director, acting as a whole-time one in any listed entity, would not be considered an Independent one in more than three listed entities.

None of the Directors on the Board of your Company are members of more than 10 committees or chairpersons of more than five committees, considering all the companies in which they are named directors - in compliance with Regulation 26(1) of the Listing Regulations.

The composition of the Board as on the date of this report and the other directorships (inclusive of Board committee assignments with respect to the Company and other companies) held, as on the date of this report by each of the Directors, is set out in the following table:

Corporate Governance Report

Name of Director ¹	Category of Director	Relationship with Other Directors inter se	Directorship in Other Companies ²	No. of Board Committee(s) of which he/she is a Member ³	No. of Board Committee(s) of which he/she is Chairman ³
Mr. Arun Duggal DIN: 00024262	Chairman Non-Executive Independent Director	None	5	3	1
Mr. Naresh Takkar DIN: 00253288	Executive Director	None	3	1	None
Ms. Ranjana Agarwal DIN: 03340032	Non-Executive Independent Director	None	7	5	1
Ms. Radhika Vijay Haribhakti DIN: 02409519	Non-Executive Independent Director	None	5	5	1
Dr. Min Ye DIN: 06552282	Non-Executive Non- Independent Director	None	17	1	None
Mr. Thomas John Keller Jr. DIN: 00194502	Non-Executive Non- Independent Director	None	None	None	None
Mr. Navneet Agarwal DIN: 07971691	Non-Executive Non- Independent Director	None	None	None	1
Mr. David Brent Platt ⁴ DIN:0008424532	Additional Director, Non- Executive Non-Independent Director	None	8	None	None

Notes:

1. Except Mr. Naresh Takkar, none of the Directors of your Company were holding any shares of your Company as on March 31, 2019
2. Including private companies and foreign companies
3. Including membership/chairmanship only of the Audit Committee(s) and Stakeholders Relationship Committee(s).
4. Mr. David Brent Platt was appointed as an Additional Director with effect from April 30, 2019.

Name of Director	Directorship in Other Companies	Category
Mr. Arun Duggal	<ul style="list-style-type: none"> • Info Edge (India) Limited • International Asset Reconstruction Co. Private Limited • ITC Limited • Mangalore Chemicals & Fertilizers Limited • Jubilant Pharma Limited, Singapore 	<ul style="list-style-type: none"> • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director
Mr. Naresh Takkar	<ul style="list-style-type: none"> • ICRA Lanka Limited • ICRA Online Limited • ICRA Management Consulting Services Limited 	<ul style="list-style-type: none"> • Non-Executive Director • Non-Executive Director • Non-Executive Director
Ms. Ranjana Agarwal	<ul style="list-style-type: none"> • Indo Rama Synthetics (India) Limited • ICRA Management Consulting Services Limited • ICRA Online Limited • Joyville Shapoorji Housing Private Limited • KDDL Limited • Shubham Housing Development Finance Company Limited • Ugro Capital Limited 	<ul style="list-style-type: none"> • Non-Executive Independent Director • Non-Executive Independent Director • Additional, Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director
Ms. Radhika Vijay Haribhakti	<ul style="list-style-type: none"> • Adani Ports and Special Economic Zone Limited • Mahanagar Gas Limited • EIH Associated Hotels Limited • Navin Fluorine International Limited • Rain Industries Limited 	<ul style="list-style-type: none"> • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director • Non-Executive Independent Director

Corporate Governance Report

Name of Director	Directorship in Other Companies	Category
Dr. Min Ye	<ul style="list-style-type: none"> • China Cheng Xin International Credit Rating Co., Limited • Korea Investors Service, Inc. • Moody's (Japan) K.K. • Moody's Asia Pacific Limited • Moody's China (B.V.I.) Limited • Moody's Company Hong Kong Limited • Moody's Group Australia Pty Limited • Moody's Investors Service (Beijing), Limited • Moody's Investors Service (Korea) Inc. • Moody's Investors Service Hong Kong Limited • Moody's Investors Service Pty Limited • Moody's Investors Service India Private Limited • Moody's Investors Service Singapore Pte. Limited • Moody's SF Japan K.K. • Moody's Shared Services India Private Limited • Moody's Singapore Pte Limited • Moody's (China) Limited 	<ul style="list-style-type: none"> • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director
Mr. Thomas John Keller Jr.	<ul style="list-style-type: none"> • None 	-
Mr. Navneet Agarwal	<ul style="list-style-type: none"> • None 	-
Mr. David Brent Platt	<ul style="list-style-type: none"> • Moody's Risk Assessments, Inc. • Moody's Risk Assessment Holdings, LLC • Moody's Holdings NL B.V. • Moody's Group NL B.V. • Yellow Maple I B.V. • Yellow Maple II B.V. • Yellow Maple Holding B.V. • Bureau Van Dijk Electronic Publishing B.V. 	<ul style="list-style-type: none"> • Sole Director & President • President • Director • Director • Director • Director • Director • Director

(iii) Board Meetings/Annual General Meeting

During the year 2018-19, the Board of Directors of your Company met five times - on May 17, 2018, August 9, 2018, October 9, 2018, November 1, 2018 and January 24, 2019. The Agenda papers, along with the explanatory notes for the Board meetings, were sent in advance to the Directors. At some instances, documents were tabled at the meeting and presentations were also made by the respective executives to the meeting on matters within their respective functional areas or areas of expertise.

The previous Annual General Meeting was held on August 9, 2018. Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2018-19 are presented in the following table.

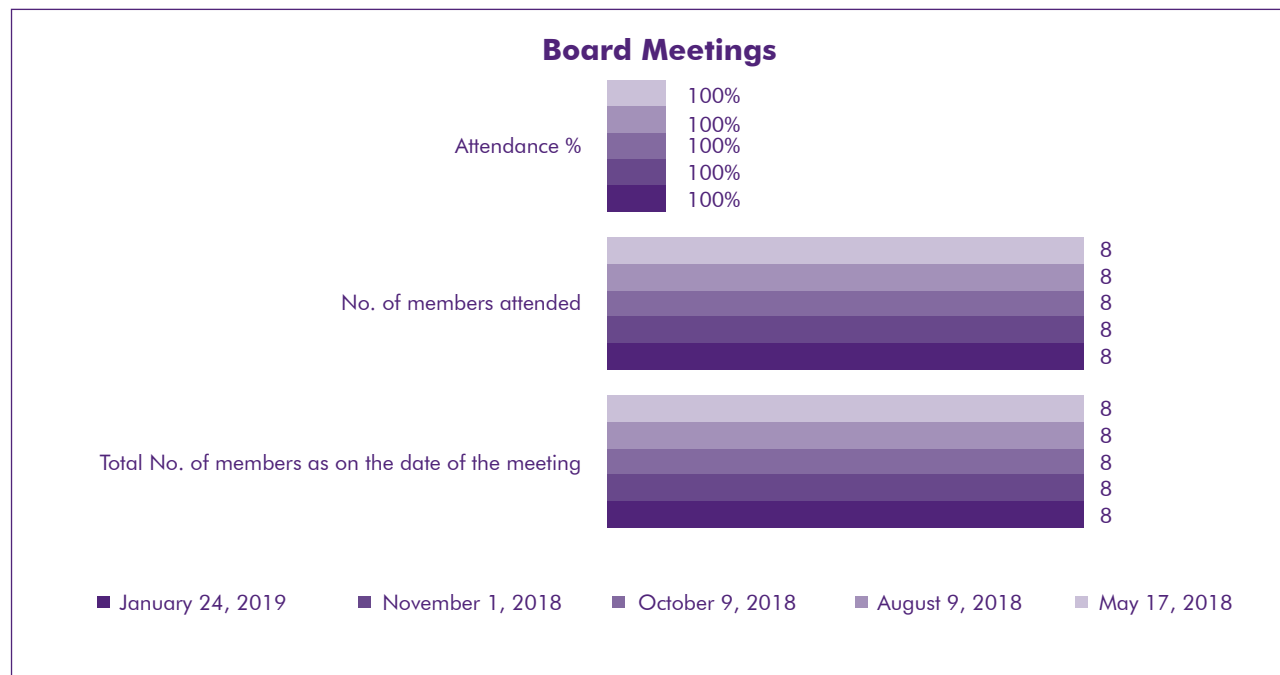
Name of the Director	Attended the last AGM held on August 9, 2018	Board Meetings			
		No. of meetings entitled to attend	No. of meetings attended	% of attendance	No. of meetings attended through video/audio conferencing
Mr. Arun Duggal	Yes	5	5	100%	Nil
Ms. Ranjana Agarwal	Yes	5	5	100%	Nil
Ms. Radhika V. Haribhakti	Yes	5	5	100%	Nil
Dr. Min Ye	Yes	5	5	100%	Nil
Mr. Thomas John Keller Jr.	Yes	5	5	100%	Nil
Ms. Farisa Zarin ¹	Yes	5	5	100%	Nil
Mr. Navneet Agarwal	Yes	5	5	100%	Nil
Mr. Naresh Takkar	Yes	5	5	100%	Nil
Mr. David Brent Platt ²	NA	NA	NA	NA	NA

¹Ms. Farisa Zarin ceased to be a Director with effect from March 29, 2019.

²Mr. David Brent Platt was appointed as an Additional Director with effect from April 30, 2019.

Not applicable: NA

Corporate Governance Report



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 a number of the Directors for the time being, as are liable to retire by rotation, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. As on the date of this report, there are three Directors on the Board of your Company whose office is liable to retire by rotation.

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

(v) Code of Conduct

The Board of Directors has prescribed a Code of Conduct for all members of the Board and the Senior Management of your Company. This Policy has been uploaded on the website of the Company at:

<https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/12>

All the members of the Board and the Senior Management personnel of your Company have affirmed their compliance with the Code of Conduct for the year ended March 31, 2019.

(vi) Familiarisation Programme for Independent Directors

In compliance with the Listing Regulations, your Company conducts a familiarisation programme for Independent Directors in which the Managing Director and the Group CEO and the executives of Group ICRA entities apprise the Independent Directors of the Company's business model, the nature of the industry in which they operate, and their business environment, performance trends, operating/competitive issues and plans. The Company nominates Independent Directors for relevant external training programmes. At various Board meetings, presentations are made to the Board by external experts and/or a senior management of your Company on Indian economy, debt markets, global regulatory environments, changes in the regulatory environment applicable to the Company and to the industry in which it operates. The details of the familiarisation programme have been disclosed on the website of the Company at:

https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=17&Title=Corporate%20Governance&Report=Familiarisation%20Programme_2018-19.pdf

Corporate Governance Report

(vii) Skills, expertise and competence of the Board of Directors

The Board of Directors of your Company comprises of professionals who bring to the fore a vast range of skills and experience from various sectors, which enhance the governance framework and the Board's decision making. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for the Board to function effectively. The Board has identified the below mentioned skills, expertise and attributes in the context of the Company's business and activities:

- General management
- Strategy
- Corporate governance
- Financial analysis and reporting
- Accounting & financial expertise
- Risk management
- Regulatory framework

(viii) Independent Directors

In the opinion of the Board of Directors of your Company, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management.

C. Board Committees

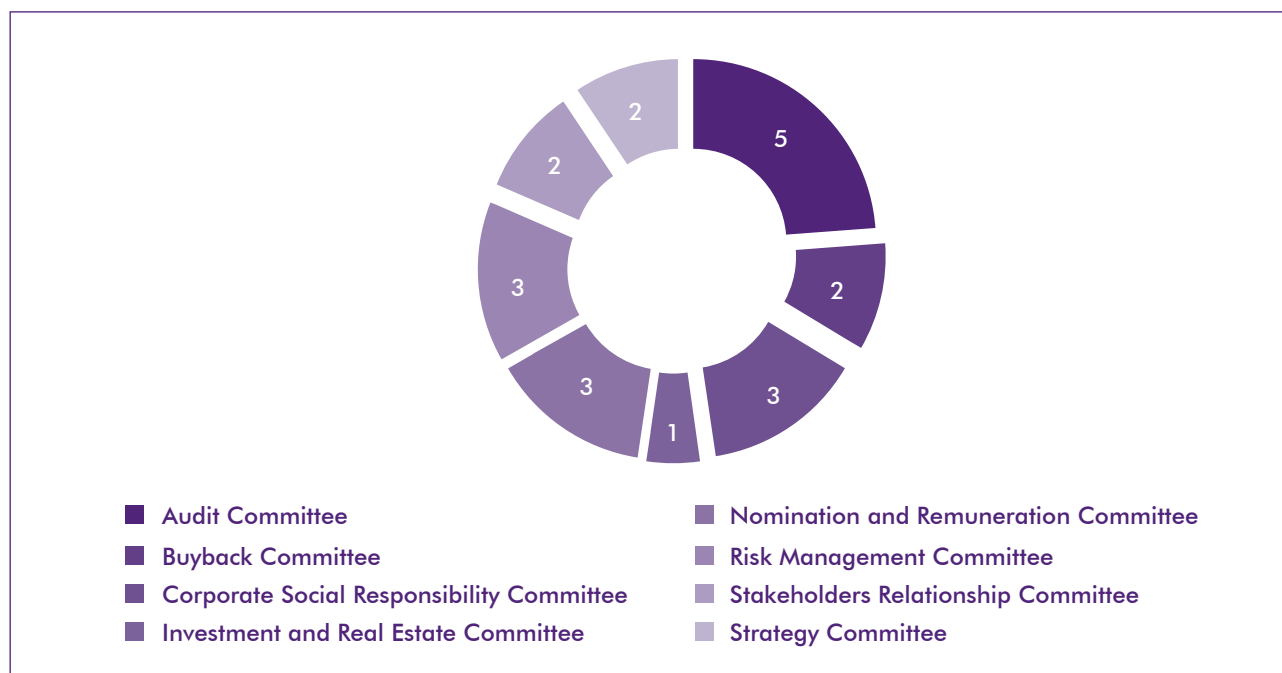
In compliance with requirements under the Companies Act, 2013, the Listing Regulations, and other applicable laws, the Board has constituted the following committees of the Board. The following table presents the composition of the various committees as on March 31, 2019.

Committees	Composition	Chairperson's classification	% of Independent members
Audit Committee	<ul style="list-style-type: none"> • Ms. Ranjana Agarwal, Chairperson • Ms. Radhika Vijay Haribhakti • Mr. Arun Duggal • Dr. Min Ye 	ID	75%
Corporate Social Responsibility Committee	<ul style="list-style-type: none"> • Ms. Ranjana Agarwal, Chairperson • Mr. Navneet Agarwal • Mr. Naresh Takkar 	ID	33.33%
Investment & Real Estate Committee	<ul style="list-style-type: none"> • Ms. Ranjana Agarwal, Chairperson • Dr. Min Ye • Mr. Naresh Takkar 	ID	33.33%
Nomination & Remuneration Committee	<ul style="list-style-type: none"> • Ms. Radhika Vijay Haribhakti, Chairperson • Ms. Ranjana Agarwal • Mr. Thomas John Keller Jr. 	ID	66.67%
Stakeholders' Relationship Committee	<ul style="list-style-type: none"> • Mr. Navneet Agarwal, Chairman • Ms. Ranjana Agarwal • Mr. Naresh Takkar 	NED	33.33%
Strategy Committee	<ul style="list-style-type: none"> • Mr. Thomas John Keller Jr., Chairman • Dr. Min Ye • Mr. Naresh Takkar 	NED	0%
Risk Management Committee	<ul style="list-style-type: none"> • Mr. Thomas John Keller Jr., Chairman • Ms. Ranjana Agarwal • Ms. Radhika Vijay Haribhakti • Mr. Navneet Agarwal • Mr. Naresh Takkar 	NED	40%
Buy Back Committee	<ul style="list-style-type: none"> • Mr. Arun Duggal, Chairman • Ms. Ranjana Agarwal • Mr. Naresh Takkar 	ID	66.67%

ID-Independent Director
NED-Non-Executive Director
NA-Not Applicable

The committees meet as often as necessary, subject to the minimum number and frequency stipulated by the Board of Directors or as prescribed under the Companies Act, 2013, and the Listing Regulations. The number of meetings held by each committee during the financial year 2018-19 is given below:

Corporate Governance Report



(i) Audit Committee

The terms of reference of the Audit Committee include:

A. Powers of Audit Committee

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

B. Role of Audit Committee

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

Corporate Governance Report

10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Attending through the Chairman, Annual General Meeting of the Company to answer shareholders' queries;
21. Carrying out any other function as is mentioned in terms of reference of the Committee;
22. Reviewing the utilisation of loans and/or advances from/investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision i.e., April 1, 2019.

C. Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

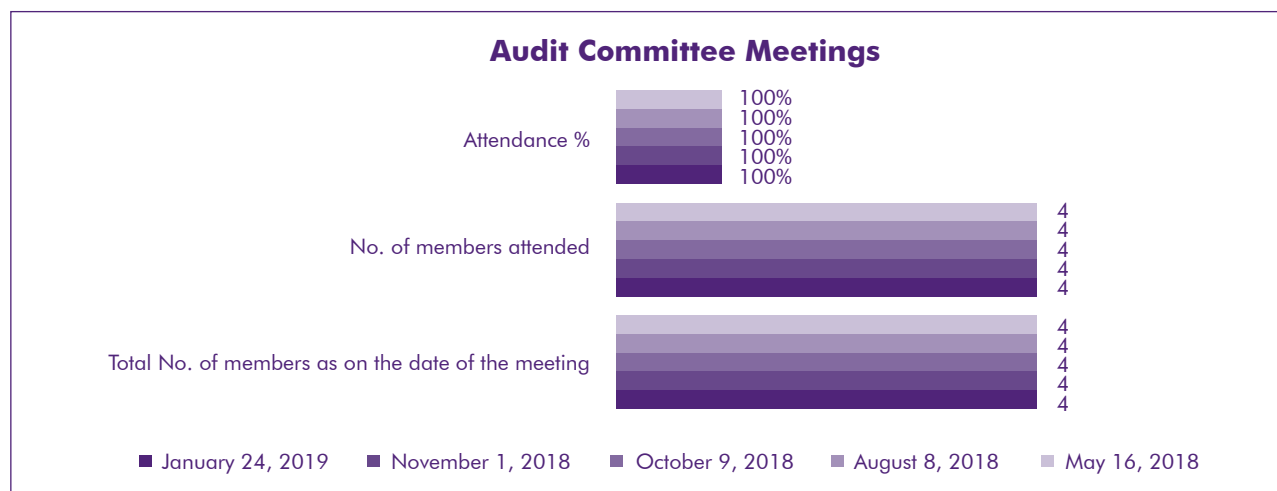
1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;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

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

The Audit Committee met five times during the year 2018-19: on May 16, 2018, August 8, 2018, October 9, 2018, November 1, 2018 and January 24, 2019. The following table presents, besides the composition of the Audit Committee as on March 31, 2019, the details of attendance at the meetings held during the financial year 2018-19.

Composition of Audit Committee			Audit Committee meetings		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	5	5	100%
Mr. Arun Duggal	Chairman, Non-Executive Independent Director	Member	5	5	100%
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Member	5	5	100%
Dr. Min Ye	Non-Executive Non-Independent Director	Member	5	5	100%

Corporate Governance Report



The necessary quorum was present for all the meetings.

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

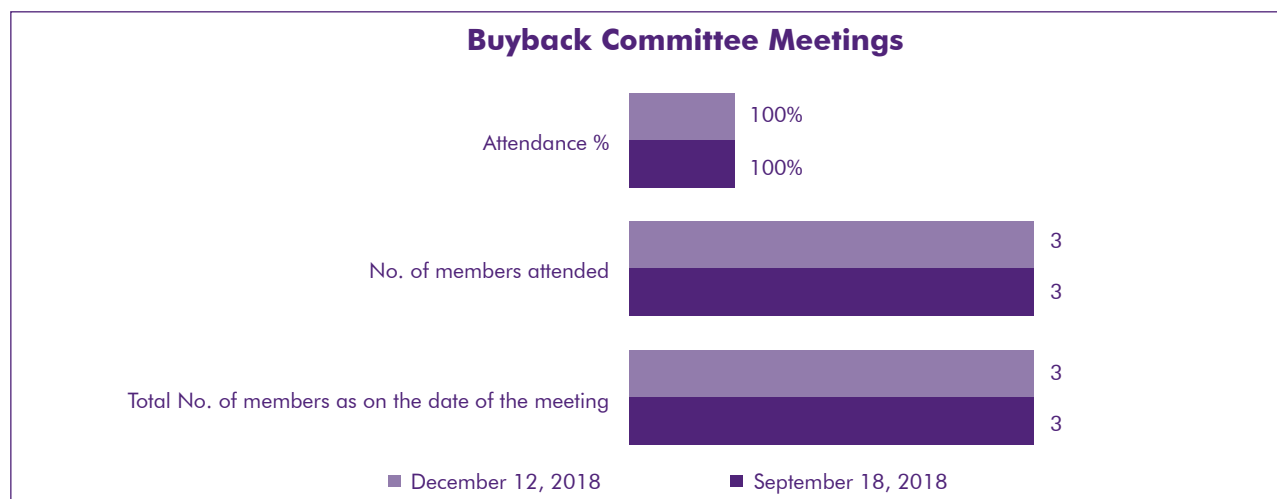
The Statutory and Internal Auditors of the Company are invitees to the Audit Committee meetings.

(ii) Buyback Committee

Your Company had constituted a Buyback Committee and authorised it to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper, in relation to the buyback. The Buyback Committee met on September 18, 2018 and December 12, 2018.

The following table presents the composition of the Buyback Committee and the details of attendance at the committee meeting held during the year 2018-19.

Composition of Buyback Committee			Buyback Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Arun Duggal	Non-Executive Independent Director	Member	2	2	100%
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	2	2	100%
Mr. Naresh Takkar	Executive Director	Member	2	2	100%



Corporate Governance Report

(iii) Corporate Social Responsibility Committee

Your Company has constituted the Corporate Social Responsibility (CSR) Committee to comply with the requirements under Section 135 (1) of the Companies Act, 2013. The CSR Committee is headed by an Independent Director.

The terms of reference of the CSR Committee include:

- recommend projects to be undertaken as well as allocation of funds to the Board
- recommend the amount of expenditure to be incurred on the activities referred to in corporate social responsibility policy
- submit an annual report on corporate social responsibility to the Board
- monitor the implementation of corporate social responsibility policy from time to time and set up a transparent monitoring mechanism in relation to the same
- conduct an impact analysis once in two years and report the same to the Board
- review the CSR policy annually and recommend any proposed changes to the Board for approval

During the year 2018-19, three meetings of the CSR Committee were held, on May 16, 2018, August 8, 2018 and November 1, 2018.

The following table presents the composition of the CSR Committee as on March 31, 2019 and the details of attendance at the CSR Committee meeting held during the year 2018-19.

Composition of Corporate Social Responsibility Committee			Corporate Social Responsibility Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	3	3	100%
Ms. Farisa Zarin ¹	Non-Executive Non-Independent Director	Member	3	3	100%
Mr. Navneet Agarwal	Non-Executive Non-Independent Director	Member	3	3	Nil
Mr. Naresh Takkar	Executive Director	Member	3	3	100%

¹Ms. Farisa Zarin ceased to be a member with effect from March 29, 2019.



The necessary quorum was present for all the meetings.

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

Corporate Governance Report

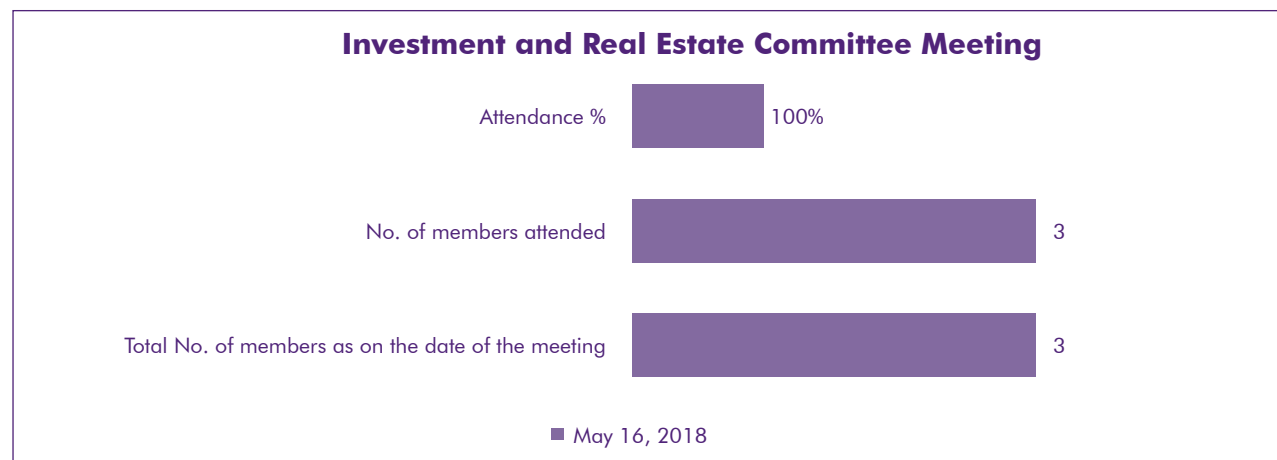
(iv) Investment & Real Estate Committee

The Board of Directors of your Company has formed the Investment & Real Estate Committee, headed by Ms. Ranjana Agarwal, Independent Director.

The Investment & Real Estate Committee met once during the year 2018-19: on May 16, 2018.

The following table presents the composition of the Investment & Real Estate Committee as on March 31, 2019 and the details of attendance at the committee meeting held during the year 2018-19.

Composition of Investment & Real Estate Committee			Investment & Real Estate Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	1	1	100%
Dr. Min Ye	Non-Executive Non-Independent Director	Member	1	1	100%
Mr. Naresh Takkar	Executive Director	Member	1	1	100%



The necessary quorum was present for the meeting.

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

(v) Nomination and Remuneration Committee

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

- a) identify persons who are qualified to become Directors and who can be appointed in senior management and recommend to the Board their appointment and removal
- b) recommend to the Board the policy relating to remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:
 - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully
 - (ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - (iii) the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
- c) recommend to the Board all remuneration, in whatever form, payable to senior management
- d) review the Company's succession plan on an annual basis and recommend to the Board for approval

Corporate Governance Report

- e) formulate the criteria for evaluation of Independent Directors and the Board
- f) specify the manner for effective evaluation of performance of the Board, its committees and individual Directors to be carried out either by the Board, by the Committee or by any an independent external agency and review its implementation and compliance
- g) devise the policy on Board diversity
- h) formulate the criteria for determining qualifications, positive attributes and independence of a Director
- i) attend through the chairperson, the general meeting of the Company to answer shareholders' queries
- j) formulate detailed terms and conditions of any employee stock option scheme in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and other applicable laws
- k) determine the eligibility of an employee for participation under any employee stock option scheme and to grant options thereunder based on, *inter alia*, the following criteria:
 - (i) Performance of the employee in contributing to business results, organisational strength and market position of the Company
 - (ii) Employee's potential and criticality to the role(s) assigned
 - (iii) Level in the Company/Subsidiary, and
 - (iv) Any other criteria that may be determined by the Committee from time to time
- l) determine the quantum of options to be granted under any employee stock option scheme per employee and in aggregate
- m) determine the number of shares to be covered by each such option granted under any employee stock option scheme
- n) approve forms of agreement for use under any employee stock option scheme
- o) establish and administer terms, conditions, performance criteria, restrictions, limitations, exercise period, forfeiture or vesting or exercise schedule and other provisions of or relating to any option granted under any employee stock option scheme, including conditions for lapse of options and to specify and determine such additional terms, conditions and restrictions not inconsistent with the terms of any employee stock option scheme and/or any options as may be deemed necessary or appropriate to ensure compliance with the applicable laws
- p) grant waiver of and variations in the terms, conditions, restrictions and limitations under any employee stock option scheme and amend or adjust the terms and conditions of any option outstanding thereunder, correct any errors, supply any omissions or reconcile any inconsistencies in any employee stock option scheme, any employee stock option agreement or any other instrument relating to any options granted pursuant to any employee stock option scheme
- q) formulate the conditions under which any options granted pursuant to any employee stock option scheme that have vested in employees may lapse in case of termination of employment for misconduct
- r) construe and interpret any ambiguous provisions/terms of any employee stock option scheme, any employee stock option agreement and any other instrument relating to any options and decide all questions relating thereto
- s) appoint such agents as it shall deem appropriate for the proper administration of any employee stock option scheme
- t) frame suitable policies and systems to ensure that there is no violation of the applicable laws including the SEBI (Prohibition of Insider Trading) Regulations, 2015, and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee
- u) make any other determination and to take any other action that it or the Board may deem necessary or desirable for the administration of any employee stock option scheme including the actions required under the regulations framed by SEBI and other applicable laws

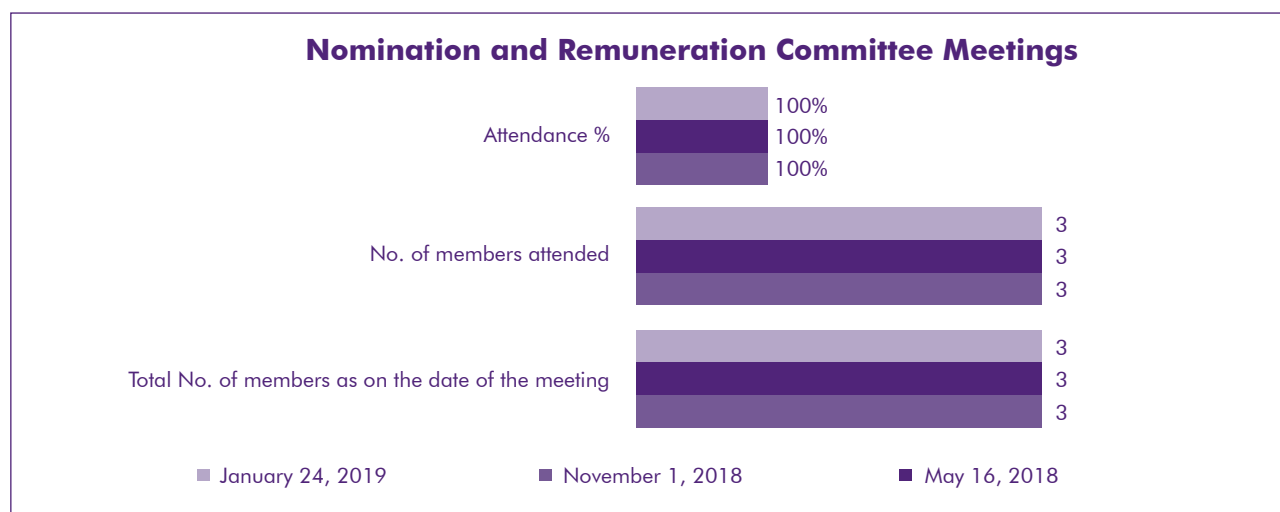
The Nomination and Remuneration Committee consists of three Non-Executive Directors, two of whom are Independent Directors. The Chairperson of the Committee, Ms. Radhika Vijay Haribhakti, is an Independent Director.

The Nomination and Remuneration Committee met three times during the year 2018-19: on May 16, 2018, November 1, 2018 and January 24, 2019.

The following table presents the composition of the Nomination and Remuneration Committee as on March 31, 2018 and the details of attendance at the meetings held during the financial year 2018-19.

Corporate Governance Report

Composition of Nomination and Remuneration Committee			Nomination and Remuneration Committee Meetings		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Chairperson	3	3	100%
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	3	3	100%
Mr. Thomas John Keller Jr.	Non-Executive Non-Independent Director	Member	3	3	100%



The necessary quorum was present for all the meetings.

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

Performance Evaluation Criteria for Independent Directors

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

Remuneration Policy

The Board of Directors of your Company, based on the recommendation of the Nomination and Remuneration Committee, has devised a Remuneration Policy designed to attract, motivate, improve productivity and retain valuable talent, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement. The Remuneration Policy shall act as a guideline for determining, *inter alia*, the qualifications, positive attributes and independence of a Director, and matters relating to the remuneration, appointment, removal and evaluation of performance of Directors, key managerial personnel, senior management and other employees. The Remuneration Policy has been uploaded on the website of your Company at:

https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=39&Title=Corporate%20Governance&Report=ICRA%20Remuneration%20Policy_February%207,%202018.pdf

Executive Director

During the year 2018-19, your Company paid remuneration to its Executive Director within the limits envisaged under the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The remuneration mix for the Executive Director shall be as per the terms of appointment approved by the members of the Company, which shall include fixed pay, deferred pay and perquisites.

Corporate Governance Report

In addition to the fixed pay, deferred pay and perquisites, the Executive Director shall be eligible to receive a commission, as determined by the Board in respect of each complete Financial Year during which his employment subsists, subject to a maximum of 1% of the net profits of the Company, computed in accordance with Section 198 of the Companies Act, 2013.

Remuneration Paid/Payable to Executive Director for the year ended March 31, 2019

(in Rupees Lakh)

Name	Mr. Naresh Takkar
Designation	Managing Director & Group CEO
Salary	99.57
Allowances*	199.75
Perquisites	0.24
Commission**	128.14
Provident Fund Contribution	11.95
Gratuity	@
Compensated absences	@
Total Remuneration	439.65
Appointment Valid Till	July 1, 2020
Notice Period	Three months
No. of Stock Options Granted During the Year	Nil

*The payment of Long Term Deferred Incentive and other incentive for the FY 2018-19, aggregating to INR 65.40 lakh, shall be decided by the Board on the recommendation of the Committee. However, the Company has made full provision for the same amount in the FY 2018-19

**The payment of commission for the FY 2018-19, within the approved limit, shall be decided by the Board on the recommendation of the Committee. However, the Company has made a provision of 1% of the net profits of the Company, computed in accordance with Section 198 of the Companies Act, 2013 in the FY 2018-19

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

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

Non-Executive Directors

Remuneration for Independent Directors

The Independent Directors receive remuneration by way of fees for attending meetings of Board or Committee thereof, as recommended by the Committee and approved by the Board from time to time, subject to the limit defined under the Companies Act, 2013 and rules made thereunder.

The Independent Directors are also paid remuneration by way of commission as recommended by the Committee and as approved by the Board of Directors within the limit specified by the members and computed in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

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

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

The Non-Executive, Non-Independent Directors will be paid remuneration by way of a sitting fee for each meeting attended of the Board or of a Board committee, as recommended by the Committee and as approved by the Board of Directors within the limit specified under the Companies Act, 2013 and the rules made thereunder. The Non-Executive Directors may also be paid remuneration by way of certain percentage of net profit, as recommended by the Committee and as approved by the Board of Directors within the limit specified by the members and computed in accordance with the applicable provisions of the Companies Act, 2013, and the rules made thereunder.

Corporate Governance Report

Sitting fees and commission paid to Non-Executive Directors including Independent and Non-Independent Directors during the year 2018-19

(in Rupees Lakh)

Name of Director	Sitting Fee paid	Commission paid
Mr. Arun Duggal	6.20	22.00
Ms. Ranjana Agarwal	11.00	17.00
Ms. Radhika Vijay Haribhakti	7.40	17.00
Dr. Min Ye	N.A.*	Nil*
Mr. Simon Richard Hastilow	N.A.*	Nil*
Mr. Farisa Zarin ¹	N.A.*	Nil*
Mr. Thomas John Keller Jr.	N.A.*	Nil*
Mr. Navneet Agarwal	N.A.*	Nil*

*Non-Executive Non Independent Directors have waived sitting fee and commission payable to them for the financial year 2018-19.

¹Ms. Farisa Zarin ceased to be a Director with effect from March 29, 2019.

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

(vi) Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee include:

- look into various aspects of interest of shareholders, debenture holders, and other security holders
- resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc
- review measures taken by the Company for effective exercise of voting rights by shareholders
- review adherence to the service standards adopted by the Company in respect of the various services being rendered by the registrar and share transfer agent of the Company
- review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

The Stakeholders Relationship Committee consists of three Directors. The Chairman of the Committee, Mr. Navneet Agarwal, is a Non-Executive, Non-Independent Director.

The Stakeholders Relationship Committee met twice during the year 2018-19: on August 8, 2018 and January 24, 2019.

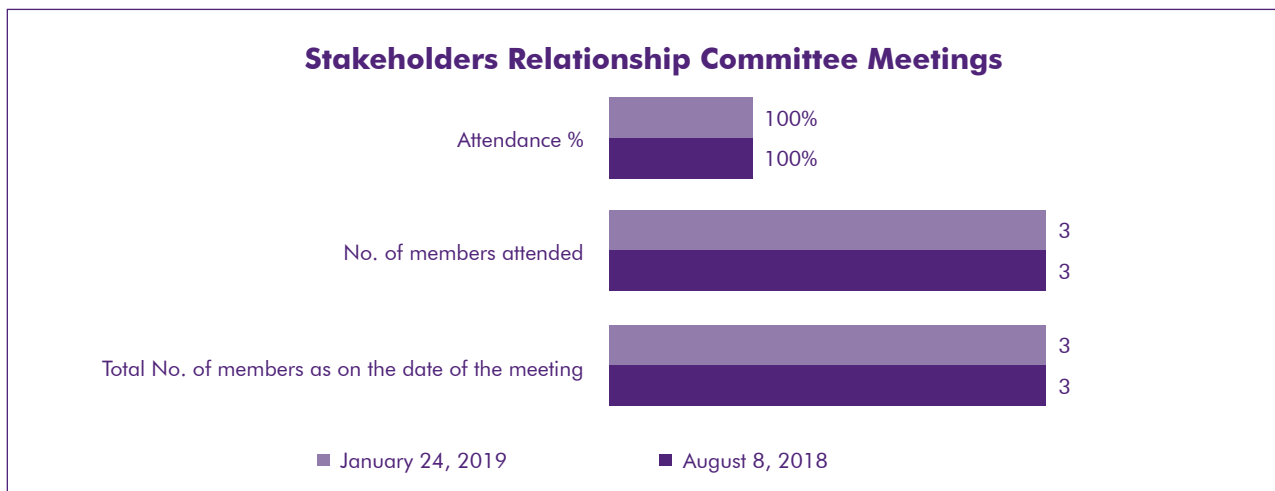
The following table presents the composition of the Stakeholders Relationship Committee as on March 31, 2019 and the details of attendance at the Committee meeting held during the year 2018-19.

Composition of Stakeholders Relationship Committee			Stakeholders Relationship Committee Meetings		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Navneet Agarwal ¹	Non-Executive Non-Independent Director	Chairman	1	1	100
Ms. Farisa Zarin ²	Non-Executive Non-Independent Director	Chairperson	1	1	100
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	2	2	100
Mr. Naresh Takkar	Executive Director	Member	2	2	100

¹ Mr. Navneet Agarwal appointed as the Chairman of the Stakeholders Relationship Committee with effect from August 9, 2018.

² Ms. Farisa Zarin ceased to be the member of the Stakeholders Relationship Committee with effect from March 29, 2019.

Corporate Governance Report



The necessary quorum was present for the meeting.

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

The Company Secretary of your Company is the Compliance Officer.

Your Company received 23 complaints from Shareholders/Investors during the financial year 2018-19. All 23 complaints were redressed to the satisfaction of the Shareholders/Investors and no complaint is pending as on March 31, 2019.

The details of the complaints received and resolved during the financial year 2018-19 are as follows:

S. No.	Complaint relating to/received from	Pending as on April 1, 2018	Received during the year	Resolved during the year	Pending as on March 31, 2019
1.	Transfer/Transmission/Split/Duplicate Share Certificates	Nil	Nil	Nil	Nil
2.	Non-receipt of Dividend	Nil	12	12	Nil
3.	Dematerialisation/Re-materialisation of Shares	Nil	Nil	Nil	Nil
4.	Complaint received from:				
	(a) Securities and Exchange Board of India/SCORES	Nil	Nil	Nil	Nil
	(b) Stock Exchanges:				
	(i) BSE Limited (BSE)	Nil	1*	1*	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	Nil	Nil	Nil
7.	Non-receipt of Electronic Credits	Nil	1	1	Nil
8.	Non-receipt of Annual Report	Nil	8	8	Nil
	Total	Nil	23	23	Nil

*non-receipt of Annual Report

Your Company has registered itself on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit since the receipt of the complaint. During the year 2018-19, the Company received nil complaint through SCORES.

(vii) Strategy Committee

The Board of Directors of your Company has formed a Strategy Committee, headed by Mr. Thomas John Keller Jr., Non-Executive, Non-Independent Director.

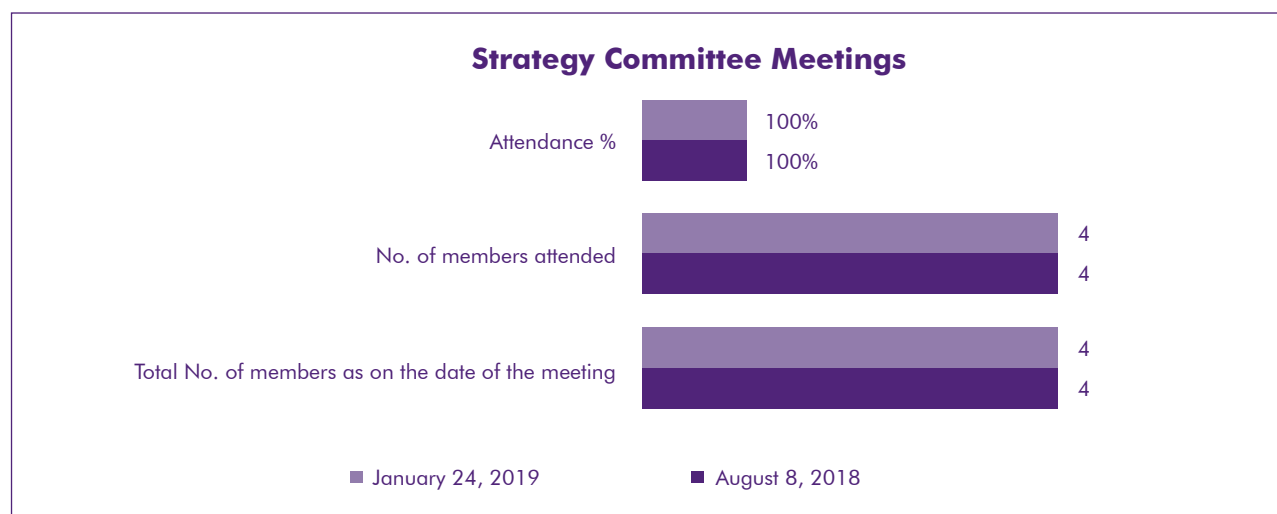
Corporate Governance Report

The Strategy Committee met twice during the year 2018-19: on August 8, 2018 and January 24, 2019.

The following table presents the composition of the Strategy Committee as on March 31, 2019 and the details of attendance at the Committee meeting held during the year 2018-19.

Composition of Strategy Committee			Strategy Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Thomas John Keller Jr.	Non-Executive Non-Independent Director	Chairman	2	2	100
Dr. Min Ye	Non-Executive Non-Independent Director	Member	2	2	100
Ms. Farisa Zarin ¹	Non-Executive Non-Independent Director	Member	2	2	100
Mr. Naresh Takkar	Executive Director	Member	2	2	100

¹Ms. Farisa Zarin ceased to be a member of the Strategy Committee with effect from March 29, 2019.



The necessary quorum was present for the meetings.

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

(viii) Risk Management Committee

The Board of Directors of your Company has formed the Risk Management Committee, headed by Mr. Thomas John Keller Jr, Non-Executive Director.

The Risk Management Committee met thrice during the year 2018-19: on October 9, 2018, November 1, 2018 and January 24, 2019.

The following table presents the composition of the Risk Management Committee as on March 31, 2019 and the details of attendance at the Committee meeting held during the year 2018-19.

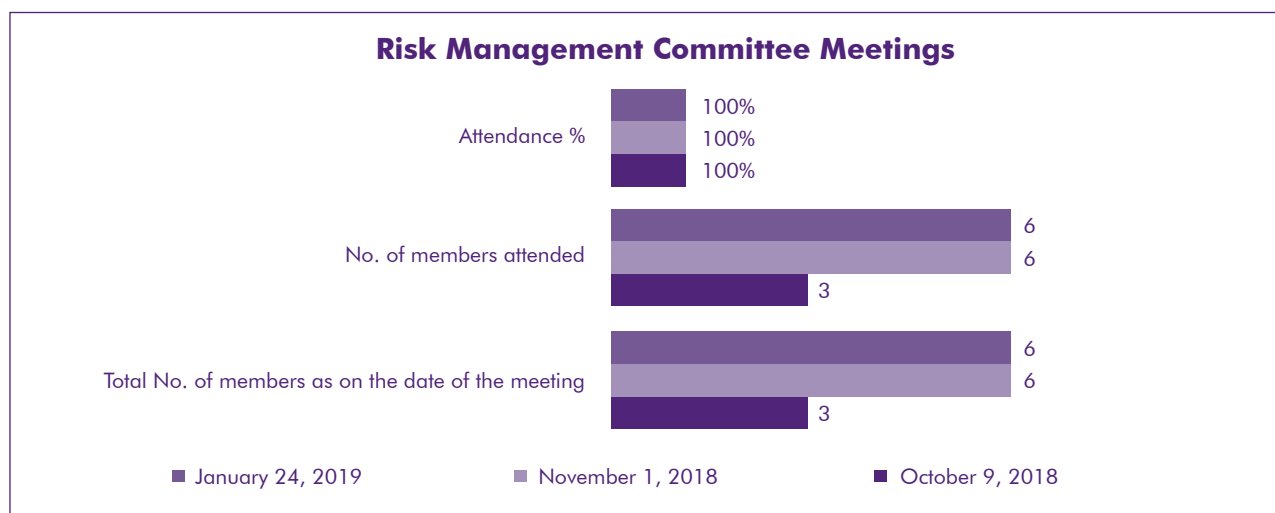
Corporate Governance Report

Risk Management Committee			Risk Management Committee Meeting		
Name of the Director	Category	Position	No. of meetings entitled to attend	No. of meetings attended	% of attendance
Mr. Thomas John Keller Jr. ¹	Non-Executive Non-Independent Director	Chairman	2	2	100%
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	3	3	100%
Ms. Radhika Vijay Haribhakti ²	Non-Executive Independent Director	Member	2	2	100%
Ms. Farisa Zarin ³	Non-Executive Non-Independent Director	Member	3	3	100%
Mr. Navneet Agarwal ²	Non-Executive Non-Independent Director	Member	2	2	100%
Mr. Naresh Takkar	Executive Director	Member	3	3	100%

¹Mr. Thomas John Keller Jr. appointed as a member and chairman of the Risk Management Committee with effect from October 22, 2018.

²Ms. Radhika Vijay Haribhakti and Mr. Navneet Agarwal were appointed members of the Risk Management Committee on October 9, 2018.

³Ms. Farisa Zarin ceased to be a member of the Risk Management Committee with effect from March 29, 2019.



The necessary quorum was present for the meetings.

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

D. Subsidiary Companies Monitoring Framework

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

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

E. General Body Meeting

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

Corporate Governance Report

Nature of Meeting	Date and Time	Venue	Special Resolution Passed by Members during the Annual General Meetings
Twenty-Fifth Annual General Meeting	August 11, 2016 at 15:30 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010	No Special Resolution was proposed and passed
Twenty-Sixth Annual General Meeting	August 3, 2017 at 15:00 hours		No Special Resolution was proposed and passed
Twenty-Seventh Annual General Meeting	August 9, 2018 at 15:00 hours		The following Special Resolutions were passed by the Members: <ul style="list-style-type: none"> To approve Employee Stock Options Scheme, 2018 and grant of stock options to the Eligible Employees/Directors of the Company under the scheme. To approve Employee Stock Options Scheme, 2018 and grant of stock options to the Eligible Employees/Directors of the Company's subsidiaries under the scheme.

Postal Ballot

During 2018-19, a special resolution was passed through Postal Ballot and electronic voting regarding the buyback of equity shares of the Company as defined under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

F. Disclosures

(i) Related-Party Transactions

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, the Management, subsidiary companies or related parties that may have a potential conflict with the Company's interest. Other related-party transactions are disclosed in the financial statements for the year ended March 31, 2019. As required under Schedule V of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions, which has been uploaded on the website of the Company at: <https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/4>.

(ii) Details of Non-Compliance

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

(iii) Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 read with Schedule V of the Listing Regulations, your Company has adopted a Whistle Blower Policy, for use by your Company, with a view to establish a vigil mechanism whereby all the stakeholders, Directors and employees, are encouraged to report illegal, unethical or improper activities through established channels, enabling an ethical and corruption-free work environment and at the same time safeguarding stakeholders, Directors and employees against victimisation. All unethical malpractices reported via the hotline or otherwise are thoroughly investigated, to the extent possible. The Whistle Blower Policy does not release stakeholders, Directors or employees from their duty of confidentiality in the course of their work nor can it be used as a route for taking up a grievance about a personal situation. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. Further, no stakeholders have been denied access to the Audit Committee. The said Whistle Blower Policy has been uploaded on the website of the Company at: <https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/3>

(iv) Policy for determining "material" subsidiaries

As required under Regulation 16 (1) (c) of the Listing Regulations, the Company has formulated a Policy for determining "material" subsidiaries, which has been uploaded on the Company's website at: <https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/5>.

Corporate Governance Report

(v) Materiality Policy

As required under Regulation 30(4)(ii) of the Listing Regulations, the Company has formulated a policy for determination of materiality of an event or information for the purpose of making disclosures to the stock exchanges. Further, according to this Policy, any transaction, event or information relating to the Company and/or its subsidiaries that might fall within the section-scope is to be reported immediately by the employees of the Company and/or its subsidiaries to either the Group CFO or the General Counsel of the Company. The Group CFO and the General Counsel together will determine the materiality of the event/information in consultation with the Managing Director & Group CEO. The Group CFO and the General Counsel will ensure that adequate disclosures with respect to such material events/information are made to the stock exchanges within the timeline prescribed under the Listing Regulations. This Policy has been uploaded on the website of the Company at: <https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/8>.

(vi) Record Retention and Archival Policy

As required under the Listing Regulations, the Company has formulated a Policy on preservation and archival of documents, which has been uploaded on the website of the Company at: <https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/9>

(vii) Adoption of Mandatory and Discretionary Requirements

The Listing Regulations prescribed various corporate governance recommendations in line with the Corporate Governance Committee, constituted by SEBI. Listing Regulations have incorporated these recommendations.

During the year 2018-19, your Company complied with all the mandatory requirements of the Listing Regulations. The Company has also complied with the following discretionary requirements under Regulation 27(1) of the Listing Regulations:

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

(viii) Management Discussion and Analysis Report

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

(ix) Separate meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, one separate meeting of the Independent Directors of the Company was held on January 24, 2019, without the attendance of the Executive Director, Non-Independent Directors and members of management. All the Independent Directors attended the said meeting.

(x) Policy on Board Diversity

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

(xi) Performance Evaluation

The Board of Directors of your Company, based on the recommendations of the Nomination and Remuneration Committee of your Company, has laid down the criteria for performance evaluation of Independent Directors and other directors, the Committees of the Board and the Board of Directors as a whole. The criteria for performance evaluation covers the areas relevant to the functioning of individual directors as independent directors or other directors, as members of the Board and as members of the Committees of the Board.

(xii) Disclosures in relation to complaints relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosures in relation to Anti-Sexual Harassment Policy and constitution of Internal Complaints Committee have been made in the Directors' Report. As required under the Listing Regulations, the disclosures in relation to complaints relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided below:

Corporate Governance Report

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending as on end of the financial year: Nil

(xiii) Disclosures relating to fees paid/payable to statutory auditors

Total fees for all services paid/payable for the financial year 2018-19 by your Company and its subsidiaries in India to BSR & Co. LLP, Chartered Accountants (including all entities in network firm/network entity), on a consolidated basis are as under.

Particulars	Amount (Rs. In lakh)
Audit fees	42.48
Limited review fees	17.35
Tax audit fees	10.93
Other certification services fees	6.23
Reimbursement of expenses	4.92
Total	81.91

(xiv) Certificate from Company Secretary in practice

As required under Schedule V of the Listing Regulations, your Company has obtained a certificate from a company secretary in practice, that none of the Directors on the Board of your Company as on March 31, 2019 is debarred or disqualified from being appointed or continuing as Directors of your Company by the Securities and Exchange Board of India or the Ministry of Corporate Affairs, or any such authority. A certificate from a company secretary in practice for the financial year 2018-19 has been annexed to this report.

Means of Communication

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

Corporate Governance Report

G. Disclosure of Compliance with Corporate Governance

Particulars	Regulation	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of board of directors	17(2)	Yes
Review of compliance reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum information	17(7)	Yes
Compliance certificate	17(8)	Yes
Risk assessment & management	17(9)	Yes
Performance evaluation of independent directors	17(10)	Yes
Composition of audit committee	18(1)	Yes
Meeting of audit committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of stakeholder relationship committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	N.A.
Vigil mechanism	22	Yes
Policy for related party transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	N.A.
Composition of board of directors of unlisted material subsidiary	24(1)	Yes
Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Secretarial Audit with respect to listed entity and its material unlisted subsidiaries incorporated in India	24A	Yes
Maximum directorship & tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarisation of independent directors	25(7)	Yes
Memberships in committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	Yes
Disclosure of shareholding by non-executive directors	26(4)	Yes
Obligations of directors and senior management	26(2) & 26(5)	Yes

H. Auditors' Certificate on Corporate Governance

The Auditors' Certificate with respect to compliance with Schedule V (E) of the Listing Regulations, relating to Compliance Certificate on Corporate Governance, has been annexed to the Directors' Report and will be sent to the stock exchanges at the time of filing of the Annual Report. The Auditor has provided a qualified opinion. For comments of the Board of Directors of the Company in this regard, please refer to the sections on "Update regarding certain ongoing matters" and "Directors and Key Managerial Personnel" of the report of the Board of Directors.

I. CEO and CFO Certification

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

Corporate Governance Report

J. Reconciliation of Share Capital Audit

As stipulated by SEBI (Depositories and Participants) Regulations, 2018, a Reconciliation of the Share Capital Audit is carried out by an independent practising Company Secretary on a quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode, and the status of the Register of Members.

K. Mandatory Dematerialisation of Equity Shares

The Securities and Exchange Board of India (SEBI) has amended regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), whereby transfer of securities of a listed company would not be processed unless the securities are held in the dematerialised form. The said regulation is effective from April 1, 2019 and all the shares lodged for transfer on or after April 1, 2019 shall be in dematerialised form only.

L. General Members' Information

1.	Annual General Meeting	
	Date	September 28, 2019
	Time	3:30pm
	Venue	Sri Sathya Sai International Centre, Bhasham Pitamah Marg, Lodhi Road, New Delhi - 110 003
2.	Financial Year	Financial Year is April 1, 2019 to March 31, 2020
	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, 2019 Financial reporting for the half year ending September 30, 2019 Financial reporting for the quarter ending December 31, 2019 Financial reporting for the year ending March 31, 2020 	First fortnight of August 2019 Second fortnight of October 2019 Second fortnight of January 2020 First fortnight of May 2020
3.	Dates of Book Closure	September 26, 2019 to September 27, 2019
4.	Proposed Dividend	Rs. 30 per share
5.	Dividend Payment Date	October 8, 2019
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 2019-20 to both the Exchanges.
7.	Stock Code	BSE Limited: 532835 National Stock Exchange of India Limited: ICRA ISIN: INE725G01011 CIN: L74999DL1991PLC042749
8.	Registrar and Share Transfer Agent	M/s. Link Intime India Private Limited Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 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 Regulation 7(3) of the Listing Regulations, and files a copy of the certificate with the Stock Exchanges.
10.	Compliance Officer	Mr. S. Shakeb Rahman Company Secretary & Compliance Officer ICRA Limited Building No. 8, 2nd Floor, Tower A DLF Cyber City, Phase-II Gurugram-122002, Haryana Tel: +91 124 4545300 Email: investors@icraindia.com
11.	Dematerialisation of Shares and Liquidity	99.98% shares of your Company are held in the electronic mode.
12.	Payment of Dividend	Your Company provides Direct Credit (DC), Real Time Gross Settlement (RTGS), National Electronic Clearing Service (NECS) for payment of Dividend. Through DC/RTGS/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 DC/RTGS/NECS, if not done already. Members may kindly note that DC/RTGS/NECS details are accessed from the Depositories (for shares held in the electronic form) and from the Company's Registrar and Share Transfer Agent (for shares held in the physical form) and used for payment of Dividend.
13.	Green Initiative	Electronic copies of Annual Report, Notice of AGM, and other documents for the financial year ended March 31, 2019 are sent to such members whose email-ids are registered with the depository participants. For members whose email IDs the depository participants do not have and for members who request delivery of the said documents in the physical form, your Company will continue to send the said documents in the physical form to such Members.
14.	Bank Details for Electronic Shareholding	Members are requested to notify their Depository Participant (DP) about the changes in the bank details and furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.
15.	Copies of Permanent Account Number (PAN)	Members are requested to furnish their PAN to the Company to help strengthen compliance with KYC norms and provisions of Prevention of Money Laundering Act, 2002. For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
16.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent, or to Mr. S. Shakeb Rahman, Compliance Officer, at the relevant address, as mentioned earlier.
17.	Address for correspondence	Registrar and Share Transfer Agent, or to Mr. S. Shakeb Rahman, Compliance Officer, at the relevant address, as mentioned earlier.

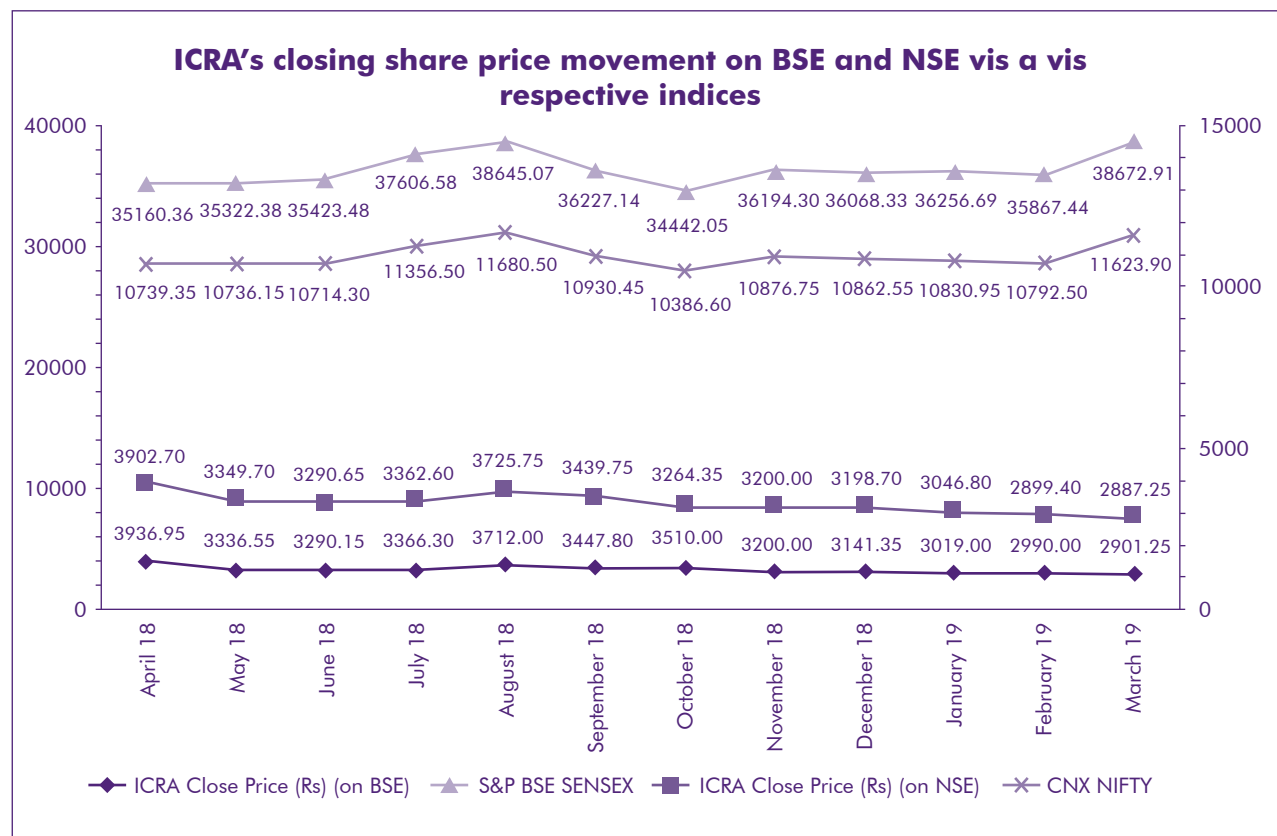
Corporate Governance Report

18. Market Price Data for the year 2018-19

High, Low (based on daily closing prices) and numbers of equity shares traded during each month in the year 2018-19 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 2018	3936.95	3612.00	6270	3902.70	3624.30	15834	22,104
May 2018	3873.65	3330.50	3168	3852.50	3321.25	79937	83,105
June 2018	3375.05	3180.75	332314	3355.05	3190.05	25148	357,462
July 2018	3458.00	3041.25	353230	3438.10	3438.10	24805	378,035
August 2018	3802.20	3400.00	4624	3796.80	3796.80	72420	77,044
September 2018	3727.95	3447.80	2502	3711.45	3711.45	13543	16,045
October 2018	3576.65	3212.60	693	3542.90	3198.15	213151	213,844
November 2018	3352.00	3200.00	99215	3338.25	3200.00	183428	282,643
December 2018	3311.00	3132.00	3184	3265.95	3145.60	13740	16,924
January 2019	3350.00	2976.30	261	3204.35	2972.00	67199	67,460
February 2019	3200.00	2885.00	329	3072.95	2976.40	18238	18,567
March 2019	3200.00	2833.00	4078	3414.75	2840.05	351462	355,540

19. Performance in Comparison with Broad-based Indices



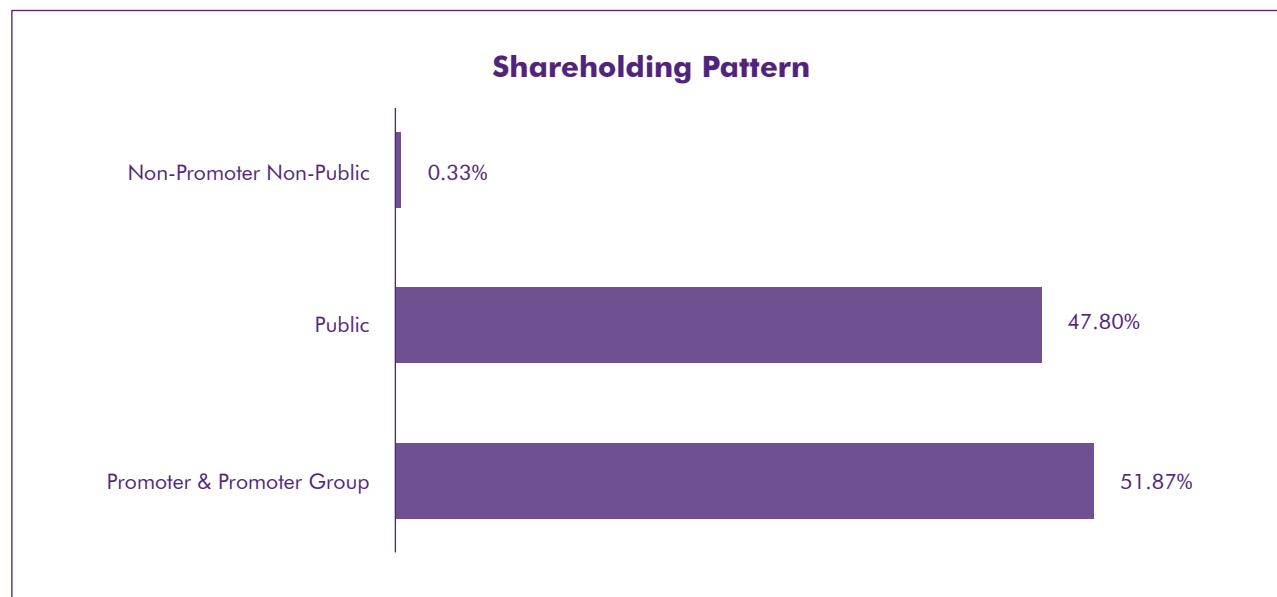
Corporate Governance Report

20. Distribution of Shareholding as on March 31, 2019

No. of Equity Shares	No. of Members*	% of Total Number of Members	No. of Shares				% of Total Number of Shares
			Physical	National Securities Depository Limited	Central Depository Services (India) Limited	Total	
Up to 500	14,231	98.74%	345	287804	83190	371,339	3.85%
501 - 1000	72	0.50%	0	43335	10751	54,086	0.56%
1001 - 2000	41	0.28%	0	54191	8955	63,146	0.65%
2001 - 3000	14	0.10%	0	32614	2522	35,136	0.36%
3001 - 4000	10	0.07%	0	31137	4000	35,137	0.36%
4001 - 5000	3	0.02%	0	8632	4901	13,533	0.14%
5001 - 10000	10	0.07%	0	65028	0	65,028	0.67%
10001 & Above	32	0.22%	0	8291839	721987	9,013,826	93.40%
Total	14,413	100%	345	8,814,580	836,306	9,651,231	100%

*not clubbed based on permanent account number

21. Shareholding Pattern as on March 31, 2019



Corporate Governance Report

Statement of Shareholding Pattern as on March 31, 2019

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VI) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held(b)	No. (c)		As a % of total Shares held(b)
								Class egs: X	Class egs: Y	Total								
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi) = (vii)+(x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)					
(A)	Promoter & Promoter Group	2	5005622	0	0	5005622	51.8651	5005622	0	5005622	0	0.0000	0	0.0000	5005622			
(B)	Public	13340	4613659	0	0	4613659	47.8038	4613659	0	4613659	0	0.0000	0	0.0000	4613314			
(C)	Non Promoter - Non Public				0				0		0	0.0000	0	0.0000				
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0	0.0000	0	0.0000	0			
(C2)	Shares Held By Employee Trust	1	31950	0	0	31950	0.3300	0	0	0	0	0.3300	0	0.0000	31950			
	Total	13343	9651231	0	0	9651231	100.0000	9619281	0	9619281	0	100.0000	0	0.0000	9650886			

Corporate Governance Report

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the shareholders	PAN	Nos. of share-holders	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	No. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (ix)			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (X) = (vii) + (X) As a % of (A+B+C2)	Number of Locked in shares (xi)		Number of Shares (xiii)		Number of equity shares held in dematerialised form (xiv)	
								Class eg: X	Class eg: Y	Total			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
																		Total as a % of (A+B+C)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii) As a % of (A+B+C2)	(ix)			(x)	(xi)	(xiii)		(xiv)			
1																		
(a)	Indian																	
	Individuals / Hindu Undivided Family	0	0	0	0	0	0.0000						0	0.0000	0	0.0000	0	
(b)	Central Government / State Government(s)	0	0	0	0	0	0.0000						0	0.0000	0	0.0000	0	
(c)	Financial Institutions / Banks	0	0	0	0	0	0.0000						0	0.0000	0	0.0000	0	
(d)	Any Other (Specify)	1	3055900	0	0	3055900	31.6633	3055900	0	3055900	31.7685	0	31.6633	0	0.0000	0	3055900	
	Bodies Corporate	1	3055900	0	0	3055900	31.6633	3055900	0	3055900	31.7685	0	31.6633	0	0.0000	0	3055900	
	Moody's Investment Company India Private Limited	1	3055900	0	0	3055900	31.6633	3055900					31.6633	0	0.0000	0	3055900	
	Sub Total (A)(1)	1	3055900	0	0	3055900	31.6633	3055900	0	3055900	31.7685	0	31.6633	0	0.0000	0	3055900	
2	Foreign																	
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0.0000						0	0.0000	0	0.0000	0	
(b)	Government	0	0	0	0	0	0.0000						0	0.0000	0	0.0000	0	
(c)	Institutions	0	0	0	0	0	0.0000						0	0.0000	0	0.0000	0	
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.0000						0	0.0000	0	0.0000	0	
(e)	Any Other (Specify)	1	1949722	0	0	1949722	20.2018	1949722	0	1949722	20.2689	0	20.2018	0	0.0000	0	1949722	
	Bodies Corporate	1	1949722	0	0	1949722	20.2018	1949722	0	1949722	20.2689	0	20.2018	0	0.0000	0	1949722	
	Moody's Singapore Pte Ltd	1	1949722	0	0	1949722	20.2018	1949722					20.2018	0	0.0000	0	1949722	
	Sub Total (A)(2)	1	1949722	0	0	1949722	20.2018	1949722	0	1949722	20.2689	0	20.2018	0	0.0000	0	1949722	
	Total Shareholding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	2	5005622	0	0	5005622	51.8651	5005622	0	5005622	52.0374	0	51.8651	0	0.0000	0	5005622	

Corporate Governance Report

Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	Nos. of share-holders	No. of fully paid up equity shares held	(IV)	(V)	No. of shares underlying Depository Receipts	Total nos. shares held (VI)+(VII)+(VIII) As a % of (A+B+C2)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares		Number of equity shares held in dematerialised form	
									Class eg: X	Class eg: Y	Total			Total as a % of (A+B+C)	(a)	As a % of total Shares held(b)	(a)		As a % of total Shares held(b)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)						
1 Institutions																			
(a) Mutual Fund		3	1276612	0	0	0	1276612	13.2275	1276612	0	13.2275	0	0.0000	0	0.0000	NA	NA	1276612	
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Mnc Fund	AAATB0102C	1	954754	0	0	0	954754	9.8926	954754	0	9.8926	0	0.0000	0	0.0000	NA	NA	954754	
Reliance Capital Trustee Co. Ltd-A/C Reliancesmall Cap Fund	AAATR0090B	1	256209	0	0	0	256209	2.6547	256209	0	2.6547	0	0.0000	0	0.0000	NA	NA	256209	
(b) Venture Capital Funds		0	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(c) Alternate Investment Funds		0	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(d) Foreign Venture Capital Investors		0	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(e) Foreign Portfolio Investor		18	879540	0	0	0	879540	9.1132	879540	0	9.1132	0	0.0000	0	0.0000	NA	NA	879540	
Pari Washington India Master Fund, Ltd.	AAFCF7824F	1	631143	0	0	0	631143	6.5395	631143	0	6.5395	0	0.0000	0	0.0000	NA	NA	631143	
Platinum Asia Fund	AAATP8273E	1	141326	0	0	0	141326	1.4643	141326	0	1.4643	0	0.0000	0	0.0000	NA	NA	141326	
(f) Financial Institutions/Banks		5	62873	0	0	0	62873	0.6515	62873	0	0.6515	0	0.0000	0	0.0000	NA	NA	62873	
(g) Insurance Companies		2	1419173	0	0	0	1419173	14.7046	1419173	0	14.7046	0	0.0000	0	0.0000	NA	NA	1419173	
Life Insurance Corporation Of India	AAAACL0582H	1	896174	0	0	0	896174	9.2856	896174	0	9.2856	0	0.0000	0	0.0000	NA	NA	896174	
General Insurance Corporation Of India	AAACG0615N	1	522999	0	0	0	522999	5.4190	522999	0	5.4190	0	0.0000	0	0.0000	NA	NA	522999	
(h) Provident Funds/Pension Funds		0	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	
(i) Any Other (Specify)		0	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0	

Corporate Governance Report

Category & Name of the shareholders	PAN	Nos. of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares		Number of equity shares held in dematerialised form		
								Class eg: X	Class eg: Y	Total (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)			
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)			(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)		
2																			
Sub Total (B)(1)		28	3638198	0	0	3638198	37.6967	3638198	0	3638198	37.8219	0	0.0000	NA	NA	3638198			
Central Government/ State Government(s)/ President of India																			
Sub Total (B)(2)		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	NA	NA	0			
3																			
(a)																			
Individuals																			
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		12195	533594	0	0	533594	5.5288	533594	0	533594	5.5471	0	0.0000	NA	NA	533249			
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		2	90451	0	0	90451	0.9372	90451	0	90451	0.9403	0	0.0000	NA	NA	90451			
(b)																			
NBFCs registered with RBI		2	2525	0	0	2525	0.0262	2525	0	2525	0.0262	0	0.0000	NA	NA	2525			
Trust Employee		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	NA	NA	0			
(c)																			
Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.0000	0	0	0	0	0	0.0000	NA	NA	0			
(d)																			
Any Other (Specify)		1113	348891	0	0	348891	3.6150	348891	0	348891	3.6270	0	0.0000	NA	NA	348891			
IEPF		1	349	0	0	349	0.0036	349	0	349	0.0036	0	0.0000	NA	NA	349			
Trusts		3	3003	0	0	3003	0.0311	3003	0	3003	0.0312	0	0.0000	NA	NA	3003			
Hindu Undivided Family		526	21219	0	0	21219	0.2199	21219	0	21219	0.2206	0	0.0000	NA	NA	21219			
(e)																			
Non Resident Indians (Non Repat)		145	10576	0	0	10576	0.1096	10576	0	10576	0.1099	0	0.0000	NA	NA	10576			
Non Resident Indians (Repat)		219	24033	0	0	24033	0.2490	24033	0	24033	0.2498	0	0.0000	NA	NA	24033			
(f)																			
Clearing Member		50	2701	0	0	2701	0.0280	2701	0	2701	0.0281	0	0.0000	NA	NA	2701			
Bodies Corporate		169	287010	0	0	287010	2.9738	287010	0	287010	2.9837	0	0.0000	NA	NA	287010			
Hdfc Life Insurance Company Limited	AAAACH8755L	1	151794	0	0	151794	1.5728	151794	0	151794	1.5780	0	0.0000	NA	NA	151794			
(g)																			
Sub Total (B)(3)		13312	975461	0	0	975461	10.1071	975461	0	975461	10.1407	0	0.0000	NA	NA	975116			
(h)																			
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		13340	4613659	0	0	4613659	47.8038	4613659	0	4613659	47.9626	0	0.0000	NA	NA	4613314			

Corporate Governance Report

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the shareholders	PAN	Nos. of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (V)+(VI)+(VII)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares		Number of equity shares held in dematerialised form
								Class eg: X	Class eg: Y	Total			As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
																(IX)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (V)+(VI)+(VII)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VIII) + (X)	(XII) As a % of (A+B+C2)	(XIII)	(XIV)				
1 Custodian/DR Holder			0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0	
2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		1	31950	0	0	31950	0.3310	0	0	0	0.0000	0	0.3310	NA	NA	31950	
Total Non-Promoter- Non Public Shareholding (C) = (C1)+(C)		1	31950	0	0	31950	0.3310	0	0	0	0.0000	0	0.3310	NA	NA	31950	

On behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262Place : Gurugram
Date : August 22, 2019

Corporate Governance Report

Independent Auditors' Report on Compliance with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of ICRA Limited

1. This report is issued in accordance with the terms of our agreement dated 22 July 2019.
2. The accompanying Corporate Governance Report prepared by ICRA Limited ("the Company") contains details of compliance of conditions of corporate governance by the Company for the year ended 31 March 2019, as stipulated in Regulations 17-27, clauses (b) to (i) of the Regulation 46(2) and paragraphs C, D and E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") pursuant to the Listing Agreement of the Company with stock exchanges.

Management's Responsibility

3. The preparation of the Corporate Governance Report is the responsibility of the Management including the preparation and maintenance of all the relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
4. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of the Corporate Governance and provides all relevant information to Securities and Exchange Board of India. The management shall comply with the corporate governance provisions which shall be implemented in a manner so as to achieve the objectives of the principles.

Auditor's Responsibility

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing regulations for the year ended 31 March 2019.
6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter stated in the above paragraph. The procedures selected, including procedures for assessment of the risk associated with the subject matter, depends on the auditor's judgment.
7. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, ("the Guidance Note"), issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by ICAI.

Basis for Qualified Opinion

10. We draw attention to the fact that the Company is in the process of addressing certain ongoing matters. Firstly, the Securities and Exchange Board of India ("SEBI") has initiated adjudication proceeding ("Adjudication Proceeding") related to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries. The settlement application filed in this regard by the Company has been rejected by SEBI. The Company is also cooperating with government agencies and responding to their queries in relation to this matter. Secondly, the Board of Directors of the Company has appointed external experts to examine and report on anonymous representations against its officials, which were forwarded to the Company by SEBI ("Representations"). There have been certain allegations during the course of the internal examination of the Representation for which the Board is in process of appointing external experts to examine. Thirdly, the Company has received a letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group. The Company has submitted its responses to SEBI on such observations. While the Company has made a provision for penalty on a prudent basis with regards to the Adjudication Proceeding, the Adjudication Proceeding as well as the

examinations, inquiries and other matters noted above remain ongoing and the results of which are not yet available or known. In the meantime, the Board of Directors of the Company, on July 1, 2019, placed its Managing Director and Group CEO on administrative leave, with immediate effect until further notice.

As on date, the Company is unable to estimate the potential impact, if any, on the corporate governance report, that might result from the unfavourable conclusion of the above matters or any related inquiry.

Qualified Opinion

11. In our opinion and to the best of our information and according to the explanation and representations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the Company has complied with the conditions of the Corporate Governance as stipulated in Listing Regulations and referred to in paragraph 2 above, as applicable for the year ended 31 March 2019.
12. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

13. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with the obligations under the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of report.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Shashank Agarwal
Partner
Membership No. 095109
UDIN: 19095109AAAADR4331

Place: Gurugram
Date: August 22, 2019

Corporate Governance Report

Certificate by Chief Executive Officer¹ and Chief Financial Officer

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

Vipul Agarwal, Interim Chief Operating Officer & Group Chief Financial Officer, of ICRA Limited, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There were, to the best of our knowledge and belief, no transactions entered into by the Company during the year which were fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) any instances of significant 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.

We draw your attention to the fact that the Company is in the process of addressing certain ongoing matters. Firstly, Securities and Exchange Board of India ("SEBI") has initiated adjudication proceeding ("Adjudication Proceeding") related to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries. The settlement application filed in this regard by the Company has been rejected by SEBI. The Company is also cooperating with government agencies and responding to their queries in relation to this matter. Secondly, the Board of Directors of the Company has appointed external experts to examine and report on anonymous representations against its officials, which were forwarded to the Company by SEBI ("Representations"). There have been certain allegations during the course of the internal examination of the representation which appear to be retaliatory in nature, for which the Board is in the process of appointing external experts to examine. Thirdly, the Company has received a letter from SEBI seeking comments on observations made in the interim report dated July 15, 2019 prepared by Grant Thornton India LLP, which was commissioned by the IL&FS group. The Company has submitted its responses to SEBI on such observations.

While the Company has made a provision for penalty on a prudent basis with regards to the Adjudication Proceeding, the Adjudication Proceeding as well as the examinations, inquiries and other matters noted above remain ongoing and the results of which are not yet available or known. In the meantime, the Board of Directors of the Company, on July 1, 2019, placed its Managing Director and Group CEO on administrative leave, with immediate effect until further notice.

As on date, the Company is unable to estimate the impact, if any, that may result from a potential unfavourable conclusion of these matters or any related inquiry.

(Vipul Agarwal)
Interim Chief Operating Officer
& Group Chief Financial Officer

Place: Gurugram
Date: August 22, 2019

¹ Since Mr. Naresh Takkar, the Chief Executive Officer of ICRA Limited has been placed on administrative leave, this certificate is being signed by Mr. Vipul Agarwal, in his capacity as the Interim Chief Operating Officer as well as the Group Chief Financial Officer of ICRA Limited.

Corporate Governance Report

Declaration Regarding Compliance by Board Members and Senior Management Personnel with Company's Code of Conduct¹

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

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

As provided under Regulation 26(3) of the Listing Regulations, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year 2018-19.

(Vipul Agarwal)
Interim Chief Operating Officer
& Group Chief Financial Officer

Place: Gurugram
Date: August 22, 2019

¹ Since Mr. Naresh Takkar, the Chief Executive Officer of ICRA Limited has been placed on administrative leave, this certificate is being signed by Mr. Vipul Agarwal, in his capacity as the Interim Chief Operating Officer of ICRA Limited.

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
ICRA LIMITED
Flat No.1105, Kailash Building,
11th Floor, 26 Kasturba Gandhi Marg,
New Delhi 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ICRA Limited having Corporate Identification Number: L74999DL1991PLC042749 and registered office at Flat No. 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers through the Company, We hereby certify that none of the Directors on the Board of the Company as on 31st March, 2019 as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Mr. Arun Duggal	00024262	11.11.2014
2.	Mr. Thomas John Keller Jr.	00194502	30.01.2015
3.	Mr. Naresh Takkar	00253288	01.07.2006
4.	Ms. Radhika Vijay Haribhakti	02409519	04.12.2014
5.	Ms. Ranjana Agarwal	03340032	11.11.2014
6.	Dr. Min Ye	06552282	24.05.2013
7.	Mr. Navneet Agarwal	07971691	02.11.2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 **Chandrasekaran Associates**
Company Secretaries

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673

Date: 16.07.2019
Place: New Delhi

Annexure IV

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

A. Industry Structure and Developments

The conditions in the credit market in FY2019 remained challenging on the back of a steady rise in interest rates, amidst tight liquidity and investors' increased risk aversion towards debt instruments issued by non-banking financial companies (NBFCs) as well as those not carrying very high investment grade ratings during H2 FY2019. Both these events led to corporate borrowers and the NBFCs to rely more on banks for their funding requirements as compared to the bond markets. While the investment activity continued to remain modest, working capital requirements were higher, driven by an increase in capacity utilisation across sectors and elevated commodity prices. The past year also witnessed a few large ticket resolutions of stressed assets for banks under the Insolvency and Bankruptcy Code (IBC) 2016, which led to some refinancing activities

The challenges faced in FY2019 are likely to continue in the current year as well. While bank credit growth is expected to pick up due to an increase in working capital requirements as well as slowing disbursements from the NBFCs, activities in the bond market may continue to be sluggish given the high yields and the overall risk aversion towards bonds that are not highly rated. On the positive side, the Government of India has increased the allocation for recapitalisation of public sector banks (PSBs) by Rs. 41,000 crore to Rs. 1,06,000 crore for FY2019 and this is expected to strengthen the capital position of the PSBs and improve their ability to support credit growth. Independent credit evaluation (ICE) brought significant opportunities during FY2019. The revised RBI circular on resolution of stressed assets also mandates an ICE by rating agencies though the number of such assignments could come down since it is applicable only for exposures greater than 2000 crore, which turn into non-performing assets and need to be referred to the resolution process.

The liquidity issues that the NBFC sector was confronted with led to a significant rise in securitisation and direct assignment transactions, whereby the NBFCs sold their assets to banks through this route. Your Company continued to enhance its position in the structured finance rating segment by executing a record number of mandates in this segment. The activity in the structured finance market is likely to continue during FY2020 as it will remain one of the preferred ways for the NBFCs and housing finance companies (HFCs) to generate liquidity and meet their funding requirements.

As per the recent Monetary Policy, the GDP growth is expected to rise by 6.9% in FY2020. In ICRA's view, given the subdued outlook for domestic consumption, exports and private investments, the GDP growth in FY2020 could be lower, at around 6.6%. Additionally, we are concerned that the recent surge in monsoons may do more harm than good and food inflation may harden in the coming months. Therefore, the CPI inflation trajectory may not allow for more than a 15-25 bps rate cut in the second half of the year, though the policy easing of 110 basis points since February 2019 is expected to support economic activity. The focus is now likely to shift to improving transmission to bank lending rates, with the systemic liquidity in considerable surplus. However, several constraints to a pickup in economic growth are unlikely to be removed by lower interest rates alone.

While the interest rate environment has eased mildly and liquidity conditions too have improved, large-scale borrowing programmes of the Central and state governments, coupled with continued risk aversion, continue to act as impediments in the transmission of the lower interest rates to market participants. The ability to borrow at competitive interest rates is, therefore, a challenge that most corporates, except the highly rated ones, will have to continue to grapple with. This may impact the issuance volumes of debt securities in domestic markets and the domestic issuers may find it cheaper to borrow overseas, given the liberalisation of external commercial borrowing rules for various sectors by the RBI. At the same time, the RBI and the SEBI guidelines reducing the over reliance on bank financing for incremental funding requirements could be a positive for the bond markets, though as stated earlier, we expect bank credit growth to continue to play a significant role in credit expansion.

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

B. Opportunities and Threats

Opportunities

Opportunities in the ratings business are a function of the interplay of several factors and developments, some of which arise from the initiatives taken by us as a rating agency and our strengths, while the others emanate from the environment we operate in. The positive external likely driver is a gradual pick-up in the economy, assuming that the Government makes concerted efforts to address some of the structural issues affecting growth and private sector investments. This should, in turn, lead to expansion of bank credit post bank recapitalisation. While bond market growth was expected to

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

get a fillip as both the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have brought in regulations that require large corporates to increase reliance on financing through debt capital market debt, as stated earlier, the current risk aversion may continue to act as headwinds in the short term. It may be noted that SEBI has made it mandatory for large corporates (defined as one with borrowings of more than Rs 100 crore) to raise not less than 25% of their incremental borrowings from the debt capital markets, provided they have a long-term rating of AA or above. This will become mandatory from FY2020 onwards. Likewise, RBI guidelines require incremental financing for large bank exposures to be part-funded through the market route. In addition, rating requirement for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) are opportunities that are likely to grow further.

ICRA is well placed to benefit from the opportunities arising from each of the factors stated, given its competitive strengths and strategic initiatives. We believe that our competitive strength primarily includes the rich database and research support that our products and services draw upon; our proven ability to make product and service innovations; the demonstrated track record of our ratings; our experienced and strong management team and pool of high-quality employee talent and our close association with the Moody's Group.

Threats

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

C. Segment-wise or Product-wise Performance

Details on the performance of the Company's operating activities are presented in the section titled Review of Operations in the Directors' Report. Highlights of performance of subsidiaries and their contribution to the overall performance of the Company during 2018-19 are provided below.

I. ICRA Management Consulting Services Limited

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of the Company, has a rich two-decade experience in providing consulting services and solutions, with a satisfied client base, spread across sectors and countries. We cover risk, finance and market functions in the domains of banking, fixed income, mutual funds, energy and programme management. IMaCS has successfully completed more than 3000 diversified consulting assignments across 45 countries.

During the year under review, IMaCS recorded a total revenue of Rs. 20.21 crore (previous year Rs. 23.63 crore) and posted an operating loss (without depreciation and other income) of Rs. 5.33 crore in the financial year 2018-19 (previous year Rs. 6.87 crore of operating loss) mainly due to (a) decline in revenue due to planned exit from certain sectors; (b) increase in provisions (including bad debts) and cost over-runs in legacy projects and (c) capacity building initiatives in focus sectors.

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

II. ICRA Online Limited

ICRA Online Limited (ICRON), a wholly-owned subsidiary company of the Company, provides offerings in the segment of outsourced and information services. During the year under review, ICRON reported an improvement in performance, with operating revenue increasing by 24% over the previous fiscal to Rs. 75.65 crore and profit after tax (PAT) going up by 35% to Rs. 19.42 crore over the same horizon.

III. ICRA Lanka Limited

ICRA Lanka Limited (ICRA Lanka) a wholly-owned subsidiary of the Company, offers a wide range of rating services in the Sri Lankan market. During the year under review, ICRA Lanka was able to record a 14.35% growth in its operating revenue, driven primarily by new issuer and issue ratings, which increased by 79.72% and 29.75% respectively. ICRA Lanka was able to acquire a higher number of new clients compared to prior years resulting in the growth of new issuer ratings as observed. The surveillance income increased by a moderate 7.29%.

During the year under review, ICRA Lanka recorded a total revenue of Rs. 1.46 crore (previous year Rs. 1.29 crore).

IV. ICRA Nepal Limited

ICRA Nepal Limited (ICRA Nepal) a subsidiary of the Company, offers a wide range of rating services in the Nepalese market.

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

During the year under review, ICRA Nepal registered a 13% growth in revenue from operations, driven primarily by the introduction of borrower ratings in the market, which was introduced through the Monetary Policy, issued by the Central Bank of Nepal (Nepal Rastra Bank). The business growth was also supported by an increase in the debt market and surveillance fees.

During the year under review, ICRA Nepal recorded a total revenue of Rs. 3.24 crore (previous year Rs. 2.78 crore). ICRA Nepal has declared a dividend and the amount towards dividend payable to the Company is Rs. 0.13 crore (previous year Rs. 0.10 crore).

(A brief financial detail in the Form AOC-1, as per Rule 5 of the Companies (Accounts) Rules, 2014, of the above mentioned subsidiary companies is annexed to the consolidated financial statements)

D. Outlook

The long-term outlook for the ratings business remains positive, given the large funding requirements which would have to be raised through a combination of bank loans and bonds. The regulatory nudge to have a certain part of the financing come through the bond route is also a positive though this move requires a significant improvement in the investor appetite. Your Company continues to take initiatives to retain its strong thought leadership and market position and is confident of meeting the challenges posed inevitably by the changing business requirements.

E. Risks and Concerns

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

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

Specifically, the bank loan rating business could get impacted if there is a credit slowdown or a change in ratings related regulation resulting in transition to internal rating models for providing capital. The domestic debt capital market, on the other hand, is skewed towards higher-category credit-ratings. This may continue to constrain the volume of issuance in the Indian debt market, despite the regulatory allowance of partially credit-enhanced bonds. 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 the issuance of debt instruments in the domestic market.

Further, our market share or profitability may be affected by competition, which remains intense. In the event of our competitors coming up with newer products and services, better anticipating customer requirements using more sophisticated technology, and offering innovative solutions to our clients or offering more competitive prices, our market share is likely to be impacted, adversely affecting 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 multi-notch downgrades could negatively affect our reputation and, our position as a quality credit rating agency. This, in turn, may adversely affect our business, operations, and financial condition.

Separately, please also refer to the sections on 'Update regarding certain ongoing matters' and 'Directors and Key Managerial Personnel' of the report of the Board of Directors, for further details in relation to certain ongoing matters, including in relation to the adjudication proceeding initiated by SEBI against the Company in respect of the credit ratings assigned to one of the Company's customers and the customer's subsidiaries.

Risk mitigation

- To mitigate business risks arising from changes in economic and market conditions and in regulations that influence the volume of debt issuance, your Company constantly monitors developments on these fronts and adjusts its business strategies accordingly.
- Your Company evaluates itself periodically against its peers to mitigate competition-related risks. To prevent brand dilution, your Company remains focused on maintaining the robustness of its ratings and gradings while at the same time promoting brand ICRA through seminars, and conferences, apart from the publication of research reports.
- The Company keeps a close watch on key regulatory developments to anticipate changes and their potential impact on its business.

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

- The Company, both unilaterally and through its participation in industry forums, responds to consultation papers and discussions initiated by the regulators, the Government and other policymakers on any key regulatory changes that can have an impact on its business.

(1) 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.

(2) Investment Risk

The Company has made, and may continue to make, 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 depends on their individual performance.

Risk mitigation

- The Company has set up an investment committee, which periodically reviews the performance of its investment portfolio.
- The Company makes provisions 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.

(3) Regulatory Non-Compliance Risk

Your Company complies with all the applicable laws, rules and regulations, and makes business decisions based on comprehensive advice provided both by its internal counsels and by acknowledged external counsels.

The regulatory non-compliance risk arises because of changes in corporate laws, the SEBI credit rating regulations, accounting standards, tax laws, and/or any other applicable rules and regulations as may be amended from time to time. Your Company being a credit rating agency is required to comply with a new and tighter set of rules that has been mandated by SEBI in June 2019 while executing rating assignments and while maintaining the ratings under continuous surveillance. Given the increasing regulatory oversight, the impact of slippages in compliance could be high.

Risk mitigation

- The Company has put in place a comprehensive compliance framework to manage compliance-related issues. Compliance officers track regulatory and statutory requirements and notify changes to stakeholders periodically. Detailed checklists are available with the compliance officers to ensure compliance with the applicable legal and regulatory requirements.
- Compliance officers of the Company endeavour to keep themselves abreast of all amendments in the various applicable laws and regulations.
- The Company also makes provisions in the balance sheet when required and regularly evaluates the adequacy of such provisions for legal risks relating to past events.
- The Board of Directors is informed periodically about compliance with the various laws and rules in force.
- Regulatory and statutory audits are conducted to ensure compliance with the relevant provisions of the applicable laws and regulations.
- The Company obtains legal advisory services and seeks legal advice wherever necessary to avoid any non-compliance with the applicable laws, rules and regulations.

(4) 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 of gathering this information, even so, we depend largely on clients and third-party sources to obtain information relating to them. We may also rely on representations as to the accuracy and adequacy of the information obtained. The quality of the ratings that we assign is inherently dependent upon the accuracy of the information presented to us. If inaccurate or misleading facts are presented to us we run the risk of our ratings not being able to reflect the actual credit risk.

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

The Company's ability to conduct business may be adversely impacted with the increase in cyber-crime. This may in turn lead to financial loss, disruption or damage to the reputation of an organisation due to some sort of failure of its information technology systems. Lack of information security controls, both with respect to process and technology, may lead to breach of confidential data, data privacy and in turn cause loss in business.

With the complexity of our business increasing, sound information system controls are needed, and we have established these in our organisation.

Risk mitigation

- To mitigate such security risks, and thereby the losses arising due to such risks, the Company has established a formal Information security governance structure and strategy in place with defined roles and responsibilities for a consistent treatment and monitoring mechanism. The risk management approach has been followed to identify and address risk for people, processes and technology.
- To mitigate the risks, your Company has designed the Information Security Management System (**ISMS**) with various policies, procedures and guidelines in place to set the security controls for ICRA.
- The implementation is planned to mitigate all identified risks in a phase-wise manner to develop and implement stringent process and technological controls.

(5) Policy Risk

Material changes in the regulations that govern us or our businesses could affect the results of our operations. Most of the Company's revenues come from rating services, which are influenced by regulatory requirements. If 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.

(6) 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.

(7) Attrition Risk

Our business is critically dependent on the quality of our workforce. Failure to attract, retain and motivate key employees would impair the Company's ability to offer the right quality of service to clients. There is significant competition for management and other skilled persons in the financial services industry with our competitors and other financial services entities offering better compensation and incentives.

Risk mitigation

We are committed to provide the best possible work environment and facilities to employees at all levels. We provide a culture that promotes transparency and flexibility and is fulfilling and purposeful. Our work environment has helped to create an engaging workplace that enables individuals to realise their potential. We have aligned a gamut of leadership programmes to suit the different levels of learner groups. We continuously explore and create different avenues to nurture the leadership skills for our talent pool. While nurturing internal talent is given careful attention, we also balance our talent pool by recruiting the right talent from the market. This enables us to create a diverse talent pool.

We reward people fairly, equitably and consistently in accordance with their value to the organisation. Our reward management strategy adopts a 'total reward' approach which emphasises the importance of considering all aspects of reward as a coherent whole, integrated with other Human Resource (HR) initiatives designed to achieve the motivation, commitment, engagement and development of employees. Deserving employees, who demonstrate high performance and potential, are eligible to participate in the long-term/deferred incentive plan focused on retaining critical talent in the company. We continually benchmark the compensation with the industry and the competition it offers.

F. Internal Control Systems and their Adequacy

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

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

information relating to your Company, including its subsidiaries, is made known to the Management by others within those entities. It has also designed such internal control over financial reporting, or designed such internal control over financial reporting under its supervision, to provide reasonable assurance regarding the reliability of the financial statements.

Your Company's statutory auditors have audited the financial statements and have issued a report on your Company's internal control over financial reporting as defined in Section 143 of the Companies Act, 2013 (the 'Act'). The said report is annexed to the independent auditor's report.

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

G. Discussion on Financial Performance with respect to Operational Performance

The key features of the Company's financial performance for the year ended March 31, 2019 are presented in the accompanying financial statements, which have been prepared in accordance with the Indian Accounting Standards (referred to as IndAS) as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments, which are measured at fair value at the end of each reporting period. ICRA's Management accepts responsibility for the integrity and objectivity of these financial statements.

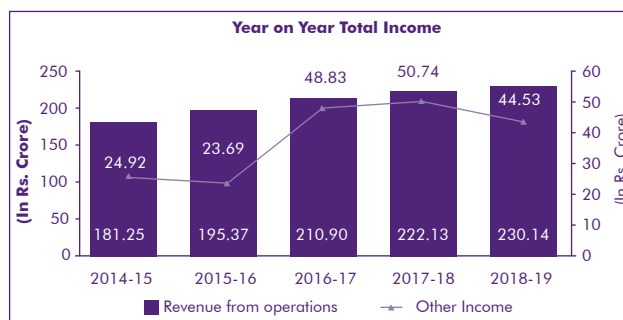
The financial information discussed in this section is derived from the Company's audited financial statements.

I. Results of operation

The financial performance of the Company is summarised as under:

(a) Incomes

(in Rs. crore)			
Particulars	2017-18	2018-19	Growth (%)
Revenue from operations	222.13	230.14	4%
Other income	50.74	44.53	(-)12%
Total Income	272.87	274.67	1%



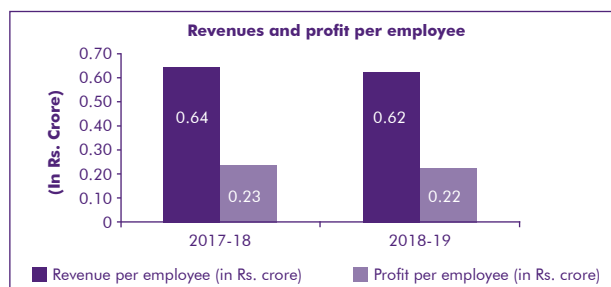
In terms of business segments, the growth in operating revenue during 2018-19 was mainly due to growth in corporate, financial sectors and structured finance related ratings. Bank loan ratings business grew modestly during the period under review. Bank loan ratings accounted for 32% of the overall rating revenues for 2018-19 as compared to 31% for 2017-18. Other than rating of debt issuances and bank loans of existing issuers, the Company was able to add new issuers and borrowers to its list of rating clients during the year under review.

Other income

Other income primarily consists of dividend received from subsidiary companies, interest income on fixed deposits and investments, gain on financial assets carried at fair value through profit or loss, profit on sale of assets, and rental income. The Company's other income in the year 2018-19 decreased by 12% from the year-ago, which included the profit from the sale of certain real estate assets in the previous year.

(b) Expenses

(in Rs. crore)			
Particulars	2017-18	2018-19	Growth (%)
Employee benefits expense	95.33	106.99	12%
Finance costs	0.04	0.47	1075%
Depreciation and amortization	2.66	2.43	(-)9%
Other expenses	29.00	33.71	16%
Total expenses	127.03	143.60	13%



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

Employee benefits expenses increased 12% to Rs. 106.99 crore in 2018-19 from Rs. 95.33 crore in 2017-18. The increase in employee benefit expenses was mainly due to the increase in salaries and incentives including staff welfare expenses. Employee benefit expenses as a percentage of revenue from operations has increased during the period under review as compared with the previous fiscal.

Your Company's revenues from operations and profit after tax per employee decreased during 2018-19 as compared to 2017-18.

Depreciation and amortisation expenses decreased 9% during 2018-19 over the previous fiscal.

Other expenses increased by 16% during 2018-19 over the previous fiscal, mainly because of higher expenses towards legal and professional charges. The Company's contribution towards Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013, for the financial year 2018-19 has increased from Rs. 1.82 crore to Rs. 2.24 crore. Other expenses as a percentage of total income increased during the period under review as compared with the previous fiscal.

Total expenses increased by 13% to Rs. 143.60 crore in 2018-19 from Rs. 127.03 crore in 2017-18.

II. Property, plant and equipment

Property, plant and equipment of the Company were as under:

<i>(in Rs. crore)</i>			
Particulars	As on March 31, 2018	As on March 31, 2019	Growth (%)
Buildings	7.22	6.67	(-)8%
Computers and data processing units	0.62	0.81	31%
Furniture and fittings	1.18	0.96	(-)19%
Office equipment	0.34	0.32	(-)6%
Electrical installation and equipment	0.53	0.38	(-)28%
Vehicle	0.53	0.30	(-)43%
Leasehold improvements	1.68	1.21	(-)28%
	12.10	10.65	(-)12%

Your Company during 2018-19, added Rs. 1.41 crore to gross block, comprising Rs. 0.9 crore in computers and data processing units, Rs. 0.2 crore in furniture and fittings, Rs. 0.2 crore in office equipment, Rs. 0.06 crore in electrical installation and equipment and Rs. 0.01 crore in leasehold improvements. During the period under review, your Company deducted Rs. 0.5 crore from the gross block on the disposal of various assets.

III. Intangible assets

<i>(in Rs. crore)</i>			
Particulars	As on March 31, 2018	As on March 31, 2019	Growth (%)
Computer software	0.04	0.03	(-)33%
Intangible assets under development	-	1.27	100%

Your Company has Rs. 1.27 crore of intangible assets under development as at March 31, 2019.

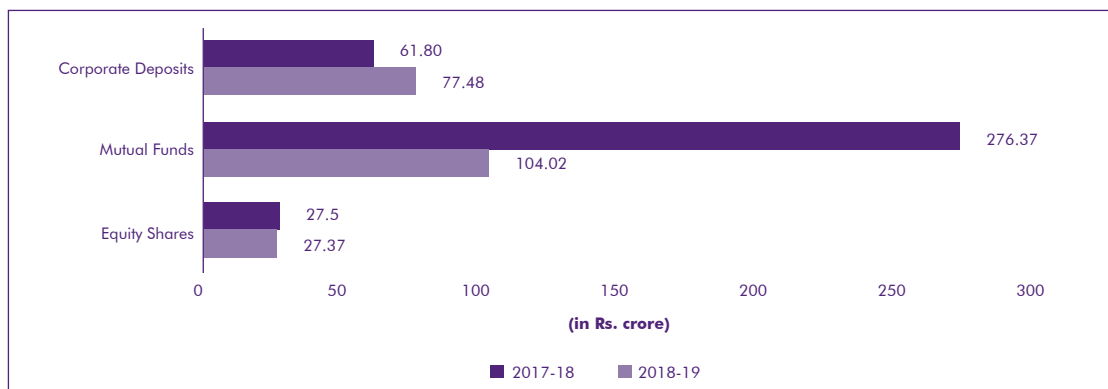
IV. Financial assets

Financial assets mainly consist of investments, loans, trade receivables, cash and cash equivalents and bank balances.

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

(a) Investments (current and non-current)

Investment Profile



(in Rs. crore)

Particulars	As on March 31, 2018	% of Total	As on March 31, 2019	% of Total	Growth (%)
Non-Current Investments:					
(A) Investments in Equity Instruments					
In Equity Shares of Subsidiaries and Others	42.47	12%	42.34	20%	-
Less: Diminution due to change in carrying value of investments	(14.97)	4%	(14.97)	7%	-
Sub Total (A)	27.50	7%	27.37	13%	-
(B) Investments in Mutual Funds					
In Other Plans	238.88	65%	103.58	50%	(-)57%
Sub Total (B)	238.88	65%	104.02	50%	(-)56%
(C) Total Non-Current Investments (A+B)	266.37	73%	130.94	63%	(-)51%
Current Investments:					
(D) Investment in Corporate Deposits	61.80	17%	77.48	37%	25%
(E) Investments in Mutual Funds					
In Fixed Maturity Plans	36.92	10%	-	-	(-)100%
Sub Total (E)	36.92	10%	-	-	(-)100%
(F) Total Current Investments (D+E)	98.72	27%	77.48	37%	(-)22%
Total Investments (C+F)	365.09	100%	208.42	100%	(-)43%

The Company deploys its internal accruals and surplus funds primarily in mutual funds, fixed deposits and corporate deposits as per its investment policy approved by the Board of Directors. The Investment Committee decides from time to time the overall investment in each category, based on the market conditions. The Audit Committee reviews investments made by the Company along with applicable limits and current ratings of the instruments or/and counterparties. The decrease in total investment was mainly due to the deployment of internal accruals in fixed deposits.

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

(b) Loans, trade receivables, cash & cash equivalents and bank balances and other financial assets

(in Rs. crore)

Particulars	As on March 31, 2018	As on March 31, 2019	Growth (%)
Non-current			
(a) Loans	1.42	3.70	161%
(b) Other financial assets	34.98	24.91	(-)29%
Current			
(c) Loans	0.76	0.29	(-)62%
(d) Trade receivables			
Receivables	25.80	23.83	(-)8%
Allowances for doubtful receivables	(4.07)	(4.40)	(-)8%
Net trade receivables	21.73	19.43	(-)11%
Trade receivables as % of operating income	10%	8%	
(e) Cash & cash equivalents and bank balances	194.54	338.94	74%
(f) Other financial assets	15.17	19.34	27%

Non-current loans include security deposits, which were increased at the end of fiscal 2018-19.

Other non-current financial assets consist of bank deposits with maturity for more than 12 months from the reporting date.

Net trade receivables were Rs. 19.43 crore as on March 31, 2019 as against Rs. 21.73 crore as on March 31, 2018. The decrease in trade receivables was mainly due to higher recovery of debtors as compared to the previous year. Trade receivables as a percentage of operating income decreased from 10% during 2017-18 to 8% during 2018-19.

Cash & cash equivalents and bank balances as on March 31, 2019 was Rs. 338.94 crore as against 194.54 crore as on March 31, 2018. The cash and cash equivalents consist of Rs. 12.64 crore in current accounts and Rs. 0.02 crore as cash on hand. The other bank balance consists of Rs. 325.01 crore in deposit accounts with original maturity for more than three months but less than 12 months from the reporting date, Rs. 0.07 crore in unpaid dividend account and Rs. 1.20 crore earmarked against bank guarantees.

V. Equity

(a) Equity share capital

Your Company has only one class of equity shares having a par value of Rs. 10 each. The capital structure of the Company is as follows:

(in Rs. crore)

Particulars	As on March 31, 2018	As on March 31, 2019
Authorised:		
1,50,00,000 Equity Shares of Rs. 10 each	15.00	15.00
Issued, subscribed and fully paid up:		
96,51,231 Equity Shares of Rs. 10 each (previous year)	9.90	9.65
99,03,280 Equity Shares of Rs. 10 each		
	9.90	9.65

During 2018-19 the Company extinguished 2,52,049 equity shares which were bought back during the financial year. Post extinguishment of all the equity shares under the buyback scheme, the issued, subscribed and paid-up capital stood at Rs. 9.65 crore divided into 96,51,231 equity shares of Rs. 10 each.

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

(b) Other equity

Other equity consists of capital reserve, capital redemption reserve, general reserve, securities premium, share based payment reserve and retained earnings. Other equity of the Company stood at Rs. 538.59 crore as on March 31, 2019 as against Rs. 560.95 crore as on March 31, 2018. The movement in other equity was mainly due to the buyback of equity shares for a total consideration of Rs. 85.39 crore during the year under review.

VI. Financial liabilities

(in Rs. crore)

Particulars	As on March 31, 2018	As on March 31, 2019	Growth (%)
Non-current			
(a) Other financial liabilities	2.19	1.49	(-32%)
Current			
(a) Trade payables	3.39	4.77	41%
(b) Other financial liabilities	6.55	14.42	120%

Trade payables were higher as on March 31, 2019 as compared to previous year due to higher provision of expenses relating to legal and professional in the current financial year as compared to previous financial year.

Current other financial liabilities increased 120% at the end of fiscal year 2018-19, primarily because of increase in incentive payable under long-term and short-term incentives plans.

VII. Other liabilities

(in Rs. crore)

Particulars	As on March 31, 2018	As on March 31, 2019	Growth (%)
Other non-current liabilities	0.03	0.00	-
Other current liabilities	58.82	54.63	(-7%)
Total other liabilities	58.85	54.63	(-7%)

Other non-current liabilities consist of deferred finance income and other current liabilities consisting of unearned revenue and advances received from customers. Total other current liabilities decreased by 7% as on March 31, 2019 as against March 31, 2018 mainly due to lower statutory dues and advances from clients.

VIII. Key financial ratios

Key financial ratios are provided in the table below.

Particulars	As on March 31, 2018	As on March 31, 2019
Debtors turnover (no. of days)	38	32
Inventory turnover	N.A.	N.A.
Interest coverage ratio	N.A.	N.A.
Current ratio	3.71	4.82
Debt equity ratio	N.A.	N.A.
Operating profit margin (%)	44.0%	38.9%
Net profit margin (%)	36.8%	34.9%
Return on net worth (%)	17.6%	17.5%

N.A.: Not applicable

There is no significant change, i.e. change of 25% or more, as compared to the immediately previous financial year, in key financial ratios, except in current ratio. The significant increase in current ratio was mainly due to higher balances with banks in deposits accounts with original maturity less than twelve months.

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

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

The Company, with total employee strength of 444 as of year-end 2018-19, continues to accord high priority to human resource development, with emphasis 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.

On behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

Place : Gurugram
Date : August 22, 2019

Forward-Looking Statements May Prove Inaccurate

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

Annexure V

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

The Members

ICRA LIMITED

Flat No.1105, Kailash Building,
11th Floor, 26 Kasturba Gandhi Marg,
New Delhi 110001

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and bye-laws framed thereunder to the extent of Regulation 76;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
 - (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) As informed and certified by the Management of the Company no sectoral laws are specifically applicable to the Company based on the Sectors/ Industry.

Secretarial Audit Report

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iii) Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;
- (iv) Securities and Exchange Board of India (Intermediaries) Regulations, 2008;

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the Company has following specific event which have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (a) The Company has bought back 2,52,049 equity shares at an average price of INR 3,388.18 per equity share. Accordingly, the issued & paid up share capital of the Company stands decreased from 99,03,280 equity shares of Rs. 10/- each to 96,51,231 equity shares of Rs. 10/- each.

For **Chandrasekaran Associates**
Company Secretaries

Rupesh Agarwal
Managing Partner
Membership No. ACS 16302
Certificate of Practice No. 5673

Date: May 9, 2019
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and form forms an integral part of this report.

Secretarial Audit Report

Annexure-A

The Members

ICRA LIMITED

Flat No.1105, Kailash Building,
11th Floor, 26 Kasturba Gandhi Marg,
New Delhi 110001

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report 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 **Chandrasekaran Associates**

Company Secretaries

Rupesh Agarwal

Managing Partner

Membership No. ACS 16302

Certificate of Practice No. 5673

Date: May 9, 2019

Place: New Delhi

Annexure VI

Dividend Distribution Policy

OBJECTIVE OF THE POLICY

The objective of the Dividend Distribution Policy ('the Policy') of ICRA Limited ('the Company') is to maintain stability in the dividend payout of the Company, subject to the applicable laws and to ensure a regular dividend income for the members and long term capital appreciation for all stakeholders of the Company.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to this Policy while declaring/ recommending dividends on behalf of the Company. Through this Policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans, subject to the applicable laws.

BACKGROUND

The Securities and Exchange Board of India ("SEBI") amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") by inserting a new Regulation 43A, effective from July 8, 2016. Regulation 43A requires that the top five hundred listed entities based on market capitalization (calculated as on March 31 every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their website. Considering the requirements of the aforesaid Regulation of the Listing Regulations, the Company has modified this Policy to align with the requirements specified under Regulation 43A of the Listing Regulations for distribution of dividend.

CIRCUMSTANCES UNDER WHICH THE MEMBERS MAY OR MAY NOT EXPECT DIVIDEND

The Members of the Company may or may not expect Dividend depending upon circumstances, including but not limited to the following circumstances:

1. Loss incurred or inadequacy of profits;
2. Utilisation of reserves and surplus for buyback of securities of the Company;
3. Acquisitions and/or any other potential strategic actions;
4. Investment in business;
5. Any other circumstance(s), which Board may consider not to recommend dividend.

PARAMETERS FOR DECLARATION OF DIVIDEND

I. Financial parameters and Internal factors for determining dividend

In determining the Company's dividend payout, the Board of Directors considers financial parameters and internal factors, including:

1. Stability of earnings;
2. Liquidity of funds;
3. Needs for additional capital;
4. Past dividend trends;
5. Dividend type and its time of payment;
6. Acquisitions and/or any other potential strategic actions;
7. Expansion of business made by the Company.

II. External factors for determining dividend

In determining the Company's dividend payout, the Board of Directors considers external factors, including:

1. Prevailing legal requirements, tax rules, Government policies, statutory conditions or restrictions as may be provided under applicable laws;
2. State of the economy of the country;
3. Favourable state of the capital markets;

POLICY ON UTILIZATION OF RETAINED EARNINGS

The Company believes in continuing a reasonable balance between cash retention and distribution of dividend to its members. The Company believes in the requirement of cash retention for expansion and diversification of the Company including acquisitions to be made by it, and also as a means to meet contingency. The Company shall declare dividends for a financial year out of the profits of the Company for that year or out of the profits of the Company for any previous financial year or years after providing for depreciation in accordance with applicable laws. The Company has a practice of paying dividend on a yearly basis and has been consistently declaring and paying dividend.

The Company reserves the right to declare interim dividend during any financial year out of the surplus in the profit and loss account and out of the profits of the financial year in which such interim dividend is sought to be declared.

PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

At present, the Company has one class of equity shares having a par value of Rs. 10 each. Each member is eligible for one vote per share held. As and when the Company issues any other kind of shares, the Board of Directors may suitably amend this Policy.

PROCEDURE FOR DECLARATION OF DIVIDEND

- (a) Give prior intimation to the stock exchanges about the Board Meeting at which proposal for declaration/recommendation of dividend or the passing over of dividend is due to be considered at least 2 working days in advance.
- (b) Recommend or declare all dividend at least five days before the commencement of the closure of its transfer books or the record date fixed for the purpose.
- (c) Immediately, on the date of the meeting of Board of Directors, intimate to the stock exchanges within 30 minutes of the closure of the Board Meeting, all dividends recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/despached.
- (d) Declare or disclose dividend on a per share basis.

The dividends are recommended by the Board of Directors of the Company and voted upon thereafter at a general meeting of members of the Company.

AMENDMENTS/MODIFICATIONS

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or Income Tax Act, 1961 or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or the Regulations, then the provisions of the Act or the Regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws.

If Company proposes to declare dividend on the basis of any parameters in addition to clauses (a) to (e) of Regulation 43A of the Listing Regulations or proposes to change parameters specified in this Policy, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

The Board of Directors of the Company may, subject to applicable laws, amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in this Policy will be resolved by the Board of Directors in line with the broad intent of this Policy.

Annexure VII

Corporate Social Responsibility

Annual Report on Corporate Social Responsibility Activities

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

I. ICRA's Corporate Social Responsibility

We, at ICRA, firmly believe that inclusive development is the key to building a healthy society and it is a hallmark of any prosperous country. Our vision is to be a key catalyst for ecosystems, which enable sustainable development. To ensure this, we have been consistently devoting our efforts and resources over the years to empower communities. We see responsibility as a combination of ethics, integrity, transparency and values deeply ingrained in us and understand that creating shared values is the only way to create sustainable development. To practise it across the functions, at a company level, ICRA Limited (the Company) has integrated Corporate Social Responsibility into its business strategy so that the spirit of Schedule VII of the Companies Act, 2013 is elevated and it augments sustainable development goals (SDGs).

With the experience and learning of each passing year, ICRA is strengthening its CSR functions and processes through a system of self-evaluation. Revisiting and evaluating its policies, processes and projects is an annual exercise to enhance the effectiveness and transformation through a collaborative effort. During this year's evaluation, we realised that a deeper collaboration is likely to create a far-reaching impact. We explored various impact avenues and post our discussions, acknowledged the fact that one of the major threats to mankind is climate change and global warming. Effective and impactful action is necessary, therefore, to protect the environment for which every entity must work together to create a ripple effect to mitigate environmental risk. With this thought "environmental sustainability" was included in the CSR mission of ICRA Limited.

To this end, the Company supported the Rahat initiative-Goonj towards Kerala flood relief, a natural calamity in 2018 that wreaked havoc on vegetation, human lives and natural and man-made infrastructures. A significant amount of fund was committed towards this initiative to restore the natural resources like pond, cleaning of backwater and plantation and other need-based rehabilitation work.

Along with this, women's empowerment was sought to be one of the potential areas with the capacity to transform the entire ecosystem and the same was included in the ICRA CSR charter. The purpose being economic and social empowerment of underprivileged women. To embark on this journey of skill-based development of women, ICRA collaborated with Friends of WWB, India and SEED CSR. Wherein through one of the projects women entrepreneurs were to be trained on business management skills in Ahmedabad and provided industry trainings in BFSI trade in Mumbai. The aim has been to enable women and young girls build their own identity and empower them with decision-making and problem-solving skills. Apart from this through our recently initiated projects, we have been continuously supporting the existing education-based and skill-based development projects in other parts of the country, thus spreading smiles among the communities.

At ICRA, we believe, employees are not only the backbone of a Company, they also constitute the nerve centre of all these projects. We firmly believe that collective action accelerates the desired outcomes and therefore, the community, the implementation partner and ICRA work cohesively as catalysts to make an initiative result-oriented both qualitatively and quantitatively. Each employee gets an opportunity to engage with these projects, thereby getting associated with the beneficiaries and adding value to the project with their skills and knowledge.

In the last two years of our employee volunteering initiatives, we have observed tremendous changes – a wave of change makers, full of enthusiasm, has emerged as CSR champions who facilitate our volunteering initiatives at various locations. These champions identify, create and implement initiatives with a great rigour – a great start to the Citizen Corporate Responsibility campaign.

The CSR Policy has been uploaded on the website of the Company at <https://www.icra.in/Home/CSR>.

II. Composition of CSR Committee

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

1. Ms. Ranjana Agarwal, Chairperson
2. Mr. Navneet Agarwal, Member
3. Mr. Naresh Takkar, Member

Corporate Social Responsibility

III. Average net profit of the Company for last three financial years (2015-16; 2016-17; 2017-18): Rs. 11212.51 lakh

IV. Prescribed CSR expenditure (two per cent of the amount as in item 3 above): Rs. 224.25 lakh

V. Details of CSR spend during the financial year:

- (a) Total amount to be spent for the financial year: Rs. 224.25 lakh
 (b) Amount unspent, if any: NIL
 (c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period	Amount spent: Directly or Through Implementing Agency
					Direct expenditure on programmes or projects (Rs.)	Overhead (Rs.)		
1.	2.	3.	4.	5.	6.	7.	8.	9.
1	Residential learning camp	CI (ii) Promoting education	Rajasthan: District Udaipur – Kaya village, block Girwa.	3,375,000	3,375,000	-	3,375,000	Implementing agency- Seva Mandir
2	Digital Inclusion for Young Aspirants (DIYA)	CI (ii) employment enhancing vocational skills especially children, women, elderly	West Bengal: District- South 24 Pragnas-Diamond Harbour, Mograhat	3,180,000	3,180,000	-	3,180,000	Implementing agency – Anudip Foundation for Social Welfare
3	i) Inclusive Education ii) Computer education	CI (ii) Promoting education, including special education and the differently abled	New Delhi; Karkardooma	3,790,000	3,790,000	-	3,790,000	Implementing agency- Amar Jyoti Charitable Trust
4	Sponsorship towards education of underprivileged children	CI (ii) Promoting education	Haryana: District- Gurgaon	1,571,000	1,571,000	-	1,571,000	Implementing agency- Vidya Integrated Development for Youths and Adults (VIDYA)
5	Making a Difference	CI (ii) Promoting special education and employment enhancing vocational skills	Bangalore: Doddugubbi	1,850,000	1,850,000	-	1,850,000	Implementing agency- Society for Education Welfare and Economic Development (SEED CSR)

Corporate Social Responsibility

S. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period	Amount spent: Directly or Through Implementing Agency
					Direct expenditure on programmes or projects (Rs.)	Overhead (Rs.)		
1.	2.	3.	4.	5.	6.	7.	8.	9.
6	Empowering and Educating Underprivileged Children	CI (ii) Promoting special education and employment enhancing vocational skills	Tauru, District Mewat, Haryana	2,316,000	2,316,000	-	2,316,000	Implementing agency- Deepalaya
7	School Mental Health Education Project	CI (ii) Promoting education, special education	Bengaluru, Karnataka	2,300,000	2,300,000	-	2,300,000	Implementing agency- White Swan Foundation
8	Developing Women Entrepreneurs through Business Skill Building	CI (ii) employment enhancing vocational skills especially children, women, elderly	-	3,493,022	3,493,022	-	3,493,022	Implementing agency- Friends of WWB, India
9	Rural Development	CI (iv & x)	-	5,50,000	5,50,000	-	5,50,000	Implementing agency- Goonj

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

N.A

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

For ICRA Limited

(Naresh Takkar)
Managing Director & Group CEO

For CSR Committee of ICRA Limited

(Ranjana Agarwal)
Chairperson of the CSR Committee

Place: Gurugram
Date: May 9, 2019

Annexure VIII

Business Responsibility Report 2018-19**Section A: General information about the company**

1. Corporate Identity Number (CIN) of the company : L74999DL1991PLC042749
2. Name of the company : ICRA Limited
3. Registered address : 1105 Kailash Building, 11th Floor 26, Kasturba Gandhi Marg, New Delhi-110001
4. Website : www.icra.in
5. E-mail id : investors@icraindia.com
6. Financial year reported : 2018-19
7. Sector(s) that the company is engaged in (industrial activity code-wise) : Credit rating and research services, Code-66190
8. List three key products/services that the company manufactures/provides (as balance sheet) Rating, Grading and Research
9. Total number of locations where business activity is undertaken by the company National : ICRA Limited (**"the Company"**) conducts its operation through nine locations International: Sri Lanka and Nepal
10. Markets served by the company-Local/State/National/International
ICRA serves the Indian markets, along with the international customers through its subsidiary companies.

Section B: Financial details of the company

1. Paid up Capital (INR) : Rs. 965.12 lakhs
2. Total Turnover (INR) : Rs. 23013.83 lakhs
3. Total profit after taxes (INR) : Rs. 9597.30 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : Rs. 224.25 lakhs, 2% of net profit of the Company
5. List of activities in which expenditure in the above has been incurred:-
Please refer to Principle 8 and Annual Report on Corporate Social Responsibilities activities

Section C: Other Details

1. Does the company have any subsidiary company/companies?
Yes
2. Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)?
Yes, the subsidiary companies are guided by the Company and undertake initiatives as per statutory requirements.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]
No

Section D: BR Information

1. Details of the Director/Director responsible for BR
 - a) Details of the Director/Directors responsible for implementation of the BR policy/policies
 - DIN Number: 00253288
 - Name: Mr. Naresh Takkar
 - Designation: Managing Director & Group CEO

Business Responsibility Report 2018-19

b) Details of the BR head

S.No	Particulars	Details
1.	DIN Number (if applicable)	00253288
2.	Name	Mr. Naresh Takkar
3.	Designation	Managing Director & Group CEO
4.	Telephone number	0124-4545300
5.	E-mail id	ceo@icraindia.com

2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N) (please refer Annexure 1 to know about the Principles)

S.No	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ Board of Directors?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board of Directors/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be reviewed online?	https://www.icra.in/RegulatoryDisclosure/Index								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes								Yes

2a. If answers to S.no.1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	The company has not understood the Principles	N.A								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Business Responsibility Report 2018-19

3. Governance related BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within three months, three to six months, annually, More than 1 year.

Annually

- Does the company publish a BR or a Sustainability Report? What is the hyperlink for reviewing this report? How frequently it is published?

Yes, BR Report is published annually. The BR Report of the Company for the financial year 2017-18 is uploaded on the Company's website, www.icra.in, hyperlink is as under: <https://www.icra.in/Home/CSR>.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGO/Others?

ICRA requires its employees and directors to conduct themselves according to the highest standards of integrity and ethics in all their business activities. We firmly believe that ethical conduct is good for business performance because it is essential for maintaining a relationship of trust with our customers. Our business conduct is also regulated by and in compliance with many laws relating to fraud, deceptive acts, bribery and corruption, consumer protection, competition, unfair trade practices, and property, including intellectual property such as patents, trademarks and copyrights. With this conviction, the Company has in place a Code of Business Conduct ("Code") which is adopted by all its subsidiaries as well. The Code details ICRA and its subsidiaries' commitment towards maintaining a high standard of integrity, and considers ethics and values as an integral part of the way the business is conducted. The Company has zero tolerance for bribery and corruption, therefore, it has adopted Anti Bribery & Anti Corruption Policy ("ABAC Policy") which is also applicable to its subsidiaries. The ABAC Policy set forth an obligation that every employee(s) needs to abide with and encourages employee to take necessary steps to report any act of suspicion to the compliance department. For service providers and vendors, compliance of Anti-Corruption laws is mandatory and they need to maintain accurate financial records and promptly notify ICRA of any possible violation(s) of the law and co-operate with any investigations or audits by ICRA for such potential violation(s).

To enhance market understanding and confidence, ICRA has also adopted the Code of Professional Conduct that articulates the standard of maintaining high quality and integrity in rating process, managing the conflict of interest, responsibilities to the investing public and issuers, governance, risk management and training. Moreover, ICRA has also in place a Code of Conduct for the members of the Board of Directors and the Senior Management, which enshrines the scope and extent of their duties. Regular trainings and communications are planned to create awareness and educate employees about their responsibilities under the applicable codes. Additionally, there are separate guidelines to deal with the conflict of interest for investment/trading in securities. Any contravention of these guidelines is subjected to disciplinary action and appropriate reporting.

ICRA supports an open-door communication and encourages employees to resolve grievances that involve work environment by holding discussions with immediate supervisors or other senior managers. ICRA has, therefore, adopted a Whistle Blower Policy in this regard. Employees may report any grievances, suspected/ actual violations of any laws or Company codes or policies by another employee, etc., to appropriate authorities under this policy.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

ICRA's Code of Business Conduct emphasises on transparency in communication. ICRA has formulated the Whistle Blower Policy, with a view to establishing a vigil mechanism whereby all the stakeholders, directors and employees, are encouraged to report illegal, unethical or improper activities through established channels viz. ICRA Integrity Hotline or to the ICRA General Counsel, or otherwise, enabling an ethical and corruption free work environment and also safeguarding stakeholders, directors and employees against victimisation. In this financial year, 23 investor complaints were received and 100% of the complaints have been resolved to their satisfaction.

Business Responsibility Report 2018-19

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

- List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

ICRA carried out Solar Power rating for solar firms under the aegis of the Ministry of New and Renewable Energy (or MNRE). The entities rated include system integrators (SI) as well as renewable energy service companies (RESCO) for both solar photovoltaic and solar thermal applications. The Government of India has set a target of 100GW by 2022, a significant portion of which has to be achieved from Grid Interactive Solar Rooftop PV plants players. To achieve the desired objective, it is crucial to identify and promote those firms which have the capacity and capability to undertake these projects. By rating solar companies, the Company provides reliable third-party opinion which can be used by users and investors while making decisions, thereby promoting renewable and sustainable sources of energy.

We are also carrying out ESCO grading for companies which are involved in a performance-based contract with a client to implement measures which reduce energy consumption, under the aegis of the Bureau of Energy Efficiency (BEE). The ESCOs carry out energy audits and implement energy efficiency practices in serviced organisations. Energy efficiency is recognised as one of the most cost-effective solutions to meet the growth in energy demand. Since there are savings in energy consumption, which otherwise would have been generated from fossil fuel-based generation, energy efficiency also plays a vital role in promoting sustainability and also mitigating climate change. This apart, energy efficiency paves the way for the current economic development without compromising on future resource availability. By carrying out ESCO grading, the Company provides reliable third-party opinion which can be suitably used by users and investors while taking decisions, thereby promoting energy efficiency.

We are also carrying out a Green Bond Assessment, which provides a standardised and transparent way to access Green Bond Issuances for the relative environmental benefits generated by the assets so funded along with the evaluation the issuers' governance practices.

Green bonds are debt instruments issued by the corporate entities, banks, financial institutions, sovereign or state-affiliated bodies or any other institution with the specific objective of financing or refinancing assets that have a positive environmental or climatic benefits.

By Green Bond Assessment, the Company provides reliable third-party opinion, which can be used by users and investors while making decisions, thereby promoting environmental conservation.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - Has reduction during sourcing/production/distribution been achieved since the previous year throughout the value chain?
 - Has reduction during usage by consumers (energy, water) been achieved since the previous year?
N.A
- Does the company have procedures in place for sustainable sourcing (including transportation)?
 - If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

ICRA, being a credit rating agency, is relatively less resource intensive in terms of material sourcing. Our major requirements are office or IT-related material.

- Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

To make the procurement of goods and services in a prudent manner, ICRA has adopted a procurement policy that ensures high-value procurement. While evaluating vendors, the Company encourages in providing opportunities to local and small vendors. While carrying out business with them, the Company ensures to make timely payments and if required during the bulk procurement, support is also extended in the form of an advance payment.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.

Please refer Principle 6

Business Responsibility Report 2018-19

Principle 3: Businesses should promote the well-being of all employees

Life at ICRA inspires employees to give their best and make most of open learning situations, growth opportunities and participate in organisational activities. ICRA believes in empowering and nurturing talent. Being focused and result-oriented is something that is ingrained in an ICRA employee. We believe that human connection is the key to success. We foster a friendly and supportive work environment. The company believes in growing leadership and promoting talent internally. Deserving employees, those who demonstrate high performance and potential are awarded challenging assignments and higher responsibilities.

ICRA recruits, hires, employs, trains, promotes and compensates individuals based on job-related qualifications and abilities. To provide learning opportunities, ICRA has Internal Job Posting Process which recognises that an individual must be given the right opportunities to develop as a professional. We at ICRA provide equal employment opportunity. The Company is committed to providing a safe working environment. The Company prohibits sexual harassment and believes that all employees have the right to be treated with dignity and respect. The internal Complaints Committee is constituted in accordance with the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. ICRA takes considerable effort and ensures employees are aware of POSH Act through e learning programmes and workshops.

To attract, motivate and retain our valuable talent, we reward employees based on performance and merit. Deserving employees are eligible to participate in the long term/ deferred incentive plan focused on retaining critical talent in the Company. We continually benchmark the compensation package we offer against those that the industry and competition offer. Additionally, the Company provides learning opportunities to its employees across levels. It invests in their training and development which also results in the overall improved performance of the Company. We run Leadership Programmes to ensure our top leadership is equipped to handle large and diverse teams.

We are committed to providing the best possible work environment and facilities to employees at all levels. We believe culture at the workplace is built on how we respect each other. To create a culture of gratitude in the organisation, we at ICRA celebrate gratitude month and periodic connect sessions with employees are conducted to address concerns in a systematic manner. To revitalise the work environment, we actively promote a culture of celebration at work and mark employees' birthdays service anniversaries, yoga sessions, New Year celebrations, quiz competition, fun games like scavenger's hunt, outdoor team building activities etc.

We have constituted a Talent Advisory Group with representation from among the employees to propel a two-way communication and enhance participation from employees in designing and executing key initiatives impacting employees. We publish monthly employee Newsletter "Employee Wall - News and Views" towards enhancing periodic communication and engagement.

To enhance communication and employee participation within the organisation, Employee Interest Groups are formed which are volunteered by employees and spearheaded by sponsors aiming interaction within the organization like ICRA Social Group, Wellness Group, Environment & Sustainability Group. We also help employees pursue initiatives on environment related concerns and focus on Corporate Social Responsibility.

New hires go through a systematic on-boarding programme to equip them adequately with information and skills necessary to be purposeful at work. To ensure that new employees' feel welcomed at the work place we have a focused intervention called the Fresh Eyes session, which is an engagement programme with new hires to gather their feedback as well as best practices from their experience to recommend actions for the management. We have also structured a quarterly rewards and recognition programme "iStrive" to appreciate and thank all performance enthusiasts who continually strive to make a difference to the Company. Recognition in the Company is not confined to a top-down phenomenon and employees are encouraged to appreciate subordinates, peers and seniors. Appreciation notes are made available to all employees so that appropriate card can be used to commend colleagues, seniors or subordinates.

ICRA is committed to complying with all environmental, health and safety laws and regulations of the country and localities in which we do business. The Company believes it is our obligation to respect the environment in the worldwide communities where we operate and live. We are committed to operate in a way that protects and preserves our environment and natural resources and maintains a healthy, safe and environmentally sound workplace.

1. Please indicate the total number of employees.
444 employees
2. Please indicate the total number of employees hired on temporary/contractual/casual basis.
25 off-roll associates

Business Responsibility Report 2018-19

3. Please indicate the number of permanent women employees.
134
4. Please indicate the number of permanent employees with disabilities.
N.A.
5. Do you have an employee association that is recognised by the management?
No
6. What percentage of your permanent employees consist of the members of this recognised employee association?
N.A.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	The company does not hire child labour, forced labour or involuntary labour. No complaint	Not Applicable
2.	Sexual harassment	No case reported	Not Applicable
3.	Discriminatory employment	There is no discrimination in the recruitment process of the Company	Not Applicable

8. What percentage of your under-mentioned employees were given safety & skill upgradation training last year?

Employees' safety is of prime importance to us. The Company conducts periodic basic fire safety trainings, and evacuation drills for employees across all branches. Employees are sensitised about the safety norms and they are also educated and demonstrations are held on the use of fire-fighting equipment. Nearly 90% of the employees have received safety training.

ICRA continues to focus on equipping employees with the requisite knowledge and skill. The Company provides various trainings like orientation sessions with the new employees, skill enhancing sessions and other leadership mentoring programmes etc. Almost 89% of the permanent employees and 86% of the permanent women employees were given skill upgradation trainings in this financial year.

Principle 4: Businesses should respect the interest of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders?

ICRA believes that building strong relationships with the stakeholders by engaging them on an equitable basis helps grow our business. We acknowledge their contribution in achieving each milestones and enabling us to create a value-driven business. Our key stakeholders are our shareholders, employees, vendors, customers and regulators. For transparency, we have established a mechanism for communication with all our stakeholders. We conduct shareholder meetings, share information about the Company's performance and key developments on the Company's website and disseminate relevant information timely to external stakeholders through defined medium.

The employees are the assets of our Company and we value their dedication and their discretionary effort to help the Company succeed, and we endeavour to provide them a safe, healthy, cultured and competitive environment. We acknowledge their strengths and, therefore, to enhance their knowledge, we provide regular learning opportunities. To have a two-way communication with employees, we have platforms like the Town Hall meeting, Face Time, Fresh Eye sessions etc. so that every employee can interact with the senior management team. Employees are also motivated to participate in various engagement opportunities that are highlighted in Principle 3.

Customers are the lifeblood of our business and we take pride in providing quality and valued services to them. To strengthen the relationship with our customers, we have various communication channels. Nevertheless having regular interactions with them we also share insights on recent economic, financial, infrastructure, sectoral matters and other developments through the ICRA insight-newsletter, seminars and regular webinars.

Business Responsibility Report 2018-19

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalised stakeholders?

N.A.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

Please refer Principle 8

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

We believe that all employees of ICRA and its subsidiaries have the right to be treated equally with dignity and respect. We respect human rights and appropriate action is taken in case of infringement. The Company recruits, hires, employs, trains, promotes and compensates individuals based on job-related qualifications and abilities. ICRA and its subsidiaries also have a longstanding policy of providing a work environment that respects the dignity and worth of each individual and is free from all forms of unlawful employment discrimination, including harassment because of race, colour, gender, age, religion, national origin, citizenship, marital status, sexual orientation, gender identity, genetic information, disability or any other characteristic protected by law. Our goal is to build an organisational environment that encourages the full participation of all members of our diverse workforce and enables everyone to use the full range of their talents, skills and abilities to serve our customers. Unlawful discrimination and harassment, including sexual harassment, discriminatory harassment, and other workplace conduct prohibited by local law is not tolerated. This prohibition applies to all unlawful discrimination and harassment occurring in the work environment, whether in the office, at customer-related or ICRA-related events outside the office, or by the use of Company resources, including electronic mail, voice mail and the internet.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer to Principle 1 & 3

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/Others.

ICRA and its subsidiaries are committed to complying with all environmental, health and safety laws and regulations of the country and localities in which we do business. The Company believes it is our obligation to respect the environment in the worldwide communities where we operate and live. We are committed to operating in a way that protects and preserves our environment and natural resources and maintains a healthy, safe and environmentally sound workplace.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company is extremely conscious of its operations and has taken some initiatives in the limited space. We manage our operations to make optimum use of resources.

'E-waste' (end-of-life electrical and electronic equipment products), given its environmental and health hazards has become a long-term, serious social problem and an environmental threat which needs immediate attention. E-waste contains toxic and hazardous materials and chemical flame retardants, which has the potential to leach into the soil and water. To conserve natural resources and energy, needed to produce new electronic equipment from virgin resources, electronic equipment can be refurbished, reused, and recycled instead of being land filled.

In ICRA, we have pledged to conserve environment through e-waste management by giving away corporate e-waste (old computers and peripherals) every year to e-waste management agencies as part of our little contribution to the environment, our country and its people.

The Company also demonstrates its commitment through paper recycling in partnership with Via. Green, a Government of India (DIPP) approved CSR agency. In this financial year, we have exchanged 4506- kg paper with office stationery and saved 116 trees.

Energy efficiency is not just an isolated effort by companies to be cost-efficient and ready to compete on the global market. Energy efficiency is also a core target of sustainable economical, ecological and social management which

Business Responsibility Report 2018-19

reflects the company's responsibility of a company towards the society. For us, Green IT has become a key business strategy to help in energy conservation and efficiencies. We have pledged to conserve energy by an initiative towards paperless online HR system. This is likely to help us reduce the paper footprint, reduce manual intervention, manual documentation of HR records and help us contribute to our employees, organisation and society.

Apart from these, the Company consciously monitors to take steps like using cloud-based servers to reduce energy consumption, endorsement of various environment awareness campaigns, making use of reusable cups and plates, encourage employees to make use of platforms like video conferencing and audio chatting, installation of LED lights etc.

3. Does the company identify and assess potential environmental risks? Y/N
N.A.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
N.A.
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
N.A.
6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
N.A.
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.
N.A.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:
The Company is a member of various industry associations such as AACRA, ASSOCHAM, FICCI and CII etc.
2. Have you advocated/ lobbied through the above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
No.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company and its group companies have been undertaking various activities under Corporate Social Responsibility ("CSR"), in compliance with Section 135 of the Companies Act, 2013 (the "Act") read with Schedule VII of the Act. The policy has been laid down and the annual plan is prepared and implemented under the guidance of the CSR Committee of the Company. We aim to impact the lives of people through various education, skill development and environmentally sustainable projects. Each programme has its own monitoring system and a mechanism that ensures transparency and quality. To create a much larger impact, the Company provides ICRA employees a platform to contribute and engage in the CSR activities. Under the volunteering initiative, we conduct various activities that help in strengthening the projects. Through this medium we also ensure that each employee is deeply aware of the social concerns and their duties towards society. It helps in embedding social responsibility into the system and hence making the idea of CSR sustainable.

The brief about the projects is as follows:

- a) Digital Inclusion for young Aspirants (DIYA): It is a unique technology-driven skill development programme that creates a pathway for underprivileged youths to digital-age career opportunities. The training is unique in its own

Business Responsibility Report 2018-19

as it has integrated the cutting-edge technology i.e. Cloud Learning Management System that makes learning more interesting and enables trainees to learn at their own pace. The programme provides foundation training in IT skills, workplace English and workplace readiness and subject specific training like financial management, retail management, tally & hardware and networking. This project has been implemented in collaboration with the Anudip Foundation for Social Welfare in West Bengal.

- b) **The Residential Camp:** In the rural districts of Rajasthan, the poverty and lack of quality school facilities push out many children from schools. To support their family, these children migrate out towards the Gujrat border for work without any family or adult support, thus affecting their physical as well as psychosocial development and exposes them to the risk of trafficking. Getting such children directly into full time schools is not often feasible, several of them having moved ahead of age and thus missing out of years of learning abilities. This camp is designed to bridge the learning gap and provide an accelerated curriculum so that these children can complete their education through the one year residential camp. This project is being implemented in collaboration with Seva Mandir that not only provides basic literacy skills, operations of maths and personal hygiene, but also focuses on the regular health check-ups, co-curricular activities like sports, cultural programmes like dancing and singing and computer basics.

Inclusive Education: This project promotes Inclusive Education for the marginalised and the less privileged and provides equal opportunities and full participation to children with and without disabilities. The project celebrates the strength of each child and helps them build their confidence by honing their latent skills. It is a joint project with the Amar Jyoti Charitable trust in Delhi wherein students are provided with the constant guidance of special educators and herapists. Beneficiaries are also trained on vocational skills like bakery, paper and jute bag, pottery, jewellery making etc. The regular health check-ups and medical facilities, barrier free infrastructure and assistive aids motivates them to continue their education despite various challenges. The Company has been also providing operational support to the computer lab in the campus to provide children of cross disabilities with enhanced e-learning opportunities.

- c) **Sponsorship Project:** The other notable projects being run along with Vidya Integrated Development for Youths and Adults (VIDYA), Gurgaon and Deepalaya, Mewat; that provides education support to underprivileged children. Under this project, students are encouraged to achieve their full potential in the academic, creative, physical, emotional, spiritual and moral sphere.
- d) **Make a Difference:** This project is a collaborative effort of ICRA and Society for Education Welfare and Economic Development (SEED) in Mumbai to develop sustainable livelihood and up-liftment of socio-economic status of the underprivileged youth by providing them with job-oriented skill training in BFSI sector. The project focuses and contributes in multi development aspects of the community, which includes youth empowerment, engagement of community, job-oriented skills enhancement and placements.
- e) **School Mental Health Programme:** The project aims to address environmental and social causes that result in delayed treatment (or no treatment) of mental health issues among children and hamper their mental well-being by empowering teachers as catalysts through education and access to right knowledge. The primary beneficiaries would be teachers and adolescent students of government schools. With the series of educational and experiential intervention, teachers get acquainted to the subject of a child's mental health, mental illness and mental well-being. Teachers would be able to identify the psychosocial issues faced by the adolescent children and will help provide first aid to the diagnosed ones and empower them with the knowledge of right service providers and resources so that children may receive timely help. This project is being implemented by the White Swan Foundation in Bengaluru.
- f) **Developing Women Entrepreneurs through Business Skill Building:** The project has a holistic approach to women's entrepreneurship development, incorporating financial education, business management and local livelihood skills. The approach aims to make these enterprises run by these rural women in Gujrat sustainably by providing skills that utilise local knowledge and resources so that their house-hold income is enhanced. Friends of WWB, India is the implementing partner.
- g) **Rural Development Project:** The Company supported Rahat initiative-Goonj towards Kerala flood relief, a natural calamity that affected the lives and damaged a lot of natural and man-made infrastructure. A significant amount of funds was committed towards this initiative to restore the natural resources like pond, cleaning of backwater and plantation and other need-based rehabilitation work.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures or any other organisation?

Each project is implemented through partners who have the strength, expertise and experience in their respective thematic areas. The rigorous protocol of conducting due diligence is followed in finalising the like-minded partner. Please refer the above point to know more about the partners.

Business Responsibility Report 2018-19

3. Have you done any impact assessment of your initiative?

Each CSR project is result-oriented, so a mechanism of reviewing all its initiatives is placed wherein the progress of each project is assessed on a quantitative and a qualitative parameters along with its overall impact on the beneficiaries. The desired objectives (performance parameter) of all the projects are stated at the commencement of the project and regular monitoring, review and course correction measures are taken, if required.

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

The total expenditure in the financial year 2018-19 is Rs. 224.25 lakh. Please refer CSR Annual Report for more details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

Community development is the ultimate agenda of all the initiatives undertaken by the Company. The projects are designed to reflect the need of the beneficiaries. ICRA encourages active participation of the key stakeholders in the implementation of the projects and ensures sustainability of the programmes.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What is the percentage of customer complaints/consumer cases pending as on the end of the financial year?

There are two cases pending in High Court at Madras, which are for injunction petitions by two rating clients, Regen Powertech Private Limited and Regen Infrastructure & Services Private Limited against publishing of surveillance rating by ICRA.

2. Does the company display products information on the product label, over and above what is mandated as per local laws? Yes/No/N.A / Remarks (additional information)

The Company complies with disclosure requirements relating to its products and services.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

N.A.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

While the Company has not conducted any formal survey in this financial year, however, to measure the consumer satisfaction level, it gets the survey done periodically through an external party. Also, the Company frequently monitors and receives feedback from the customers through interactions at various forums.

Annexure 1

National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business

Principle 1 : Businesses should conduct and govern themselves with ethics, transparency and accountability

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

Principle 3 : Businesses should promote the well-being of all employees

Principle 4 : Businesses should respect the interest of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5 : Businesses should respect and promote human rights

Principle 6 : Businesses should respect, protect, and make efforts to restore the environment

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 : Businesses should support inclusive growth and equitable development

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

Annexure IX

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

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

For and on behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

Place : Gurugram
Date : August 22, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of ICRA Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **ICRA Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 29 of the standalone financial statements, which describes that the Company is in the process of addressing certain matters related to credit rating assigned to one of its customer and its subsidiaries, and an anonymous representation. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition See note 3.2 to the standalone financial statements	How the matter was addressed in our audit
<p>The revenue relating to rating and grading, where customers' acceptance is required, is recognized upon issuance of press release or disclosure of unaccepted ratings on the Company's website. For other cases, revenue is recognized upon transfer of control of promised services to the customers. There is a risk that revenue for the rating and grading cases is recognized before the transfer of control of the service to customer is completed.</p> <p>Further, the new revenue standard – Ind AS 115 "Revenue from contracts with customers" which became applicable from 1 April 2018, establishes a comprehensive framework for recognition of revenue and involves making judgements and estimates, which affect the accounting for such cases.</p>	<p>In this area, our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluation of the design and operating effectiveness of internal controls relating to revenue recognition process. • On selected sample of contracts, tested revenue recognition, and our procedures included: <ul style="list-style-type: none"> - evaluating the identification of performance obligations; - considering the terms of the contracts to determine the transaction price; - inspection of the date of transfer of control of service and recording of revenue at an appropriate date; - testing Company's calculation of fee allocation to rating and surveillance. • Tested revenue recognition for cut-off transactions on sample basis to assess whether the customer has obtained the control of service and whether the timing of revenue recognition is appropriate. • Assessment of the adequacy of the Company's disclosures in respect of applicability of new revenue standard – Ind AS 115 "Revenue from contracts with customers".

Other Information

The Company's management and Board of Directors are responsible for the Other Information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditors' report thereon. The Company's Annual Report is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/ W- 100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 9 May 2019

Annexure A of the Independent Auditor's Report to the Members of ICRA Limited on the standalone financial statements for the year ended 31 March 2019.

We report that:

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. Accordingly, the Company has carried out physical verification of its fixed assets at certain locations during the year ended 31 March 2019. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the Company is a service company, primarily rendering rating, research and other services to corporate and non-corporate customers. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under Section 189 of the Act. Further, there are no firms and limited liability partnerships covered in the register required under Section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans, investments, guarantees, and security where provisions of Section 185 and 186 of the Act are required to be complied with. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits covered under Section 73 to 76 of the Act.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records by the Company under sub-section (1) of Section 148 of the Act for any of the activities carried out by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Goods and Service tax, Cess and other material statutory dues as applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of customs and Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Goods and Service tax, Sales tax, Value added tax, Service tax, Cess and other material statutory dues as applicable to it, were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

Also refer note 28, wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court Judgement on the provident fund matter, management has not recognized and deposited any additional provident fund amount with respect to the previous years.

- (b) According to the information and explanations given to us, the Company did not have any dues on account of Goods and Service tax, Sales tax and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanation given to us, the following dues of Income-tax and Service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount in (Rupees in lakhs)*	Payment under protest in (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	19.97	Nil	FY 2000-01	The Assessing Officer
		0.44	Nil	FY 2002-03	
		2.00	Nil	FY 2003-04	
		181.90	11.00	FY 2005-06	
		53.22	Nil	FY 2009-10	
		919.89	Nil	FY 2016-17	
		278.62	Nil	FY 2010-11	Income Tax Appellate Tribunal
		462.04	Nil	FY 2011-12	
		366.93	Nil	FY 2013-14	
		221.56	Nil	FY 2014-15	
		417.32	Nil	FY 2012-13	The Commissioner Income Tax (Appeals)
		2,360.24	Nil	FY 2015-16	High Court
		41.96	Nil	FY 2003-04	
Finance Act, 1994	Service Tax	1.99	Nil	F.Y. 2001-2002	Assistant. Commissioner of Central Excise
		11.40	11.40	FY 2001-2002 to 2004-2005	The Commissioner (Appeals) of Central Excise
West Bengal Value Added Tax, 2003	Value Added Tax	12.80	Nil	FY 2010-11	Fast Track Revision Authority

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

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

For **BSR & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.101248W/W- 100022

Shashank Agarwal
Partner
Membership No. 095109

Place: Gurugram
Date: 9 May 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of ICRA Limited for the period ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

We have audited the internal financial controls with reference to financial statements of ICRA Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of matter

We draw attention to Note 29 of the standalone financial statements, which describes that the Company is in the process of addressing certain matters related to credit rating assigned to one of its customer and its subsidiaries, and an anonymous representation. Our opinion is not modified in respect of these matters.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No.101248W/W- 100022

Shashank Agarwal

Partner

Membership No. 095109

Place: Gurugram
Date: 9 May 2019

Balance Sheet as at March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,065.00	1,209.57
(b) Intangible assets	5	3.48	4.07
(c) Intangible assets under development		126.73	-
(d) Financial assets			
(i) Investments	6.1	13,094.32	26,636.92
(ii) Loans	7.1	370.21	142.15
(iii) Other financial assets	8.1	2,490.57	3,498.27
(e) Deferred tax assets (net)	9	399.74	385.05
(f) Non-current tax asset (net)	10	722.45	987.90
(g) Other non-current assets	11.1	302.23	133.89
Total non-current assets		18,574.73	32,997.82
(2) Current assets			
(a) Financial assets			
(i) Investments	6.2	7,747.76	9,871.60
(ii) Trade receivables	12	1,942.56	2,173.40
(iii) Cash and cash equivalents	13	1,266.18	1,633.86
(iv) Bank balances other than (iii) above	14	32,628.13	17,820.23
v(v) Loans	7.2	29.43	75.94
(vi) Other financial assets	8.2	1,933.79	1,516.70
(b) Other current assets	11.2	539.85	338.53
(c) Assets held for sale		27.74	6.58
Total current assets		46,115.44	33,436.84
Total assets		64,690.17	66,434.66
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	965.12	990.33
(b) Other equity	16	53,859.47	56,095.43
Total equity		54,824.59	57,085.76
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17.1	148.81	218.79
(b) Provisions	18.1	139.29	125.96
(c) Other non-current liabilities	19.1	0.27	3.10
Total non-current liabilities		288.37	347.85
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	20		
(A) Total outstanding dues of micro and small enterprises: and		1.53	1.10
(B) Total outstanding dues other than micro and small enterprises		475.63	338.31
(ii) Other financial liabilities	17.2	1,442.36	655.32
(b) Provisions	18.2	2,055.17	2,050.31
(c) Current tax liabilities (net)	21	139.96	73.69
(d) Other current liabilities	19.2	5,462.56	5,882.32
Total current liabilities		9,577.21	9,001.05
Total liabilities		9,865.58	9,348.90
Total equity and liabilities		64,690.17	66,434.66
Significant accounting policies	3		

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

As per our report of even date attached

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

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

Chartered Accountants

(ICAL Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Rahman

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	22, 44	23,013.83	22,212.56
II Other income	23	4,452.79	5,074.27
III Total income (I+II)		27,466.62	27,286.83
Expenses			
IV Employee benefit expenses	24	10,699.27	9,533.13
V Finance costs	25	46.54	3.46
VI Depreciation and amortisation expense	26	243.42	265.78
VII Other expenses	27	3,370.72	2,900.33
VIII Total expenses (IV to VII)		14,359.95	12,702.70
IX Profit before tax (III-VIII)		13,106.67	14,584.13
Tax expense:			
Current tax	9	3,471.77	4,679.20
Deferred tax		37.60	(127.26)
X Total tax expense		3,509.37	4,551.94
XI Profit after tax (IX-X)		9,597.30	10,032.19
Other comprehensive income			
A (i) Items that will not be reclassified to profit or (loss)	33, 42	(32.61)	(31.01)
(ii) Income tax relating to items that will not be reclassified to profit or loss	9	9.50	9.03
B (i) Items that will be reclassified to profit or (loss)		-	
(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	
XII Other comprehensive income, net of income tax		(23.11)	(21.98)
XIII Total comprehensive income for the period (XI+XII)		9,574.19	10,010.21
XIV Earnings per share (Rs.)	31		
(face value of Rs. 10 per share):			
1) Basic		98.36	102.01
2) Diluted		98.32	101.87

Significant accounting policies

3

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

As per our report of even date attached

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

Chartered Accountants

(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Rahman

Company Secretary

Cash Flow Statement for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	13,106.67	14,584.13
Adjustments for		
Depreciation and amortisation expense	243.42	265.78
Bad debts/ advances written off (net of provisions)	136.96	78.91
Interest expense	46.54	3.46
Long term individual payout funded through Trust (Refer note 16 a)	279.95	-
Interest income on fixed deposits	(2,224.80)	(1,671.79)
Interest income on investments	(428.65)	(637.86)
Dividend from subsidiary companies (Refer note 37)	(550.51)	(547.15)
Gain on financial assets carried at fair value through profit or loss (net)	(1,116.82)	(1,297.04)
Profit on sale of assets (net)	(63.96)	(729.75)
Advances received from customers written back	(195.97)	(173.84)
Adjustment on adoption of Ind AS 115 (Refer note 44)	(146.94)	-
Operating cash flow before working capital changes	9,085.89	9,874.85
Adjustments for		
(Increase)/ decrease in trade receivables	385.45	(395.20)
(Increase)/ decrease in loans	(181.55)	117.48
(Increase)/ decrease in other financial assets	19.51	(52.71)
(Increase)/ decrease in other assets	(425.34)	(108.93)
Increase/ (decrease) in trade payables	137.75	(195.78)
Increase/ (decrease) in other financial liabilities	695.80	(180.23)
Increase/ (decrease) in other liabilities	(226.62)	601.90
Increase/ (decrease) in provisions	(14.42)	(52.53)
Cash generated from operations before tax	9,476.47	9,608.85
Taxes paid, net of refund	(3,435.45)	(4,384.23)
Net cash generated from operating activities (A)	6,041.02	5,224.62
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and intangible assets under development including capital advances	(242.62)	(237.59)
Sale proceeds from property, plant and equipment and intangible assets	455.87	453.25
Investment in mutual funds	-	(13,825.00)
Sale proceeds from redemption/ disposal of mutual funds	18,351.27	9,853.61
Redemption of debentures	-	3,675.00
Investment (made in)/ redemption in corporate deposits (net)	(1,568.01)	(1,194.75)
Interest received on investments	480.50	732.47
(Increase)/ decrease in fixed deposits (having maturity of more than three months), (net)	(13,807.22)	(2,181.32)
Interest received on fixed deposits	1,385.56	1,509.70
Dividend received from subsidiary companies	547.32	544.29
Net cash generated/ (used) in investing activities (B)	5,602.67	(670.34)

Cash Flow Statement for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash flow from financing activities		
Payment towards buy back of shares (Refer note 41)	(8,539.88)	-
Dividend paid	(2,970.99)	(2,673.89)
Dividend distribution tax paid	(500.29)	(435.00)
(Decrease)/ increase in unclaimed dividend	(0.21)	(0.29)
Net cash generated (used) in financing activities (C)	(12,011.37)	(3,109.18)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(367.68)	1,445.10
Add: Cash and cash equivalents at the beginning of year	1,633.86	188.76
Cash and cash equivalents at the end of the year	1,266.18	1,633.86
Components of cash and cash equivalents (Refer note 13)		
Cash on hand	1.81	1.09
Balances with banks		
In current accounts	1,264.37	1,632.77
Cash and cash equivalents at the end of the year	1,266.18	1,633.86

Note:

Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

Significant accounting policies (Refer note 3)

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

As per our report of even date attached

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

Chartered Accountants

(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

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

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Rahman

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	Attributable to equity shareholders							Total equity
	Equity share capital	Other equity						
		Capital reserve	Securities premium	Capital redemption reserve	Share based payment reserve	General reserve	Retained earnings	
Opening balance as at April 01, 2017	990.33	-	4,966.98	9.67	211.60	11,163.74	32,842.12	50,184.44
Profit after tax							10,032.19	10,032.19
Other comprehensive income, net of tax							(21.98)	(21.98)
Total comprehensive income for the year			111.31		(111.31)		10,010.21	10,010.21
Options exercised					(2.38)	2.38		
Options lapsed							(2,673.89)	(2,673.89)
Dividend on equity shares (Refer note 32)							(435.00)	(435.00)
Dividend distribution tax (Refer note 32)							39,743.44	39,743.44
Closing balance as at March 31, 2018	990.33	-	5,078.29	9.67	97.91	11,166.12	57,085.76	57,085.76
Opening balance as at April 01, 2018	990.33	-	5,078.29	9.67	97.91	11,166.12	39,743.44	57,085.76
Adjustment on adoption of Ind AS 115, net of tax (Refer note 44)							(104.15)	(104.15)
Opening balance after adjustment of Ind AS 115	990.33	-	5,078.29	9.67	97.91	11,166.12	39,639.29	56,981.61
Profit after tax							9,597.30	9,597.30
Other comprehensive income, net of tax							(23.11)	(23.11)
Total comprehensive income for the year			95.53		(95.53)		9,574.19	9,574.19
Options exercised					(2.38)	2.38		
Options lapsed							(8,539.88)	(8,539.88)
Buyback of equity shares/ capital redemption reserve (Refer note 41)			(5,173.82)	25.21		(3,366.06)		
Dividend on equity shares (Refer note 32)							(2,970.99)	(2,970.99)
Dividend distribution tax (Refer note 32)							(500.29)	(500.29)
Capital reserve created during the year (Refer note 16 a)		279.95						279.95
Closing balance as at March 31, 2019	965.12	279.95	-	34.88	-	7,802.44	45,742.20	54,824.59

Significant accounting policies (Refer note 3)

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 9, 2019

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

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

Vipul Agarwal
Group Chief Financial Officer

Arun Duggal
Chairman
(DIN: 00024262)

S. Shakeb Rahman
Company Secretary

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

1 Corporate information

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) ('the Company') was set up in 1991 by leading financial/ investment institutions, commercial banks and financial services companies as an independent and professional Investment Information and Credit Rating Agency. ICRA is a public limited Company incorporated and domiciled in India, with its registered office in New Delhi. It is listed on BSE Limited and the National Stock Exchange of India Limited. It has various subsidiaries involved in rating, management consulting and outsourcing and information services etc.

2 Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Act.

The Company had adopted Ind AS with effect from April 1, 2017, with transition date of April 1, 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015.

These financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payments and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

These financial statements are presented in Indian Rupees (Rs) which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh and upto two decimal places, unless otherwise stated.

The financial statements were authorised for issue by the Company's Board of Directors on May 9, 2019.

2.1 Use of estimates, judgements and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

b) Revenue recognition

In case of initial rating a portion of the fee is allocated towards first year surveillance based on management's estimate. Surveillance fees from second year onwards is recognised when there is reasonable certainty of collection. The assessment of reasonable certainty involves exercise of significant judgements on client co-operation for surveillance which includes receipt of information for performing surveillance rating and realisation of fees.

Assumptions and estimation uncertainties

The key assumptions concerning the future uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

i) Impairment of non-financial assets and investment in subsidiaries

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGU's.

Investment in subsidiaries are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or CGU's to which these pertain is less than its carrying value.

The recoverable amount of a CGU or an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

iii) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Recognition of deferred tax assets

Deferred tax assets are recognised for temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.2 Fair value measurement

The Company measures both its financial and non-financials assets and liabilities such as investments, security deposits, loan to staff, trade payables, payable to employees etc. at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3 Significant accounting policies

3.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Act.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

3.2 Revenue recognition

The Company earns revenue primarily from the rating, grading, surveillance and other services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 43 for the impact of the adoption of the standard on the financial statements of the Company.

The Company provides rating and grading services to its customers wherein the first year rating and grading fees includes free surveillance for first twelve months or the period of instrument, whichever is shorter, from the date of rating and grading. A portion of the fee is allocated towards this free surveillance based on management's estimate. Under Ind AS 18, revenue related to rating and grading was recognised in the month of assigning the rating/ grading by the rating/ grading committee of the Company. However, as per Ind AS 115, the revenue related to rating and grading is recognised upon issuance of press release or disclosure of unaccepted ratings on the Company's website.

For other services, revenue is recognized upon transfer of control of promised services to the customers.

Surveillance fee, to the extent of reasonable certainty of collection, is recognised over the surveillance period.

Unearned revenue represents advance billing for which services have not been rendered.

Unbilled revenue represents services rendered for which invoices are yet to be raised.

Out of pocket expenses which are recoverable from customers, are recognised both as expenditure and revenue.

3.3 Other income

Dividend income is recognised when the unconditional right to receive the income is established, which is generally when shareholders approve the dividend.

Interest income on bank deposits is recognised using effective interest rate, on time proportionate basis.

For accounting policy on income from other financial instruments refer para 3.4.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Trade receivable and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company became party to the contractual provision of the instrument.

A financial asset or financial liability is initially recognised at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, financial asset is classified as measured at:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI) – debt investments
- FVTOCI – equity investments or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for mapping of financial assets.

A financial asset is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL

- the asset is held within a business model whose objective is to hold assets and collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A 'debt investment' is measured at FVTOCI if both of the following conditions are met and is not designated as at FVTPL:

- the assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual term of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income under effective interest method and impairment are recognised in profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI reclassified to profit and loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividend are recognised as income in profit and loss unless the dividend clearly represents recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit and loss.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are measured at amortised cost using effective interest method. Interest expense and foreign exchange gains or losses (if any) are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

Derecognition

Financial assets

The Company derecognises a financial asset when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

The Company derecognises a financial liability when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.5 Property, plant and equipment

Recognition and measurement

Property, plant and equipment and capital work in progress are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprise of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other cost directly attributable to bring the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate item of property, plant and equipment.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit of associated with the expenditure will flow to the Company. All other expenditure is recognised in the Statement of Profit and Loss.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Depreciation

Depreciation is calculated on cost of item of property, plant and equipment less their estimated residual value over their estimate useful lives using written down value method and is recognised in the Statement of Profit and Loss. Assets acquired under leasehold improvements are depreciated using straight line method over the primary period of the lease or useful life of the assets whichever is shorter. The primary lease period for this purpose includes any lease period extendable at the discretion of the lessee.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life as per schedule II (in years)
Buildings	60
Computers and data processing units (including Servers, Network)	3-6
Furniture and fittings	10
Office equipment	5
Electrical installation and equipment	10
Vehicles	8

Depreciation method, useful lives and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Depreciation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

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

3.6 Intangible assets

Recognition and measurement

Intangible assets acquired separately are initial measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss.

Amortisation

Amortisation is calculated to write off the cost of the intangible assets over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

The estimated useful lives of items of intangible assets is as follows:

Asset	Useful life (in years)
Computer softwares	10

Amortisation method, rate and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Amortisation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

Intangible assets under development

Identifiable intangible assets under development are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets under development is measured at historical cost and not amortised. These assets are tested for impairment on annual basis.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

3.7 Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 *Consolidated and Separate Financial Statements*. On disposal of investment in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.8 Impairment

Impairment of financial instruments

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For other financial assets, ECL are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as expense or income in the Statement of Profit and Loss.

Impairment of non-financial assets and investment in subsidiaries

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGU's.

Investment in subsidiaries are tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount of the asset or CGU's to which these pertain is less than its carrying value.

The recoverable amount of a CGU or an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment loss is recognised in the Statement of Profit and Loss.

An impairment loss in respect of assets, which has been recognised in prior years, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

3.9 Non-current assets held for sale

Non-current assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value. Any resultant loss on a disposal group is allocated first goodwill (if any), and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Company's other accounting policy. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

If the criteria for classifying assets in to held for sale are no longer met, the Company ceases to classify the assets as held for sale.

The Company measure a non-current asset that cease to be classified as held for sale at the lower of:

- its carrying amount before the assets were classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

3.10 Projects work in progress

Projects work-in-progress represent direct cost incurred against rating and grading cases wherein work has been initiated but rating and grading is yet to be concluded and amount is expected to be recovered.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with bank, Short-term deposits and investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cashflows, cash and cash equivalent consists of cash on hand, balances with bank, short-term deposits and investments as stated above, net of outstanding bank overdrafts (if any).

3.12 Foreign currencies

The Company's financial statements are presented in Indian rupee, which is also its functional currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction or an average rate if the average rate approximate the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

3.13 Employee benefits

Short term employee benefit

All employee benefits which are expected to be settled wholly before twelve months after the end of annual reporting period in which the employees render the related service are short term employee benefits. Short term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

Provident fund is a defined contribution plan. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligation for contributions to defined contribution plan is recognised as an employee benefit expense in profit and loss in the period during which the related services are rendered by employees. The Company has no obligation, other than the contribution payable in the scheme.

Defined benefit plan

The Company's gratuity benefit plan is a defined benefit plan. The gratuity liability for employees of the Company is funded through gratuity fund established as a Gratuity Trust. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value of economic benefits and the fair value of any plan assets is deducted.

The calculation of defined benefit obligation is performed as at the Balance Sheet date and determined based on actuarial valuation using the Projected Unit Credit Method by a qualified actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement.

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

Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of annual period to the then-net defined benefit liability (asset), taking in to account any changes in the

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Other long-term employee benefits

Long term individual payout ('LTIP') plan and compensated absences are other long-term benefits provided by the Company.

The Company's net obligation in respect of LTIP is the amount of benefit that employees have earned in return for their services in the current and prior periods and discounted to determine its present value.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by a qualified actuary as at the Balance Sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense for non-accumulated compensated absences is recognised in the period in which absences occur.

3.14 Share based payments

The Company recognise compensation expense relating to share-based payments using fair value in accordance with Ind AS 102 'Share based payments'. The estimated fair value of awards is charged to income on a straight line basis over the service period for each separating vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

On transition to Ind AS, the Company has elected to use the exemption to apply Ind AS 102 to equity instruments that vested before date of transition to Ind AS.

3.15 Leases

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.16 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cashflows (representing the best estimate of the expenditure require to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

3.17 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.18 Income tax

Income tax comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to an item recognised directly in equity or other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous year. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intention to realize the asset and settle the liability on a net basis, or simultaneously.

Deferred tax

Deferred tax is recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Deferred tax assets and liabilities are measured using tax rate

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

and tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of change in tax rate on deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.19 Earnings per share

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

3.20 Corporate social responsibility (CSR) expenditure

The Company charges its CSR expenditure during the year to the Statement of Profit and Loss.

3.21 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases". Ind AS 116 "Leases" sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. ICRA Limited will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

The Company is under the process of evaluation of the possible impact of these recent accounting pronouncements.

Particulars	As at March 31, 2019	As at March 31, 2018
4 Property, plant and equipment		
a) The details of property, plant and equipment (net) is as follows:		
Buildings	667.29	722.47
Computers and data processing units	81.31	62.45
Furniture and fittings	96.23	117.96
Office equipment	32.02	33.67
Electrical installation and equipment	38.04	52.59
Vehicles	29.53	52.84
Leasehold improvements	120.58	167.59
Total property, plant and equipment	1,065.00	1,209.57

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, and where otherwise stated)

Particulars	Buildings	Computers and data processing units	Furniture and fittings	Office equipment	Electrical installation and equipment	Vehicles	Leasehold improvements	Total
b) Disclosures regarding gross block of assets, depreciation and net block are as given below:								
Gross carrying value								
As at April 1, 2017	805.37	118.55	197.90	54.24	85.69	135.95	182.75	1,580.45
Additions	-	45.51	26.94	18.67	8.62	-	105.14	204.88
Disposals/adjustments	-	(7.01)	(18.57)	(1.24)	(1.51)	(21.26)	(30.18)	(79.77)
As at March 31, 2018	805.37	157.05	206.27	71.67	92.80	114.69	257.71	1,705.56
Additions	-	88.80	20.57	24.13	5.88	-	1.16	140.54
Reclassification to assets held for sale	(20.00)	-	(16.05)	(0.31)	(11.56)	-	-	(47.92)
Disposals/adjustments	-	(2.87)	(6.31)	(4.62)	(2.26)	(19.24)	(15.49)	(50.79)
As at March 31, 2019	785.37	242.98	204.48	90.87	84.86	95.45	243.38	1,747.39
Depreciation								
As at April 1, 2017	42.58	56.79	54.24	21.27	22.75	42.71	61.16	301.50
For the year	40.32	42.44	43.18	17.61	18.12	28.97	59.14	249.78
Disposals/adjustments	-	(4.63)	(9.11)	(0.88)	(0.66)	(9.83)	(30.18)	(55.29)
As at March 31, 2018	82.90	94.60	88.31	38.00	40.21	61.85	90.12	495.99
For the year	38.16	67.73	33.85	24.24	15.21	16.54	41.14	236.87
Reclassification to assets held for sale	(2.98)	-	(9.84)	(0.26)	(7.10)	-	-	(20.18)
Disposals/adjustments	-	(0.66)	(4.07)	(3.13)	(1.50)	(12.47)	(8.46)	(30.29)
As at March 31, 2019	118.08	161.67	108.25	58.85	46.82	65.92	122.80	682.39
Net block								
As at March 31, 2019	667.29	81.31	96.23	32.02	38.04	29.53	120.58	1,065.00
As at March 31, 2018	722.47	62.45	117.96	33.67	52.59	52.84	167.59	1,209.57

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
5 Intangible assets		
a) The details of intangible assets (net) is as follows:		
Computer softwares	3.48	4.07
Total intangible assets	3.48	4.07
b) The details of intangible assets under development is as follows:		
Intangible assets under development	126.73	-
Total	126.73	-

Particulars	Computer softwares
c) Disclosures regarding gross block of intangible assets, amortisation and net block are as given below:	
Gross carrying value	
As at April 1, 2017	30.92
Additions	-
Disposals/adjustments	-
As at March 31, 2018	30.92
Additions	5.96
Disposals/adjustments	-
As at March 31, 2019	36.88
Amortisation	
As at April 1, 2017	10.85
For the year	16.00
Disposals/adjustments	-
As at March 31, 2018	26.85
For the year	6.55
Disposals/adjustments	-
As at March 31, 2019	33.40
Net block	
As at March 31, 2019	3.48
As at March 31, 2018	4.07

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
6 Investments		
6.1 Non-current investments		
I. Unquoted		
Investments carried at cost		
a) Investment in equity shares of subsidiaries (fully paid up)		
ICRA Online Limited	871.76	871.76
8951458 equity shares [previous year 8951458] of Rs. 10 each		
ICRA Management Consulting Services Limited	1,500.00	1,500.00
15000000 equity shares [previous year 15000000] of Rs. 10 each		
PT ICRA Indonesia	1,497.47	1,497.47
2833125 equity shares [previous year 2833125] of IDR 10000 each		
ICRA Lanka Limited	256.58	256.58
5948900 equity shares [previous year 5948900] of LKR 10 each		
ICRA Nepal Limited	63.75	63.75
102000 equity shares [previous year 102000] of NPR 100 each		
	4,189.56	4,189.56
Impairment in value of investments (Refer note 45)	(1,497.47)	(1,497.47)
Total (I)	2,692.09	2,692.09
Note:- IDR denotes Indonesian Rupiah, LKR denotes Sri Lankan Rupee and NPR denotes Nepalese Rupee		
II. Quoted		
Investments carried at fair value through profit or loss		
a) Investment in equity instruments (other than subsidiaries) (fully paid up)		
CRISIL Limited	43.84	56.53
3000 equity shares [previous year 3000] of Re. 1 each		
Total (II) (a)	43.84	56.53
b) Investment in mutual funds		
(i) Other plans		
Axis Liquid Fund - Direct Growth	5,150.59	4,787.95
248397.851 units [previous year 248397.851] of Rs. 1000 each		
Kotak Money Market Scheme - Direct Plan - Growth (Formerly known as Kotak Floater Short Term - Direct Plan - Growth)	5,207.80	4,811.97
168725.122 units [previous year 168725.1203] of Rs. 1000 each		
DSP Banking and PSU Debt Fund - Dir - Growth (Formerly known as DSP BlackRock Banking and PSU Debt Fund - Dir - G)	-	3,191.65
Nil units [previous year 21418119.015] of Rs. 10 each		
Principal Short Term Debt Fund - Direct Plan Growth	-	1,941.13
Nil units [previous year 6126674.201] of Rs. 10 each		
DHFL Pramerica Premier Bond Fund - Direct Plan - Growth	-	1,327.99
Nil units [previous year 4607849.01] of Rs. 10 each		
Edelweiss Banking and PSU Debt Fund - Direct Plan - Growth	-	1,996.52
Nil units [previous year 13698505.032] of Rs. 10 each		
DHFL Pramerica Floating Rate Fund - Direct Plan - Growth	-	2,041.10
Nil units [previous year 10503245.503] of Rs. 10 each		
Sundaram Banking & PSU Debt Fund Direct Plan-GR	-	3,789.99
Nil units [previous year 13858902.305] of Rs. 10 each		
Total (II) (b) (i)	10,358.39	23,888.30
Total (II)	10,402.23	23,944.83
Total non-current investments (I + II)	13,094.32	26,636.92

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
6.2 Current investments		
I Unquoted		
a) Investments carried at amortised cost		
Investment in corporate deposits		
Housing Development Finance Corporation Limited	7,747.76	6,179.75
Total (I) (a)	<u>7,747.76</u>	<u>6,179.75</u>
Total (I)	<u>7,747.76</u>	<u>6,179.75</u>
II Quoted		
Investments carried at fair value through profit or loss		
Investment in mutual funds		
(i) Fixed maturity plans		
DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan - Growth Nil units [previous year 7000000] of Rs. 10 each	-	949.62
Axis Fixed Term Plan - Series 52 - Direct Growth (XI-DG) Nil units [previous year 4493937.678] of Rs. 10 each	-	629.19
DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth Nil units [previous year 15000000] of Rs. 10 each	-	2,113.04
Total (II) (i)	<u>-</u>	<u>3,691.85</u>
Total current investments (I + II)	<u>7,747.76</u>	<u>9,871.60</u>
Total investments	<u>20,842.08</u>	<u>36,508.52</u>
Summary of investments (Non-current + Current)		
Aggregate value of unquoted investments	11,937.32	10,369.31
Aggregate value of quoted investments	10,402.23	27,636.68
Aggregate value of impairment in the value of investments	(1,497.47)	(1,497.47)
Investments carried at cost	4,189.56	4,189.56
Investments carried at amortised cost	7,747.76	6,179.75
Investments carried at fair value through profit or loss	10,402.23	27,636.68
Aggregate value of impairment in the value of investments	(1,497.47)	(1,497.47)
7 Loans		
7.1 Non-current		
Secured, considered good		
Loans to staff		
To related parties (Refer note 37)	8.34	10.15
To parties other than related parties	35.69	45.73
Unsecured, considered good		
Security deposits	326.18	86.27
Total non-current loans	<u>370.21</u>	<u>142.15</u>
7.2 Current		
Secured, considered good		
Loans to staff		
To related parties (Refer note 37)	1.81	1.65
To parties other than related parties	8.74	9.71
Unsecured, considered good		
Security deposits	18.88	64.38
Loans to staff		
To parties other than related parties	-	0.20
Total current loans	<u>29.43</u>	<u>75.94</u>
Total loans	<u>399.64</u>	<u>218.09</u>

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
8 Other financial assets		
8.1 Non-current		
Unsecured, considered good		
Bank deposits with maturity for more than twelve months from the reporting date	2,475.00	3,475.05
Earnest money deposit	0.85	-
Interest accrued on fixed deposits	14.72	23.22
Total non-current other financial assets	2,490.57	3,498.27
8.2 Current		
Unsecured, considered good		
Unbilled revenue	57.18	80.93
Interest accrued on fixed deposits	1,697.96	850.22
Interest accrued on investments	108.40	160.25
Advance paid to gratuity trust (Refer note 33)	7.51	-
Earnest money deposits	5.68	7.16
Advances recoverable		
From parties other than related parties	10.13	20.22
Others		
Recoverable from related parties (Refer note 37)	31.30	13.12
Recoverable from other than related parties	15.63	384.80
Unsecured, considered doubtful		
Recoverable from other than related parties - credit impaired	5.08	8.91
	1,938.87	1,525.61
Allowance for doubtful other financial assets	(5.08)	(8.91)
Total current other financial assets	1,933.79	1,516.70
Total other financial assets	4,424.36	5,014.97

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
9 Income tax		
The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
9.1 Income tax recognised in Statement of profit or loss		
Current tax		
Income tax for current year	3,479.00	4,632.18
Income tax for earlier year	(7.23)	47.02
	3,471.77	4,679.20
Deferred tax		
Attributable to-		
Origination and reversal of temporary differences	37.60	(198.13)
Reduction in tax rate #	-	70.87
	37.60	(127.26)
Total tax expense recognised in the Statement of Profit or Loss	3,509.37	4,551.94
9.2 Income tax recognised in other comprehensive income		
Net loss/(gain) on remeasurements of defined benefit liability/ asset	(9.50)	(9.03)
Income tax charged to other comprehensive income	(9.50)	(9.03)

Particulars	As at March 31, 2019	As at March 31, 2018
9.3 Aggregate current and deferred tax charge relating to items that are charged or credited directly to equity	-	-

#As per Finance Act 2018, in case of Companies, where total turnover in the financial year 2016-17 does not exceed Rs. 25,000 lakh, rate of tax will be 25%, plus applicable surcharge and cess for financial year 2018-19. Therefore for financial year 2018-19, effective tax rate for the Company is 29.12% and same was considered while calculating deferred tax assets/ liabilities as at March 31, 2018. During the financial year 2018-19, there is no change in tax rate.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
9.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate.		
Accounting profit before tax	13,106.67	14,584.13
Tax using the Company's domestic tax rate 29.12% (previous year 34.608%)	3,816.66	5,047.28
Effect of:		
Reduction in tax rate #	-	70.87
Non-deductible expenses	137.14	59.28
Adjustments in respect of current income tax of previous years	(7.23)	47.02
Exempt income	(156.65)	(186.16)
Effect of utilisation of carried forward tax losses	(278.98)	(444.91)
Effect of lower tax rate on certain income	(1.57)	-
Others	-	(41.44)
Total tax expense	3,509.37	4,551.94

Particulars	As at March 31, 2019	As at March 31, 2018
9.5 Deferred tax assets (net)		
Deferred tax assets		
Property, plant and equipment (including intangible assets)	44.43	27.56
Provision for employees benefits	222.92	235.07
Provision for doubtful receivables	128.18	118.49
Provision for doubtful financial assets	1.48	2.59
Tax losses carried forward	172.05	229.67
Others	2.73	1.34
Total	571.79	614.72
Deferred tax liabilities		
Investments at fair value through profit or loss	172.05	229.67
Total	172.05	229.67
Total deferred tax assets (net)	399.74	385.05

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
9.6 Reconciliation of deferred tax assets/ (liabilities)		
Opening balance	385.05	248.76
Adjustment on adoption of Ind AS 115 (Refer note 44 a)	42.79	-
Tax (expense)/ income during the period recognised in statement of profit and loss	(37.60)	127.26
Tax (expense)/ income during the period recognised in other comprehensive income	9.50	9.03
Closing balance	399.74	385.05

Particulars	As at March 31, 2019	As at March 31, 2018
9.7 Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.		
Capital losses	1,506.34	1,864.02
Impairment loss on investments *	1,497.47	1,497.47
Total	3,003.81	3,361.49
Unrecognised tax effect	699.77	783.09
9.8 Expiry period of unutilised tax losses		
Financial Year 2024-25	1,506.34	1,864.02
Total	1,506.34	1,864.02

*As per Finance Act 2018, in case of Companies, where total turnover in the financial year 2016-17 does not exceed Rs. 25,000 lakh, rate of tax will be 25%, plus applicable surcharge and cess for financial year 2018-19. Therefore for financial year 2018-19, effective tax rate for the Company is 29.12% and same was considered while calculating deferred tax assets/ liabilities as at March 31, 2018. During the financial year 2018-19, there is no change in tax rate.

*The deductible temporary difference do not expire under current tax legislation

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
10 Non-current tax asset		
Advance income tax (Net of provision of Rs. 30,444.71 lakh (previous year Rs. 25,808.84 lakh) (Refer note 28 b))	722.45	987.90
Total	<u>722.45</u>	<u>987.90</u>
11 Other assets		
11.1 Non-current		
Unsecured, considered good		
Capital advances	-	55.68
Prepayments	302.23	78.21
Total non-current other assets	<u>302.23</u>	<u>133.89</u>
11.2 Current		
Prepayments	350.66	329.30
Balance with government authorities	16.98	9.23
Projects work in progress	172.21	-
Total current other assets	<u>539.85</u>	<u>338.53</u>
Total other assets	<u>842.08</u>	<u>472.42</u>
12 Trade receivables		
Trade receivables considered good - Unsecured @	1,942.56	2,173.40
Trade receivables - credit impaired	440.17	406.90
	<u>2,382.73</u>	2,580.30
Allowance for doubtful trade receivables	(440.17)	(406.90)
Total trade receivables	<u>1,942.56</u>	<u>2,173.40</u>
@ Includes dues from related parties (Refer note 37)		
13 Cash and cash equivalents		
Cash on hand	1.81	1.09
Balances with banks		
In current accounts	1,264.37	1,632.77
Total cash and cash equivalents	<u>1,266.18</u>	<u>1,633.86</u>
Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.		
14 Other bank balances		
Balances with banks		
In deposit accounts with original maturity for more than three months but less than twelve months from the reporting date	32,501.33	17,699.68
Earmarked balances with banks		
In unpaid dividend account	6.66	6.87
Deposits with maturity for more than three months and less than twelve months from the reporting date earmarked against bank guarantees	120.14	113.68
Total	<u>32,628.13</u>	<u>17,820.23</u>

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at	
	March 31, 2019	March 31, 2018
15 Equity share capital		
Authorised		
15000000 (previous year 15000000) equity shares of Rs. 10/- each	<u>1,500.00</u>	<u>1,500.00</u>
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, subscribed and fully paid up		
9651231 equity shares (previous year 9903280 equity shares) of Rs. 10/- each fully paid up	<u>965.12</u>	<u>990.33</u>
15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Particulars	As at March 31, 2019	
	Number of shares	Amount
Equity shares		
At the commencement and at the end of the year	<u>9,903,280</u>	<u>990.33</u>
Less: Buy back of equity shares (Refer note 41)	<u>(252,049)</u>	<u>(25.21)</u>
At the end of the year	<u>9,651,231</u>	<u>965.12</u>
Particulars	As at March 31, 2018	
	Number of shares	Amount
At the commencement and at the end of the year	9,903,280	990.33
15.2 Terms/ rights attached to equity shares		
The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend, if any, recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
Particulars	As at	
	March 31, 2019	March 31, 2018
15.3 Shares held by subsidiaries of the ultimate holding company (Equity shares of Rs. 10 each fully paid-up)		
Moody's Investment Company India Private Limited		
Number of shares	3,055,900	2,850,900
% of total shares	31.66%	28.79%
Moody's Singapore Pte Limited		
Number of shares	1,949,722	2,154,722
% of total shares	20.20%	21.76%
15.4 Details of shareholders holding more than 5% shares in the Company (Equity shares of Rs. 10 each fully paid-up)		
Moody's Investment Company India Private Limited		
Number of shares	3,055,900	2,850,900
% of total shares	31.66%	28.79%
Moody's Singapore Pte Limited		
Number of shares	1,949,722	2,154,722
% of total shares	20.20%	21.76%
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life MNC Fund		
Number of shares	954,754	951,928
% of total shares	9.89%	9.61%
Life Insurance Corporation of India		
Number of shares	896,174	889,006
% of total shares	9.29%	8.98%
Pari Washington India Master Fund, Ltd.		
Number of shares	631,141	-
% of total shares	6.54%	0.00%
General Insurance Corporation of India		
Number of shares	522,999	522,999
% of total shares	5.42%	5.28%
16 Other equity		
Capital reserve (Refer note 34)	279.95	-
Securities premium	-	5,078.29
Capital redemption reserve	34.88	9.67
Share based payment reserve	-	97.91
General reserve	7,802.44	11,166.12
Retained earnings	45,742.20	39,743.44
Total other equity	<u>53,859.47</u>	<u>56,095.43</u>

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Nature of reserves

a) Capital reserve

Capital reserves represents amount of LTIP plan funded by ICRA Employees Welfare Trust ("ESOP Trust") to the employees of the Company. (Refer note 34)

b) Securities premium

Securities premium is used to record the premium on issue of shares. The security premium is utilised in accordance with the provisions of the Act.

c) Capital redemption reserve

The Company has bought back equity shares and as per the provisions of the Companies Act, 2013, is required to create capital redemption reserve.

d) Share based payment reserve

The share based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

e) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

Particulars	As at March 31, 2019	As at March 31, 2018
17 Other financial liabilities		
17.1 Non-current		
Deposits for vehicles	20.45	33.28
Payable to employees	128.36	185.51
Total non-current other financial liabilities	148.81	218.79
17.2 Current		
Unpaid dividends	6.66	6.87
Creditors for capital supplies and services	0.01	25.08
Due to related parties (Refer note 37)	31.97	39.21
Payable to employees	1,318.15	533.24
Deposits for vehicles	17.66	7.33
Other liabilities	67.91	43.59
Total current other financial liabilities	1,442.36	655.32
Total other financial liabilities	1,591.17	874.11
18 Provisions		
18.1 Non-current		
Provision for employee benefits		
Provision for compensated absence	139.29	125.96
Total non-current provisions	139.29	125.96
18.2 Current		
Provision for employee benefits		
Provisions for gratuity (Refer note 33)	-	87.21
Provision for compensated absence	139.74	126.83
Other employee benefits	1,799.52	1,814.64
Others		
Provision for pending litigations (Refer note 29)	100.00	-
Provision for service tax	15.91	21.63
Total current provisions	2,055.17	2,050.31
Total provisions	2,194.46	2,176.27

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
19 Other liabilities		
19.1 Non-current		
Deferred finance income	0.27	3.10
Total non-current other liabilities	0.27	3.10
19.2 Current		
Unearned revenue (Refer note 44)	3,724.62	3,690.15
Advance from customers	1,179.84	1,447.45
Statutory dues	555.59	741.42
Deferred finance income	2.51	3.30
Total current other liabilities	5,462.56	5,882.32
Total other liabilities	5,462.83	5,885.42
20 Trade payables		
(A) Total outstanding dues of micro and small enterprises: and	1.53	1.10
(B) Total outstanding dues other than micro and small enterprises	475.63	338.31
Total trade payables	477.16	339.41
20.1 Based on the information available with the Company, some suppliers have been identified who are registered under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED), to whom the Company owes dues, but the same are not outstanding for more than 45 days as at reporting date. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.		
The amounts remaining unpaid to suppliers as at the end of the year		
The principal amount payable to suppliers at the year end	1.45	1.10
The amount of interest due on the remaining unpaid amount to the suppliers as at the year end	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	0.08	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED	-	-
21 Current tax liabilities (net)		
Provision for income tax (Net of advance tax of Rs. 3,339.05 lakh (previous year Rs. 4,558.72 lakh)	139.96	73.69
Total	139.96	73.69

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
22 Revenue from operations		
Sale of services (Refer note 44)		
Rating, research and other services fees	22,764.89	22,011.46
Total sale of services	22,764.89	22,011.46
Other operating revenue		
Advances received from customers written back	195.97	173.84
Royalty (Refer note 37)	22.46	19.40
Others	30.51	7.86
Total other operating revenue	248.94	201.10
Total revenue from operations	23,013.83	22,212.56
23 Other income		
Interest income on fixed deposits	2,224.80	1,671.79
Interest income on investments	428.65	637.86
Other interest income	39.30	33.28
Dividend from subsidiary companies (Refer note 37)	550.51	547.15
Gain on financial assets carried at fair value through profit or loss (net)	1,116.82	1,297.04
Rental income (Refer note 37)	24.25	32.81
Profit on sale of assets (net)	63.96	729.75
Interest on income tax refunds	-	116.33
Miscellaneous income	4.50	8.26
Total other income	4,452.79	5,074.27
24 Employee benefit expenses		
Salaries, wages and bonus	10,018.04	8,949.19
Contribution to provident fund (Refer note 33)	375.88	338.01
Staff welfare expense	305.35	245.93
Total employee benefits expense	10,699.27	9,533.13
25 Finance costs		
Interest expense	46.54	3.46
Total finance costs	46.54	3.46
26 Depreciation and amortisation expense		
Depreciation of tangible assets (Refer note 4)	236.87	249.78
Depreciation of intangible assets (Refer note 5)	6.55	16.00
Total depreciation and amortisation expense	243.42	265.78
27 Other expenses		
Electricity and water	82.81	87.73
Rent (Refer note 28)	373.12	336.07
Repairs and maintenance	546.31	469.85
Insurance	2.53	1.27
Rates and taxes	88.87	51.55
Communication	140.20	147.67
Printing and stationery	55.34	58.54
Books and periodicals	85.35	82.39
Travelling and conveyance	353.26	334.01
Directors' sitting fees	24.60	16.50
Legal and professional charges	874.68	679.27
Conference and meeting	58.30	63.03
Advertisement	5.52	9.14
Auditors' remuneration and expenses (Refer note 36)	54.01	45.80
Technical services	22.12	25.80
Bad debts/ advances written off (net of provisions)	136.96	78.91
Corporate social responsibility (Refer note 30)	224.25	182.20
Fees and subscription	11.77	10.89
Remuneration to non executive directors	56.00	56.00

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Recruitment	36.75	55.96
Miscellaneous	137.97	107.75
Total other expenses	3,370.72	2,900.33

28 Commitments and contingencies

a) Leases as lessee

The Company's significant operating lease arrangements are in respect of premises (offices, godown and residential etc.). The lease term for these leases ranges between 11 months and 9 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The lease rental charged during the year are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent *	398.17	448.27

Future minimum lease payable under non-cancellable operating lease are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	267.24	219.63
Later than one year but not later than five years	441.22	466.99

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

Leases as lessor

The Company has given a part of its premises under cancellable operating lease arrangement. Lease rentals amounting to Rs. 24.25 lakh (previous year Rs. 32.81 lakh) has been recognised in the Statement of Profit and Loss. As only a portion of these premises has been let out, the gross carrying amount, depreciation for the year and the accumulated depreciation of leased premises/ assets is not separately identifiable.

b) Contingent liabilities

(to the extent not provided)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax *, #	1,039.43	986.25
Others	24.89	12.09
Total	1,064.32	998.34

* The Company had deposited an amount of Rs. 11.00 lakh (previous year Rs. 11.00 lakh) under protest against the above claims.

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

The Supreme Court on 28 February 2019 has provided its judgement regarding inclusion of other allowances such as travel allowances, special allowances, etc within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. There are interpretive challenges on the application of the Supreme Court Judgement including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations with Provident fund authorities. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgement. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Company has not recognised provision for the provident fund contribution on the basis above mentioned order w.e.f. order date since the impact is immaterial.

c) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advances)	55.54	43.72

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

- 29** The Company is in the process of addressing certain matters (i) related to credit rating assigned to one of its customer and its subsidiaries, regarding which adjudication proceedings have been initiated by SEBI ("Adjudication Proceeding") and (ii) related to an anonymous representation that was forwarded to the Company by SEBI ("Representation"). The Board of Directors has appointed external experts to assist with/ look into the aforesaid and related matters, which are currently on going. Based on the work done till date, the Company has made provision on a prudent basis with regards to the Adjudication Proceedings, while, apropos the Representation, no findings have yet been identified. The Company will consider the implications, if any, in due course, upon completion of these matters.

30 Corporate social responsibility expenditure

As per Section 135 of the Act, a company, meeting the applicability threshold, requires to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The expenditure has been incurred on activities which are specified in Schedule VII to the Act.

- a)** Gross amount required to be spent by the Company during the year ended March 31, 2019 was Rs. 224.25 lakh (previous year Rs. 182.20 lakh).
- b)** Amount spent during the year ended:

Particulars	March 31, 2019		
	In cash	Yet to be paid cash	Total
(i) Construction/acquisitions of any asset	-	-	-
(ii) On purposes other than (i) above	224.25	-	224.25

Particulars	March 31, 2018		
	In cash	Yet to be paid cash	Total
(i) Construction/acquisitions of any asset	-	-	-
(ii) On purposes other than (i) above	182.20	-	182.20

31 Earnings per share

a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding. The calculations of profit attributable to equity holders, weighted average number of equity shares outstanding during the year and basic earnings per share are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Profit attributable to the equity holders		
Profit for the year, attributable to the equity holders	9,597.30	10,032.19
(ii) Weighted average number of equity shares		
Opening balance	9,903,280	9,919,323
Shares held by ESOP Trust	(40,683)	(139,595)
Effect of buy back of shares	(109,545)	(15,867)
Effect of stock options exercised	4,214	3,987
Effect of shares sold by ICRA Employees Welfare Trust	-	67,099
Weighted average number of equity shares for the year	9,757,266	9,834,947
(iii) Basic earnings per share (face value Rs.10 per share) [(i)/(ii)]	98.36	102.01

b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders after adjustment for expense related to dilutive potential equity shares (if any) by the weighted average number of equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares. The calculations of profit attributable to equity holders, equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares and diluted earnings per share are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Profit attributable to the equity holders (diluted)		
Profit for the year, attributable to the equity holders (basic)	9,597.30	10,032.19
Share -based payment to employees	-	-
Profit attributable to the equity holders (diluted)	9,597.30	10,032.19
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	9,757,266	9,834,947
Effect of dilution of share options	4,014	12,948
Weighted average number of equity shares (diluted)	9,761,280	9,847,895
(iii) Diluted earnings per share (face value Rs.10 per share) [(i) / (ii)]	98.32	101.87

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

32 Dividend on equity shares

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend on equity shares declared and paid during the year		
Final dividend of Rs. 30 per share for financial year 2017-18 (Rs. 27 per share for financial year 2016-17)	2,970.99	2,673.89
Dividend distribution tax (net)	500.29	435.00
	3,471.28	3,108.89
Proposed dividend on equity shares not recognised as liability		
Final dividend of Rs. 30 per share for financial year 2018-19 (Rs. 30 per share for financial year 2017-18)	2,895.37	2,970.99
Dividend distribution tax (net)	595.15	500.29
	3,490.52	3,471.28

Dividend distribution tax (net), comprises the dividend distribution tax on proposed dividend and the credit in respect of dividend distribution tax under Section 115-O of the Income-tax Act, 1961 on dividend proposed/ paid by the domestic subsidiary company.

33 Employee benefits

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds aggregating to Rs. 375.88 lakh for year ended March 31, 2019 (previous year Rs. 338.01 lakh) and is included in "Employee benefits expense".

b) Defined benefit plans

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Plan entitles an employee, who has rendered at least five years of services, to gratuity at the rate of fifteen days salary for every completed year of service or part thereof in excess of six months, based on the rate of salary last drawn by the employee concern.

The defined benefit plan for gratuity is administered by a single gratuity fund trust that is legally separate from the Company. The trustees of the gratuity fund comprises four employees. The trustees of the gratuity fund is required to act in the best interests of the members and/or their beneficiaries in accordance with the provisions of trust deed. This defined benefit plan expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(i) Reconciliation of the net defined benefit liability/ (asset)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	834.28	675.15
Current service cost	92.24	73.91
Past service cost	-	49.57
Interest expense/ (income)	58.87	44.12
Benefits directly paid by the Company	(25.23)	(4.56)
Benefits paid from plan assets	(7.97)	(28.61)
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	19.34	(15.26)
- experience adjustments	15.31	39.96
Liability transferred from group company	1.49	
Defined benefit obligations at the end of the year	988.33	834.28

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	747.07	651.45
Contribution paid to the plan assets	200.00	85.00
Benefits paid	(7.97)	(28.61)
Interest income on plan assets	54.70	45.54
Actuarial gain/(loss) on plan assets	2.04	(6.31)
Fair value of plan assets at the end of the year	995.84	747.07
Net defined benefit liability/ (asset)	(7.51)	87.21
Provisions for gratuity		
Non-current	-	-
Current	-	87.21
Total	-	87.21
Advance paid to gratuity trust		
Non-current	-	-
Current	7.51	-
Total	7.51	-
Net defined benefit liability/ (asset)	(7.51)	87.21

(ii) Expense recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expense recognised in profit and loss account		
Current service cost	92.24	73.91
Past service cost	-	49.57
Net interest expense/ (income)	4.17	(1.42)
	96.41	122.06
Remeasurements recognised in other comprehensive income:		
Actuarial (gain)/ loss on defined benefit obligations	34.65	24.70
Return on plan assets excluding interest income	(2.04)	6.31
	32.61	31.01

(iii) Plan assets comprise of the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Kotak Group Floating Rate Fund	349.48	329.77
Kotak Group Short Term Bond Fund	351.88	332.08
Kotak Secure Return Employee Benefit Plan	294.48	85.22
Total	995.84	747.07

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	6.90%	7.20%
Future salary escalation rate		
- For first five years	10.00%	10.00%
- Thereafter	7.00%	7.00%
Withdrawal rate	20.00%	20.00%
Retirement age	60	60
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

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

As at March 31, 2019, the weighted-average duration of the defined benefit obligation was 5 years (March 31, 2018: 5 years).

(v) Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined obligation by the amounts shown below:

Particulars	Sensitivity level		Impact on Defined benefit obligation	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Assumptions				
Discount rate	0.5% Increase 0.5% Decrease	0.5% Increase 0.5% Decrease	(19.38) 20.20	(16.31) 17.01
Future salary escalation rate	0.5% Increase 0.5% Decrease	0.5% Increase 0.5% Decrease	16.64 (16.04)	13.10 (12.89)
Withdrawal rate	5% Increase 5% Decrease	5% Increase 5% Decrease	(6.78) 2.11	(4.73) 0.77

The sensitivity results above determine their individual impact on defined benefit obligation at the end of year. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

The following payments are expected in future years:

Particulars	As at March 31, 2019
March 31, 2020	198.33
March 31, 2021	191.40
March 31, 2022	184.58
March 31, 2023	182.10
March 31, 2024	181.58
March 31, 2025 to March 31, 2029	698.79

34 During the current year, the ESOP Trust has introduced LTIP Plan as an incentive to reward a cash amount to the eligible employees of the Company. Based on the estimation, expense of Rs 279.95 lakhs has been recognized for the current year services of eligible employees and correspondingly, accounted as capital reserve in the Company.

35 Share based payment

A. Description of share based payment arrangement

The Company's Employee Stock Option Schemes ("ESOSs") provide for the grant of stock options to eligible employees and whole time directors of the Company and its subsidiaries. The ESOSs are administered through ESOP Trust. The Trust transfers shares to the eligible employees upon exercise of the options by such employees.

The Company has two stock option schemes in place namely ESOS 2006 and ESOS 2018. The ESOS 2006 came in to force on June 27, 2006 and after completion of 10 years, expired on June 27, 2016 with a right to exercise the options by November 8, 2018.

During current year, the Company has introduced a new stock option scheme namely "ESOS 2018" effective from June 28, 2018. The grant price shall be as decided by the Nomination and Remuneration Committee ('N&RC') of the Company. The number of options and terms could vary at the discretion of the N&RC. Till March 31, 2019, the Company has not granted any option under ESOS 2018.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Summary of ESOS 2006 grants:

Type of arrangement	Tranche 1	Tranche 2
Date of grant	March 24, 2007	November 9, 2010
Number granted	615,763	272,500
Fair value of option	138	1,153
Exercise price per share	330	330
Contractual life from the date of vesting	5	5
Method used for valuation	Intrinsic value method	
Method of settlement	Equity shares	

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

Summary of vesting provisions

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

B. Reconciliation of outstanding share options

ESOS 2006

All the vested options against tranche-1 were exercised/ expired/ lapsed before April 1, 2016. Reconciliation of outstanding share options against tranche-2 is as under:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of options	Weighted Average Exercise Price (Rs)	Number of options	Weighted Average Exercise Price (Rs)
Options outstanding at the beginning of the year	8,951	330	19,345	330
Exercised during the year	(8,733)	330	(10,176)	330
Options expired during the year	(218)	330	(218)	330
Options outstanding at the end of the year	-	330	8,951	330
Options exercisable at the end of the year	-	330	8,951	330

C. Other information regarding employees share based payment plan

Particulars	March 31, 2019	March 31, 2018
Share based payment reserve as at year end	-	97.91
Weighted average share price during the year <i>In Rupees</i>	3,339.20	3,954.90
Weighted average remaining contractual life against ESOS 2006 <i>In Years</i>	-	0.61

The unissued shares lying as at March 31, 2019 is 31,950 (previous year 31,732).

36 Remuneration to Auditors (excluding goods and service tax/ service tax)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees	20.66	20.65
Limited review fees	17.35	14.88
Tax audit fees	6.56	6.13
Other certification services fees	6.20	1.08
Reimbursement of expenses	3.24	3.06
Total	54.01	45.80

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

37 Related party transactions

A. List of related parties

a) Related parties where control exists

Ultimate holding company

Moody's Corporation

Companies having substantial interest

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

b) Subsidiaries including step-down subsidiaries

ICRA Management Consulting Services Limited

ICRA Online Limited

PT ICRA Indonesia

ICRA Nepal Limited

ICRA Lanka Limited

Pragati Development Consulting Services Limited

c) Trusts

ICRA Employees Welfare Trust

ICRA Limited Employees Group Gratuity Scheme

d) Fellow subsidiaries

Moody's Investors Service India Private Limited

Moody's Investors Service Inc.

MIS Quality Management Corp.

Moody's Investors Service Singapore Pte Limited

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc

Moody's Investors Service Pty Limited

Moody's Asia Pacific Limited

MA Knowledge Services Research (India) Private Limited

e) Key management personnel

Mr. Naresh Takkar

Mr. Vipul Agarwal

Mr. Amit Kumar Gupta

Mr. S. Shakeb Rahman

Independent directors

Mr. Arun Duggal

Ms. Ranjana Agarwal

Ms. Radhika Vijay Haribhakti

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
a)	Related parties where control exists:				
	<i>Ultimate Holding Company</i>				
1	Moody's Corporation				
	Technical services received	12.90	12.09	-	-
	Other financial liabilities - Due to related parties	-	-	0.53	-
	<i>Companies having substantial interest</i>				
2	Moody's Investment Company India Private Limited				
	Dividend paid	855.27	769.74	-	-
3	Moody's Singapore Pte Limited				
	Dividend paid	646.42	581.77	-	-
b)	Subsidiaries including step-down subsidiaries				
1	ICRA Management Consulting Services Limited				
	Professional services received	98.52	125.33	-	-
	Rental income	4.91	14.48	-	-
	Sale of fixed assets	-	0.24	-	-
	Purchase of fixed assets	-	3.61	-	-
	Reimbursement of expenses received/receivable	15.04	115.82	-	-
	Reimbursement of expenses paid/ payable	-	0.27	-	-
	Other financial liabilities - due to related parties	-	-	23.56	16.64
2	ICRA Online Limited				
	Dividend income	537.09	537.09	-	-
	Professional services received	38.44	30.76	-	-
	Intangible assets under development	4.37	-	-	-
	Reimbursement of expenses received/receivable	12.64	0.91	-	-
	Reimbursement of expenses paid/ payable	0.69	-	-	-
	Other financial assets - other recoverables	-	-	11.83	-
	Other financial liabilities - due to related parties	-	-	-	11.47
3	ICRA Nepal Limited				
	Royalty income	15.64	13.05	-	-
	Dividend income	13.42	9.56	-	-
	Reimbursement of expenses received/receivable	0.27	3.22	-	-
	Trade receivables	-	-	5.62	3.29
	Other financial assets - other recoverables	-	-	12.98	9.95
4	ICRA Lanka Limited				
	Royalty income	6.82	6.34	-	-
	Trade receivables	-	-	6.83	6.34
c)	Trusts				
1	ICRA Employees Welfare Trust				
	Dividend paid	12.00	13.73	-	-
	Salaries, wages and bonus - LTIP	279.95	-	-	-
	Capital reserve	-	-	279.95	-

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
2	ICRA Limited Employees Group Gratuity Scheme				
	Amount contributed during the year	200.00	85.00	-	-
	Amount settled by trust on behalf of the Company	7.97	28.61	-	-
	Other financial assets - Advance paid to gratuity trust	-	-	7.51	-
d)	Fellow subsidiaries				
1	Moody's Investors Service India Private Limited				
	Rental income	19.34	18.33	-	-
	Reimbursement of expenses received/receivable	3.53	3.82	-	-
	Reimbursement of expenses paid/ payable	0.23	-	-	-
	Other financial assets - Other recoverables	-	-	6.49	3.17
2	Moody's Investors Service Inc.				
	Other financial liabilities - Due to related parties	-	-	0.62	-
3	MIS Quality Management Corp.				
	Trademark license fees	7.05	10.42	-	-
	Other financial liabilities - Due to related parties	-	-	6.90	3.52
4	Moody's Investors Service Singapore Pte Limited				
	Conference and meeting expense	3.35	-	-	-
5	Moody's Investors Service Hong Kong Limited				
	Technical services received	2.91	3.29	-	-
	Professional services provided	-	3.96	-	-
	Other financial liabilities - Due to related parties	-	-	0.25	0.72
6	Moody's Analytics Inc				
	Professional services used	0.12	-	-	-
	Other financial liabilities - Due to related parties	-	-	0.11	-
7	Moody's Investors Service Pty Limited				
	Professional services provided	-	0.20	-	-
8	Moody's Asia Pacific Ltd				
	Conference and meeting expenses	4.34	-	-	-
9	MA Knowledge Services Research (India) Private Limited				
	Professional services used	2.83	4.83	-	-
	Other financial liabilities - Due to related parties	-	-	-	6.86
e)	Key management personnel				
1	Mr. Naresh Takkar				
	Managerial remuneration*, ⁵	439.65	412.20	-	-
	Interest received by the Company	0.51	0.59	-	-
	Dividend paid by the Company	12.60	11.07	-	-
	Loan outstanding	-	-	10.15	11.80
	Provisions - other employee benefits	-	-	128.14	141.59
	Other financial liabilities - payable to employees	-	-	113.55	64.19

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
2	Mr. Vipul Agarwal				
	Remuneration *	192.16	183.91	-	-
	Provisions - other employee benefits	-	-	35.54	33.35
	Other financial liabilities - payable to employees	-	-	30.56	12.67
	Trade payable	-	-	-	0.03
3	Mr. Amit Kumar Gupta				
	Remuneration *	75.11	72.26	-	-
	Provisions - other employee benefits	-	-	9.00	8.85
	Other financial liabilities - payable to employees	-	-	12.27	3.89
	Trade payable	-	-	0.03	0.24
4	Mr. S. Shakeb Rahman				
	Remuneration *	24.81	21.40	-	-
	Dividend paid by the Company	0.06	0.03	-	-
	Provisions - other employee benefits	-	-	4.03	4.37
	Other financial liabilities - payable to employees	-	-	7.52	3.05
5	Mr. Arun Duggal				
	Remuneration to non executive directors	22.00	22.00	-	-
	Sitting fees paid	6.20	4.20	-	-
	Trade payable	-	-	19.80	19.80
6	Ms. Ranjana Agarwal				
	Remuneration to non executive directors	17.00	17.00	-	-
	Sitting fees paid	11.00	6.90	-	-
	Trade payable	-	-	15.30	15.30
7	Ms. Radhika Vijay Haribhakti				
	Remuneration to non executive directors	17.00	17.00	-	-
	Sitting fees paid	7.40	5.40	-	-
	Trade payable	-	-	15.30	15.30

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

⁵ Employees Stock Options expense in Statement of Profit and Loss is Rs. Nil (previous year Rs. Nil).

C. Compensation of Key management personnel against following categories

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	260.16	244.53
Other long-term benefits	45.66	42.94

38 Segment information

The Company has presented segment information in the consolidated financial statements. Accordingly, in terms of Paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

39 Financial instruments**39.1 Financial instruments by category**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018:

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

a) Fair value of financial assets

Particulars	Carrying values		Fair values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value through profit or loss				
Investment in equity shares	43.84	56.53	43.84	56.53
Investment in mutual funds	10,358.39	27,580.15	10,358.39	27,580.15
Total (A)	10,402.23	27,636.68	10,402.23	27,636.68
Financial assets measured at amor-tised cost				
Investment in corporate deposits	7,747.76	6,179.75	7,747.76	6,179.75
Loans	399.64	218.09	399.64	218.09
Trade receivables	1,942.56	2,173.40	1,942.56	2,173.40
Cash and cash equivalents	1,266.18	1,633.86	1,266.18	1,633.86
Other bank balances	32,628.13	17,820.23	32,628.13	17,820.23
Others	4,424.36	5,014.97	4,424.36	5,014.97
Total (B)	48,408.63	33,040.30	48,408.63	33,040.30
Financial assets measured at cost				
Investment in subsidiaries	2,692.09	2,692.09	2,692.09	2,692.09
Total (C)	2,692.09	2,692.09	2,692.09	2,692.09
Total (A+B+C)	61,502.95	63,369.07	61,502.95	63,369.07

b) Fair value of financial liabilities

Particulars	Carrying values		Fair values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial liabilities measured at amor-tised cost				
Trade payables	477.16	339.41	477.16	339.41
Others financial liabilities	1,591.17	874.11	1,591.17	874.11
Total	2,068.33	1,213.52	2,068.33	1,213.52

The fair value of the financial assets and liabilities represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments in equity shares and mutual funds are based on market price and net asset value (NAV) at the reporting date.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Management has assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, investments, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

39.2 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2019

Particulars	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	43.84	-	-	43.84
Investment in mutual funds	10,358.39	-	-	10,358.39
Total	10,402.23	-	-	10,402.23

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2018

Particulars	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	56.53	-	-	56.53
Investment in mutual funds	27,580.15	-	-	27,580.15
Total	27,636.68	-	-	27,636.68

39.3 Financial risk management objectives and policies

Risk management framework

The Board has overall responsibility for establishing and governing the Company's risk management framework. The Board has delegated monitoring and reviewing of the risk management plan to the Risk Management Committee. The Company has constituted a Executive Risk Committee, a Risk management team and functional sub-committees which are responsible for identify, analyse, mitigate and monitor risks as per risk management framework. The key risks and mitigation actions are also placed before Risk Management Committee and Board.

The Company is exposed to various risks in relation to financial instruments. The Company financial assets and liabilities are summarised in note 39.1. The main types of financial risks are market risk (price risk), credit risk and liquidity risk.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes may result from changes in foreign currency rate, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to price risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence and exit strategies in order to mitigate losses as defined in Board approved investment policy.

The Company is exposed to price risk arising mainly from investment in equity shares and investment in mutual funds recognised at fair value through profit or loss. The detail of such investments are given in note 39.1. If the prices had been higher/ lower by 1% from the market prices existing as at the reporting date, profit would have been increased/ decreased by Rs. 104.02 lakh and Rs. 276.37 lakh for the year ended March 31, 2019 and March 31, 2018 respectively.

b) Credit risk

Credit risk is the risk of financial loss to the Company if customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer and investment in mutual funds and deposits with banks.

To manage credit risk, the Company periodically review its receivables from customer for any non-recoverability of the dues, taking in to account the inputs from business development team and ageing of trade receivables. The management establishes an allowance for impairment that represents its expected credit losses in respect of trade and other financial assets. The management uses a simplified approach for the purpose of computation of expected credit loss. While computing expected credit loss, the management consider historical credit loss experience adjusted with forward looking information.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2019 and March 31, 2018. The concentration of credit risk is limited due to the fact that the customer base is large.

Movement in the expected credit loss allowance is as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss allowance at the commencement of the year	415.81	564.78
Changes in loss allowance, net	29.44	(148.97)
Loss allowance at the end of the year	445.25	415.81

The Company invests its surplus funds as per the investment policy of the Company, which has been approved by the Board of Directors. Deposits are held with only high rated banks.

c) Liquidity risk

Liquidity risk is the risk that the Company's will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. For the Company, liquidity risk arises from obligations on account of financial liabilities - Trade payable and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company's finance department is responsible for liquidity and fund management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities:

As at March 31, 2019	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	477.16	-	-	477.16
Other financial liabilities	1,442.36	148.81	-	1,591.17
Total	1,919.52	148.81	-	2,068.33

As at March 31, 2018	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	339.41	-	-	339.41
Other financial liabilities	655.32	218.79	-	874.11
Total	994.73	218.79	-	1,213.52

39.4 Capital Management

The primary objective of the Company's capital management is to maximise the shareholder value. For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other reserves and surplus attributable to the equity share holders of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issues new shares and raises money through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

39.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cashflows often exposure will fluctuate because of change in foreign exchange rates. The Company's exposure to foreign currency changes is not material.

40 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has maintained adequate documentation for the international transactions entered into with the associated enterprises during the financial year and expect such records to be in existence in accordance with the requirements of the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

41 Buy back of shares

The Board of Directors of the Company in its meeting held on August 9, 2018 approved a proposal to buyback equity shares of the Company, for an aggregate amount not exceeding Rs 8,540 lakh (referred to as the "Maximum Buyback Size") from shareholders of the Company under the open market route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder. The buyback process commenced on October 1, 2018 and closed on December 12, 2018. The Company utilised 99.9986% of Maximum Buyback Size authorised for buyback and bought back 252,049 equity shares resulted in total cash outflow of Rs. 8,539.88 lakh. In line with the requirement of the Companies Act 2013, an amount of Rs 5,173.82 lakh was utilized from the securities premium and an amount of Rs. 3,340.85 lakh was utilized from General Reserve for the buyback. Further, capital redemption reserve of Rs 25.21 lakh (representing the nominal value of the shares bought back) was created as an apportionment from the general reserve.

42 Other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Items that will not be reclassified to profit or (loss)		
Remeasurements of defined benefit liability/ (asset)	(32.61)	(31.01)
Income tax relating to items that will not be reclassified to profit or (loss)	9.50	9.03
Other comprehensive income, net of income tax	(23.11)	(21.98)

43 Merger of wholly-owned Subsidiaries

The Scheme of Amalgamation of ICRA Management Consulting Services Limited, involved in consulting services, with and into ICRA Online Limited, which is involved in outsourcing and information services (both wholly owned subsidiaries of the Company) which was approved by the Board of Directors of the Company on August 9, 2018, has been filed with National Company Law Tribunal ('NCLT') in September 2018 and is pending for approval. As the orders of NCLT are awaited, the financial statements as at and for year end March 31, 2019 do not include any adjustments that will arise on implementation of scheme.

44 Impact of Ind AS 115, "Revenue from Contracts with Customers" in the financial statements

Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and being included in retained earnings as on April 1, 2018. Accordingly, the information presented for the year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, "Revenue".

a) The impact of Ind AS 115 in the retained earnings as at April 1, 2018 is as follows:

Particulars		Amount
Retained earnings		39,743.44
Adjustment to retained earnings from adoption of Ind AS 115		
- Deferralment of revenue	(338.51)	
- Recognition of assets for costs to fulfil contracts	191.57	
- Increase in deferred tax assets	42.79	(104.15)
Retained earnings		39,639.29

b) The impact of Ind AS 115 on the balance sheet is as follows:

Particulars	Amount
Increase in projects work in progress	172.21
Decrease in trade receivables	(80.51)
Increase in other liabilities - advance from customers	121.88

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

C) The impact of Ind AS 115 on the Statement of Profit and loss for the year ended March 31, 2019 is as follows:

Particulars	As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115
Revenue from operations	23,013.83	136.12	22,877.71
Other income	4,452.79	-	4,452.79
Total income	27,466.62	136.12	27,330.50
Employee benefit expenses	10,699.27	19.37	10,679.90
Finance costs	46.54	-	46.54
Depreciation and amortisation expense	243.42	-	243.42
Other expenses	3,370.72	-	3,370.72
Total expenses	14,359.95	19.37	14,340.58
Profit before tax	13,106.67	116.75	12,989.92
Tax expense	3,509.37	34.00	3,475.37
Profit after tax	9,597.30	82.75	9,514.55
Total comprehensive income for the year	9,574.19	82.75	9,491.44
Earnings per share (Rs.)			
1) Basic	98.36	0.85	97.51
2) Diluted	98.32	0.85	97.47

d) Revenue recognised in the current year

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of services		
Rating and grading fees	7,942.24	8,343.33
Surveillance fees	14,207.27	13,134.01
Research services fees	615.38	534.12
Others	-	-
Total sale of services	22,764.89	22,011.46

Revenue recognised from last years' unearned revenue

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rating and fees	1,027.45	1,055.13
Surveillance fees	2,382.97	2,934.79
Research services fees	268.28	181.17
Other services fees	2.23	1.25
Total	3,680.93	4,172.34

Unearned revenue

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue to be recognised in:		
FY 2018-19	-	3,680.93
FY 2019-20	3,723.05	8.11
FY 2020-21	1.57	1.11
FY 2021-22		
Total	3,724.62	3,690.15

Notes to the financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

- 45** The Company's Management assesses the operations of the subsidiaries, including the future projections, to identify indications of diminution, other than temporary, in the value of the investments recorded in the financial statements and accordingly, no additional provision is required to be made, other than the amounts provided for in the books of account.
- 46** The previous year's figures have been regrouped/ reclassified wherever considered necessary to make them comparable with those of the current year's classification.

As per our report of even date attached

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

Chartered Accountants

(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

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

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Rahman

Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of ICRA Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **ICRA Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 29 of the consolidated financial statements, which describes that the Company is in the process of addressing certain matters related to credit rating assigned to one of its customer and its subsidiaries, and an anonymous representation. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition See note 3.2 to the consolidated financial statements	How the matter was addressed in our audit
<p>The revenue relating to rating and grading, where customers' acceptance is required, is recognised upon issuance of press release or disclosure of unaccepted ratings on the Company's website. For other cases, revenue is recognised upon transfer of control of promised services to the customers. There is a risk that revenue for the rating and grading cases is recognized before the transfer of control of the service to customer is completed.</p> <p>Further, the new revenue standard – Ind AS 115 "Revenue from contracts with customers" which became applicable from 1 April 2018, establishes a comprehensive framework for recognition of revenue and involves making judgements and estimates, which affect the accounting for such cases.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluated the design and operating effectiveness of internal controls relating to revenue recognition process. • On selected sample of contracts, tested revenue recognition, and our procedures included: <ul style="list-style-type: none"> - evaluating the identification of performance obligations; - considering the terms of the contracts to determine the transaction price; - inspection of the date of transfer of control of service and recording of revenue at an appropriate date; - testing Company's calculation of fee allocation to rating and surveillance. • Tested revenue recognition for cut-off transactions on sample basis to assess whether the customer has obtained the control of service and whether the timing of revenue recognition is appropriate. • Assessment of the adequacy of the Company's disclosures in respect of applicability of new revenue standard – Ind AS 115 "Revenue from contracts with customers".

INDEPENDENT AUDITORS' REPORT

Other Information

The Holding Company's management and Board of Directors are responsible for the Other Information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon. The Company's Annual Report is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs.5,094.10 lakhs as at 31 March 2019, total revenues of Rs. 430.07 lakhs and net cash inflows amounting to Rs. 70.10 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.
- (b) The financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 2.93 lakhs as at 31 March 2019, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.01 Lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such a subsidiary as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 28 to the consolidated financial statements.
- ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.

There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, incorporated in India during the year ended 31 March 2019.

- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Gurugram
Date: 9 May 2019

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W- 100022

Shashank Agarwal
Partner
Membership No. 095109

INDEPENDENT AUDITORS' REPORT

Annexure A to the Independent Auditors' report on the consolidated financial statements of ICRA Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of ICRA Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of matter

We draw attention to Note 29 of the consolidated financial statements, which describes that the Company is in the process of addressing certain matters related to credit rating assigned to one of its customer and its subsidiaries, and an anonymous representation. Our opinion is not modified in respect of these matters.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Place: Gurugram
Date: 9 May 2019

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W- 100022

Shashank Agarwal
Partner
Membership No. 095109

Consolidated Balance Sheet as at March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	3,230.73	3,462.07
(b) Goodwill	43	122.53	122.53
(c) Other intangible assets	5.1	30.24	63.90
(d) Intangible assets under development	5.2	140.21	19.70
(e) Financial assets			
(i) Investments	6.1	10,402.23	23,944.83
(ii) Loans	7.1	443.14	218.87
(iii) Other financial assets	8.1	4,193.15	6,988.51
(f) Deferred tax assets (net)	9	166.04	345.29
(g) Non-current tax assets (net)	10	1,250.97	1,540.80
(h) Other non-current assets	11.1	396.34	194.16
Total non-current assets		20,375.58	36,900.66
(2) Current assets			
(a) Financial assets			
(i) Investments	6.2	7,747.76	9,902.82
(ii) Trade receivables	12	3,380.54	4,060.48
(iii) Cash and cash equivalents	13	2,442.15	1,979.97
(iv) Bank balances other than (iii) above	14	38,306.47	21,078.84
(v) Loans	7.2	53.79	128.00
(vi) Other financial assets	8.2	3,295.58	2,342.02
(b) Other current assets	11.2	1,116.15	674.00
(c) Assets held for sale		27.74	6.58
Total current assets		56,370.18	40,172.71
Total assets		76,745.76	77,073.37
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	965.12	990.33
(b) Other equity	16	62,825.10	64,511.79
Equity attributable to equity holders of parent		63,790.22	65,502.12
Non-controlling interests		172.91	133.44
Total equity		63,963.13	65,635.56
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17.1	160.21	218.79
(b) Provisions	18.1	589.64	536.57
(c) Other non-current liabilities	19.1	0.27	3.10
Total non-current liabilities		750.12	758.46
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	20		
(A) Total outstanding dues of micro and small enterprises		6.35	1.10
(B) Total outstanding dues other than micro and small enterprises		1,040.01	769.73
(ii) Other financial liabilities	17.2	1,719.18	680.02
(b) Provisions	18.2	2,726.81	2,526.94
(c) Current tax liabilities (net)	21	335.28	101.85
(d) Other current liabilities	19.2	6,204.88	6,599.71
Total current liabilities		12,032.51	10,679.35
Total liabilities		12,782.63	11,437.81
Total equity and liabilities		76,745.76	77,073.37

Significant accounting policies

3

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

As per our report of even date attached

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

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

Chartered Accountants

(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Raham

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	22	32,806.00	30,886.50
II Other income	23	4,479.57	4,935.53
III Total income (I+II)		37,285.57	35,822.03
Expenses			
IV Employee benefit expenses	24	16,036.46	14,253.14
V Finance costs	25	50.70	10.36
VI Depreciation and amortisation expense	26	562.24	752.52
VII Other expenses	27	5,432.36	5,125.58
VIII Total expenses (IV to VII)		22,081.76	20,141.60
IX Profit before tax (III-VIII)		15,203.81	15,680.43
Tax expense:			
Current tax		4,404.93	5,398.02
Deferred tax		340.62	164.16
X Total tax expense	9	4,745.55	5,562.18
XI Profit after tax (IX-X)		10,458.26	10,118.25
Other comprehensive income	42		
A (i) Items that will not be reclassified to profit or (loss)		(46.11)	4.69
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		8.18	(2.66)
B (i) Items that will be reclassified to profit or (loss)		(5.39)	(2.02)
(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	-
XII Total other comprehensive income, net of tax (A+B)		(43.32)	0.01
XIII Total comprehensive income for the period (XI + XII)		10,414.94	10,118.26
XIV Profit attributable to :			
Owners of the Company		10,404.00	10,069.55
Non-controlling interests		54.26	48.70
XV Other comprehensive income attributable to :			
Owners of the Company		(41.40)	0.26
Non-controlling interests		(1.92)	(0.25)
XVI Total comprehensive income attributable to :			
Owners of the Company		10,362.60	10,069.81
Non-controlling interests		52.34	48.45
XVII Earnings per share (Rs.)	31		
(face value of Rs. 10 per share):			
Basic		106.63	102.39
Diluted		106.58	102.25
Significant accounting policies	3		

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

As per our report of even date attached

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

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

Chartered Accountants

(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Rahwal

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	15,203.81	15,680.43
Adjustments for		
Depreciation and amortisation expense	562.24	752.52
Bad debts/ advances written off (net of provisions)	443.58	462.65
Interest expense	50.70	10.36
Miscellaneous	-	51.86
Unrealised foreign exchange loss/ (gain) (net)	9.29	-
Interest income on fixed deposits	(2,705.16)	(2,011.36)
Interest income on investments	(429.48)	(639.08)
Gain on financial assets carried at fair value through profit or loss (net)	(1,116.82)	(1,297.04)
Profit on sale of assets (net)	(58.06)	(729.51)
Reversal of impairment loss	-	(32.38)
Advances received from customers written back	(195.97)	(175.52)
Adjustment on adoption of Ind AS 115 (Refer note 44)	(146.94)	-
Operating cash flow before working capital changes	11,617.19	12,072.93
Adjustments for		
(Increase)/ decrease in trade receivables	669.46	(955.28)
(Increase)/ decrease in loans	(150.06)	132.42
(Increase)/ decrease in other financial assets	(434.84)	(344.99)
(Increase)/ decrease in other assets	(691.12)	(165.37)
Increase/ (decrease) in trade payables	275.53	(68.46)
Increase/ (decrease) in other financial liabilities	971.15	(289.48)
Increase/ (decrease) in other liabilities	(201.69)	882.44
Increase/ (decrease) in provisions	206.83	27.65
Cash generated from operations before tax	12,262.45	11,291.86
Taxes paid, net of refund	(4,177.07)	(5,101.87)
Net cash generated from operating activities (A)	8,085.38	6,189.99
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and intangible assets under development including capital advances	(471.31)	(366.77)
Sale proceeds from property, plant and equipment and intangible assets	461.03	457.16
Investment in mutual funds	-	(13,825.00)
Sale proceeds from redemption/ disposal of mutual funds	18,382.49	9,853.61
Redemption of debentures	-	3,675.00
Investments (made in)/ redemption in corporate deposits (net)	(1,568.01)	(1,194.75)
Interest received on investments	482.55	733.69
(Increase)/ decrease in fixed deposits (having maturity of more than three months), net	(14,505.69)	(6,458.95)
Interest received on fixed deposits	1,689.58	1,749.49
Net cash generated/ (used) in investing activities (B)	4,470.64	(5,376.52)

Consolidated Cash Flow Statement for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash flow from financing activities		
Payment towards buy back of shares (Refer note 39)	(8,539.88)	-
Dividend paid	(2,971.87)	(2,669.81)
Dividend distribution tax paid	(610.69)	(544.34)
(Decrease)/ increase in unclaimed dividend	(0.21)	(0.29)
Net proceeds from sale of shares by Employees Welfare Trust (Refer note 41)		3,594.86
Proceeds from transfer of shares to employees under employees stock options scheme (Refer note 41)	28.81	33.58
Net cash generated/ (used) in financing activities (C)	(12,093.84)	414.00
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	462.18	1,227.47
Add: Cash and cash equivalents at the beginning of year	1,979.97	752.50
Cash and cash equivalents at the end of the year	2,442.15	1,979.97
Components of cash and cash equivalents (Refer note 13)		
Cash on hand	3.18	3.01
Cheques on hand	6.85	-
Balances with banks		
In current accounts	2,157.72	1,835.05
In deposit accounts (with original maturity of three months or less)	274.40	141.91
Cash and cash equivalents at the end of the year	2,442.15	1,979.97

Note:

Consolidated Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

Significant accounting policies (Refer note 3)

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

As per our report of even date attached

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

Chartered Accountants

(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

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

Naresh Takkar

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Rahman

Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	Attributable to equity shareholders							Items of OCI	Total equity	
	Equity share capital	Other equity								
		Capital reserve	Securities premium	Capital redemption reserve	Share based payment reserve	Treasury shares	General reserve			Retained earnings
Opening balance as at April 1, 2017	990.33	-	4,966.98	40.10	211.60	(460.66)	11,641.90	37,508.22	0.55	54,899.02
Profit after tax								10,069.55		10,069.55
Other comprehensive income, net of tax								2.28	(2.02)	0.26
Total comprehensive income for the year								10,071.83	(2.02)	10,069.81
Options exercised			111.31		(111.31)		2.38			
Options lapsed					(2.38)					
Issue of shares on exercise of options by employees						33.58				33.58
Sale of Company's shares by ICRA Employees Welfare Trust (Refer note 41)						292.83				292.83
Profit on sale of Company's shares by ICRA Employees Welfare Trust (Refer note 41)		3,302.03								3,302.03
Dividend on equity shares								(2,660.15)		(2,660.15)
Dividend distribution tax								(435.00)		(435.00)
Closing balance as at March 31, 2018	990.33	3,302.03	5,078.29	40.10	97.91	(134.25)	11,644.28	44,484.90	(1.47)	65,502.12
Opening balance as at April 01, 2018	990.33	3,302.03	5,078.29	40.10	97.91	(134.25)	11,644.28	44,484.90	(1.47)	65,502.12
Adjustment on adoption of Ind AS 115, net of tax (Refer note 44)								(104.15)		(104.15)
Opening balance after adjustment of Ind AS 115	990.33	3,302.03	5,078.29	40.10	97.91	(134.25)	11,644.28	44,380.75	(1.47)	65,397.97
Profit after tax								10,404.00		10,404.00
Other comprehensive income, net of tax								(36.01)	(5.39)	(41.40)
Total comprehensive income for the year								10,367.99	(5.39)	10,362.60
Options exercised			95.53		(95.53)					
Options lapsed					(2.38)					
Buyback of equity shares (Refer note 39)										
Issue of shares on exercise of options by employees (Refer note 41)						28.81				
Dividend on equity shares								(2,958.99)		(2,958.99)
Dividend distribution tax								(500.29)		(500.29)
Closing balance as at March 31, 2019	965.12	3,302.03	-	65.31	-	(105.44)	8,280.60	51,289.46	(6.86)	63,790.22

Significant accounting policies (Refer note 3)

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

As per our report of even date attached

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

Chartered Accountants

(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal

Partner

Membership No.: 095109

Place: Gurugram

Dated: May 9, 2019

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

Naresh Takkur

Managing Director & Group C.E.O.

(DIN: 00253288)

Vipul Agarwal

Group Chief Financial Officer

Arun Duggal

Chairman

(DIN: 00024262)

S. Shakeb Rahman

Company Secretary

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

1 Corporate information

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) ('the Company' or 'Holding Company') was set up in 1991 by leading financial/ investment institutions, commercial banks and financial services companies as an independent and professional Investment Information and Credit Rating Agency. ICRA is a public limited Company, incorporated and domiciled in India with its registered office in New Delhi. It is listed on BSE Limited and the National Stock Exchange of India Limited.

It has various subsidiaries involved in rating, management consulting and outsourcing and information services etc. These consolidated financial statements comprise the Company and its subsidiaries including step down subsidiaries (collectively known as 'the Group') as detailed below:

Name of the entities	Country of incorporation	Ownership in % either directly or through subsidiaries
ICRA Management Consulting Services Limited	India	100%
Pragati Development Consulting Services Limited	India	100%
ICRA Online Limited	India	100%
ICRA Employees Welfare Trust	India	NA
PT. ICRA Indonesia*	Indonesia	99%
ICRA Lanka Limited	Sri Lanka	100%
ICRA Nepal Limited	Nepal	51%

* Under liquidation.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Act.

The Group had adopted Ind AS with effect from April 1, 2017, with transition date of April 1, 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015.

These consolidated financial statements have been prepared on the historical cost basis and on an accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payments and measurements that have some similarities to fair value but are not fair value, such as 'value in use', in Ind AS 36 Impairment of assets.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 9, 2019.

2.2 Basis of consolidation

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The 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 eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commence until the date on which control ceases.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
- (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other component of equity. An interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated profit or loss.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (Rs.), which is also the Company's functional currency and reporting currency of the Group. All values are rounded to the nearest lakh, unless otherwise stated.

2.4 Use of estimates, judgements and assumptions

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

a. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractual and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

b. Revenue recognition

In case of initial rating a portion of the fee is allocated towards first year surveillance based on management's estimate. Surveillance fees from second year onwards is recognised when there is reasonable certainty of collection. The assessment of reasonable certainty involves exercise of significant judgements on client co-operation for surveillance which includes receipt of information for performing surveillance rating and realisation of fees.

Assumptions and estimation uncertainties

The key assumptions concerning the future uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Impairment of non-financial assets and goodwill

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or Group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU or an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or asset.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

b. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The respective entities of the Group use judgements in making these assumptions and selecting the inputs to the impairment calculation, based on history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined at entity level using actuarial valuations. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed by entities at each reporting date.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in the active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. Recognition of deferred tax assets

Deferred tax assets are recognised for temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.5 Fair value measurement

The Group measures both its financial and non-financial assets and liabilities such as investments, security deposits, loan to staff, trade payables, payable to employees etc. at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Significant accounting policies

3.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Division II of Schedule III to the Act.

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

3.2 Revenue recognition

The Group earns revenue primarily from the rating (including grading and research), management consulting, outsourcing and information services and other services.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 44 for the impact of the adoption of the standard on the Consolidated Financial Statements.

- i) In rating and grading services, first year rating and grading fees includes free surveillance for first twelve months or the period of instrument, whichever is shorter, from the date of rating and grading. A portion of the fee is allocated towards this free surveillance based on management's estimate. Under Ind AS 18, revenue related to rating and grading was recognised in the month of assigning the rating/ grading by the rating/ grading committee of the Company. However, as per Ind AS 115, the revenue related to rating and grading is recognised upon issuance of press release or disclosure of unaccepted ratings on the Company's website. For other services, revenue is recognized upon transfer of control of promised services to the customers.
Surveillance fee, to the extent of reasonable certainty of collection, is recognised over the surveillance period.
- ii) In consulting, revenue from:
 - a. Contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.
 - b. Revenue from time bound fixed price contracts are recognised over the life of the contract using the Proportionate Completion Method, with contract costs determining the degree of completion. When reliable estimates of revenue cannot be made or when revenue is contingent on events that are beyond the control of the entity, revenue is recognised under the Completed Contract Method. Foreseeable losses on contracts are recognised when probable.
- iii) Revenue related to subscription fees of data products, research reports, and annual maintenance charges and any other periodic charges are recognised over the related subscription period. Revenue from sale and customisation of software is recognised on acceptance of deliverable by client on completion of work or reaching milestone as per agreement with client.
- iv) Revenue from outsourced services in respect of period based assignments of maintenance and management of data, income is recognised over the period of assignment.
- v) Revenue from other service arrangements is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the specific contracts.
- vi) Unearned revenue represents advance billing for which services have not been rendered.
- vii) Unbilled revenue represents services rendered for which invoices are yet to be raised.
- viii) Out of pocket expenses which are recoverable from customers, are recognised both as expenditure and revenue.

Notes to the consolidated financial statements for the year ended March 31, 2019 (All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

3.3 Export incentive

Export benefits available under prevalent schemes are accrued in the year in which the services are exported and there is no uncertainty in receiving the same.

3.4 Government grants and subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants that compensate for expenses incurred are recognised in the Consolidated Statement of Profit and Loss, as other operating income on a systematic basis in the periods in which the expense are recognised.

3.5 Other income

Dividend income is recognised when the unconditional right to receive the income is established, which is generally when shareholders approve the dividend.

Interest income on bank deposits is recognised using effective interest rate, on time proportionate basis.

For accounting policy on income from other financial instruments refer para 3.6.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Trade receivable and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group became party to the contractual provision of the instrument.

A financial asset or financial liability is initially recognised at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, financial asset is classified as measured at:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI) – debt investments
- FVTOCI – equity investments or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for mapping of financial assets.

A financial asset is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets and collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A 'debt investment' is measured at FVTOCI if both of the following conditions are met and is not designated as at FVTPL:

- the assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual term of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains or losses and impairment are recognised in profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI reclassified to profit and loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividend are recognised as income in profit and loss unless the dividend clearly represents recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit and loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are measured at amortised cost using effective interest method. Interest expense and foreign exchange gains or losses (if any) are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

Derecognition

Financial assets

The Group derecognised a financial asset when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

The Group derecognise a financial liability when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.7 Property, plant and equipment

Recognition and measurement

Property, plant and equipment and capital work in progress are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Cost of an item of property, plant and equipment comprise of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other cost directly attributable to bring the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate item of property, plant and equipment.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit of associated with the expenditure will flow to the Group. All other expenditure is recognised in the Consolidated Statement of Profit and Loss.

Depreciation

Depreciation is calculated on cost of item of property, plant and equipment less their estimated residual value over their estimate useful lives using written down value method and is recognised in the Consolidated Statement of Profit and Loss. Assets acquired under leasehold improvements are depreciated using straight line method over the primary period of the lease or useful life of the assets whichever is shorter. The primary lease period for this purpose includes any lease period extendable at the discretion of the lessee.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life as per schedule II (in years)
Buildings	60
Computers and data processing units (including Servers and Network installation)	3-6
Furniture and fittings	10
Office equipment	5
Electrical installation and equipment	10
Vehicles	8

Depreciation method, useful lives and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Depreciation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

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

Capital work-in-progress

Capital work-in-progress assets in the course of construction for supply of services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

3.8 Goodwill and other intangible assets

Goodwill

For goodwill that arises on consolidation refer note 2.2. Subsequent measurement is at cost less any accumulated impairment losses.

Goodwill is not amortised and is tested for impairment annually.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Other Intangible assets

Recognition and measurement of purchased intangible assets

Intangible assets acquired separately are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses (if any).

Recognition and measurement of Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. Other internally generated intangible assets, expenditure on research activities undertaken for developing a new product, is recognised in the Consolidated Statement of Profit and Loss as incurred.

Development activities involve a plan or design for the new product. Development expenditure including regulatory cost and legal expenses, if any are capitalised only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Consolidated Statement of Profit and Loss.

Amortisation

Amortisation is calculated to write off the cost of the intangible assets over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in Consolidated Statement of Profit and Loss.

The estimated useful lives of items of intangible assets for the current and comparative periods are as follows:

Asset	Useful life (in years)
Computer softwares	10
Internally generated intangible assets	3

Amortisation method, rate and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets

Amortisation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

Intangible assets under development

Identifiable intangible assets under development are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets under development is measured at historical cost and not amortised. These assets are tested for impairment on annual basis.

3.9 Impairment

Goodwill

Goodwill is tested for impairment on an annual basis or whenever there is an indication that goodwill may be impaired. For goodwill impairment testing, the carrying amount of the CGUs (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Impairment of financial instruments

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

For other financial assets, ECL are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as expense or income in the Consolidated Statement of Profit and Loss.

Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGU's.

The recoverable amount of a CGU or an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment loss is recognised in the Consolidated Statement of Profit and Loss.

An impairment loss in respect of assets, other than goodwill, which has been recognised in prior years, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

3.10 Non-current assets held for sale

Non-current assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value. Any resultant loss on a disposal group is allocated first goodwill (if any), and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group's other accounting policy. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Consolidated Statement of Profit and Loss.

Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

If the criteria for classifying assets to held for sale are no longer met, the Group cease to classify the assets as held for sale.

The Group measure non-current assets that ceases to be classified as held for sale at the lower of:

- its carrying amount before the assets were classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

3.11 Projects work in progress

Projects work-in-progress represent direct cost incurred against rating and grading cases wherein work has been initiated but rating and grading is yet to be concluded and amount is expected to be recovered.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with bank, short-term deposits and investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cashflows, cash and cash equivalent consists of cash on hand, balances with bank, short-term deposits and investments as stated above, net of outstanding bank overdrafts (if any).

3.13 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction or an average rate if the average rate approximate the actual rate at the date of the transaction.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Foreign currency operation

The assets and liabilities of foreign operations are translated in to Rs, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated using an average exchange rate if the average rate approximates the actual rate at the date of transaction. All resulting exchange differences recognised in other comprehensive income.

The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly-owned, accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit and loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

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

3.14 Employee benefits

Short term employee benefit

All employee benefits which are expected to be settled wholly before twelve months after the end of annual reporting period in which the employees render the related service are short term employee benefits. Short term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

Provident fund is a defined contribution plan. The Indian entity of the Group makes specified monthly contributions towards government administered provident fund scheme. Obligation for contributions to defined contribution plan is recognised as an employee benefit expense in profit and loss in the period during which the related services are rendered by employees. The Group has no obligation, other than the contribution payable in the scheme.

Defined benefit plan

The Group's gratuity benefit plan is a defined benefit plan. The gratuity liability for employees of the Holding Company is funded through gratuity fund established as a Gratuity Trust. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value of economic benefits and the fair value of any plan assets is deducted.

The calculation of defined benefit obligation is performed as at the Balance Sheet date and determined based on actuarial valuation using the Projected Unit Credit Method by a qualified actuary. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement.

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

Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The respective entity of the Group determines the

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of annual period to the then-net defined benefit liability (asset), taking in to account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

Other long-term employee benefits

Long term individual payout ('LTIP') plan and compensated absences are other long-term benefits provided by the Group.

The net obligation in respect of LTIP is the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by a qualified actuary as at the Balance Sheet date using Projected Unit Credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense for non-accumulated compensated absences is recognised in the period in which absences occur.

3.15 Share based payments

The Group recognise compensation expense relating to share-based payments using fair value in accordance with Ind AS 102 'Share based payments'. The estimated fair value of awards is charged to income on a straight line basis over the service period for each separating vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

On transition to Ind AS, the Group has elected to use the exemption to apply Ind AS 102 to equity instruments that vested before date of transition to Ind ASs.

3.16 Leases

Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cashflows (representing the best estimate of the expenditure require to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

3.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

3.19 Income tax

Income tax comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous year. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis, or simultaneously.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Deferred tax

Deferred tax is recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement. Deferred tax assets is also recognised in respect of unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Deferred tax assets and liabilities are measured using tax rate and tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of change in tax rate on deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.20 Earnings per share

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

3.21 Corporate social responsibility (CSR) expenditure

The Group charges its CSR expenditure during the year to the Consolidated Statement of Profit and Loss.

3.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director & Group C.E.O. of the Company has been identified as the chief operating decision maker (CODM).

3.23 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS – 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 "Leases". Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The Company is in the process of finalising processes to meet the accounting and reporting requirements of the standard.

With effect from April 01, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization charge for the right-to-use asset, and b) interest accrued on lease liability.

As a lessor, sublease shall be classified an operating lease if the head lease is classified as a short term lease. In all other cases the sublease shall be classified as a finance lease.

Ind AS 12 - Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. ICRA Limited will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

The Company is under the process of evaluation of the possible impact of these recent accounting pronouncements.

Particulars	As at March 31, 2019	As at March 31, 2018
4 Property, plant and equipment		
4.1 The details of property, plant and equipment (net) is as follows:		
Buildings	2,490.30	2,647.18
Computers and data processing units	240.83	216.04
Furniture and fittings	175.99	178.97
Office equipment	71.11	82.59
Electrical installation and equipment	78.18	108.15
Vehicles	29.53	52.84
Leasehold improvements	144.79	176.30
Total property, plant and equipment	3,230.73	3,462.07



Notes to the consolidated financial statements for the year ended March 31, 2019
(All amounts in Rupees lakh, except share data, and where otherwise stated)

Particulars	Buildings	Computers and data processing units	Furniture and fittings	Office equipment	Electrical installation and equipment	Vehicles	Leasehold improvements	Total
4.2 Disclosures regarding gross block of assets, depreciation and net block are as given below:								
Gross carrying value								
As at April 1, 2017	2,457.05	406.29	291.17	127.12	169.79	135.95	195.46	3,782.83
Additions	-	128.10	29.01	33.11	10.11	-	105.14	305.47
Reclassification to assets held for sale [^]	404.55	2.52	4.67	3.32	3.36	-	-	418.42
Disposals/adjustments	-	(7.65)	(21.25)	(1.81)	(2.63)	(21.26)	(30.18)	(84.78)
As at March 31, 2018	2,861.60	529.26	303.60	161.74	180.63	114.69	270.42	4,421.94
Additions	-	190.01	68.18	37.45	6.30	-	26.35	328.29
Reclassification to assets held for sale	(20.00)	-	(16.05)	(0.31)	(11.56)	-	-	(47.92)
Disposals/adjustments	-	(11.06)	(15.25)	(5.17)	(2.35)	(19.24)	(15.49)	(68.56)
As at March 31, 2019	2,841.60	708.21	340.48	193.71	173.02	95.45	281.28	4,633.75
Depreciation								
As at April 1, 2017	82.81	175.78	68.98	37.42	34.41	42.71	63.17	505.28
For the year	131.61	142.33	65.05	42.63	38.93	28.97	61.13	510.65
Disposals/ adjustments	-	(4.89)	(9.40)	(0.90)	(0.86)	(9.83)	(30.18)	(56.06)
As at March 31, 2018	214.42	313.22	124.63	79.15	72.48	61.85	94.12	959.87
For the year	139.86	157.05	57.88	47.17	31.02	16.54	50.83	500.35
Reclassification to assets held for sale	(2.98)	-	(9.84)	(0.26)	(7.10)	-	-	(20.18)
Disposals/ adjustments	-	(2.89)	(8.18)	(3.46)	(1.56)	(12.47)	(8.46)	(37.02)
As at March 31, 2019	351.30	467.38	164.49	122.60	94.84	65.92	136.49	1,403.02
Net block								
As at March 31, 2019	2,490.30	240.83	175.99	71.11	78.18	29.53	144.79	3,230.73
As at March 31, 2018	2,647.18	216.04	178.97	82.59	108.15	52.84	176.30	3,462.07

[^] The assets cease to classify as held for sale as criteria is no longer met

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
5 Other intangible assets		
5.1 The details of other intangible assets (net) is as follows:		
Computer softwares	18.25	48.95
Internally generated intangible assets	11.99	14.95
Total intangible assets	30.24	63.90
5.2 The details of intangible assets under development (net) is as follows:		
Intangible assets under development	140.21	19.70
Total	140.21	19.70

Particulars	Computer softwares	Internally generated intangible assets
5.3 Disclosures regarding gross block of other intangible assets, amortisation and net block are as given below:		
Gross carrying value		
As at April 1, 2017	250.53	156.09
Additions	19.34	31.74
Disposals/adjustments	-	-
As at March 31, 2018	269.87	187.83
Additions	12.94	8.97
Disposals/adjustments	0.02	(16.35)
As at March 31, 2019	282.83	180.45
Amortisation		
As at April 1, 2017	71.45	80.56
For the year	149.46	92.41
Disposals/adjustments	0.01	(0.09)
As at March 31, 2018	220.92	172.88
For the year	43.66	11.93
Disposals/adjustments	-	(16.35)
As at March 31, 2019	264.58	168.46
Net block		
As at March 31, 2019	18.25	11.99
As at March 31, 2018	48.95	14.95

Particulars	As at March 31, 2019	As at March 31, 2018
6 Investments		
6.1 Non-current investments		
I. Quoted		
Investments carried at fair value through profit or loss		
a) Investment in equity instruments (fully paid up)		
CRISIL Limited	43.84	56.53
3000 equity shares [previous year 3000] of Re. 1 each		
Total (a)	43.84	56.53

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
(ii) Other plans		
Axis Liquid Fund - Direct Growth 248397.851 units [previous year 248397.851] of Rs. 1000 each	5,150.59	4,787.95
Kotak Money Market Scheme - Direct Plan - Growth (Formerly known as Kotak Floater Short Term - Direct Plan - Growth) 168725.122 units [previous year 168725.1203] of Rs. 1000 each	5,207.80	4,811.97
DSP Banking and PSU Debt Fund - Dir - Growth (Formerly known as DSP BlackRock Banking and PSU Debt Fund - Dir - G) Nil units [previous year 21418119.015] of Rs. 10 each	-	3,191.65
Principal Short Term Debt Fund - Direct Plan Growth Nil units [previous year 6126674.201] of Rs. 10 each	-	1,941.13
DHFL Pramerica Premier Bond Fund - Direct Plan - Growth Nil units [previous year 4607849.01] of Rs. 10 each	-	1,327.99
Edelweiss Banking and PSU Debt Fund - Direct Plan - Growth Nil units [previous year 13698505.032] of Rs. 10 each	-	1,996.52
DHFL Pramerica Floating Rate Fund - Direct Plan - Growth Nil units [previous year 10503245.503] of Rs. 10 each	-	2,041.10
Sundaram Banking & PSU Debt Fund Direct Plan-GR Nil units [previous year 13858902.305] of Rs. 10 each	-	3,789.99
Total (b) (ii)	10,358.39	23,888.30
Total mutual funds (b)	10,358.39	23,888.30
Total non-current investments (a+b)	10,402.23	23,944.83
6.2 Current investments		
I Unquoted		
(i) Investment in Government or trust securities		
Citizen Investment Trust	-	31.22
Total (i)	-	31.22
(ii) Investment in corporate deposits		
Housing Development Finance Corporation Limited	7,747.76	6,179.75
Total (ii)	7,747.76	6,179.75
Total (I)	7,747.76	6,210.97
II Quoted		
Investments carried at fair value through profit or loss		
Investment in mutual funds		
(i) Fixed maturity plans		
DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan - Growth Nil units [previous year 7000000] of Rs. 10 each	-	949.62
Axis Fixed Term Plan - Series 52 - Direct Growth (XI-DG) Nil units [previous year 4493937.678] of Rs. 10 each	-	629.19
DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth Nil units [previous year 15000000] of Rs. 10 each	-	2,113.04
Total (II) (i)	-	3,691.85
Total current investments (I+ II)	7,747.76	9,902.82
Total investments	18,149.99	33,847.65
Summary of investments (Non-current + Current)		
Aggregate value of unquoted investments	7,747.76	6,210.97
Aggregate value of quoted investments	10,402.23	27,636.68
Investments carried at amortised cost	7,747.76	6,210.97
Investments carried at fair value through profit or loss	10,402.23	27,636.68

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
7 Loans		
7.1 Non-current		
Secured, considered good		
Loans to staff		
To related parties (Refer note 36)	8.34	10.15
To parties other than related parties	38.99	51.11
Unsecured, considered good		
Security deposits	395.81	157.61
Total non-current loans	<u>443.14</u>	<u>218.87</u>
7.2 Current		
Secured, considered good		
Loans to staff		
To related parties (Refer note 36)	1.81	1.65
To parties other than related parties	10.04	28.24
Unsecured, considered good		
Security deposits	41.94	97.91
Loans to staff		
To parties other than related parties	-	0.20
Total current loans	<u>53.79</u>	<u>128.00</u>
Total loans	<u>496.93</u>	<u>346.87</u>
8. Other financial assets		
8.1 Non-current		
Unsecured, considered good		
Bank deposits with maturity for more than twelve months from the reporting date	4,164.64	6,886.58
Interest accrued on fixed deposits	27.42	101.93
Earnest money deposits	1.09	-
Total non-current other financial assets	<u>4,193.15</u>	<u>6,988.51</u>
8.2 Current		
Unsecured, considered good		
Unbilled revenue	273.38	280.34
Interest accrued on fixed deposits	2,009.79	919.70
Income accrued on investments	108.40	161.47
Advance paid to gratuity trust (Refer note 33)	7.51	-
Earnest money deposits	25.03	45.89
Receivable against government grant	513.39	316.96
Advances recoverable		
From parties other than related parties	19.42	228.64
Others		
Recoverable from related parties (Refer note 36)	6.49	3.17
Recoverable from other than related parties	332.17	385.85
Unsecured, considered doubtful		
Unbilled revenue- credit impaired	357.07	201.19
Recoverable from other than related parties- credit impaired	13.81	17.31
	<u>3,666.46</u>	<u>2,560.52</u>
Allowance for doubtful other financial assets	<u>(370.88)</u>	<u>(218.50)</u>
Total current other financial assets	<u>3,295.58</u>	<u>2,342.02</u>
Total other financial assets	<u>7,488.73</u>	<u>9,330.53</u>

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
9 Income tax		
The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
9.1 Income tax recognised in the Consolidated Statement of Profit or Loss		
(i) Tax expense		
Current tax		
Income tax for current year	4,425.70	5,359.21
Income tax for earlier year	(20.77)	38.81
	4,404.93	5,398.02
Deferred tax		
<i>Attributable to-</i>		
Origination and reversal of temporary differences	340.62	37.68
Reduction in tax rate*	-	126.48
	340.62	164.16
Total tax expenses recognised in the Consolidated Statement of Profit and Loss	4,745.55	5,562.18
9.2 Income tax recognised in other comprehensive income		
Net loss/(gain) on remeasurements of defined benefit liability/ asset	8.18	(2.66)
Income tax charged to other comprehensive income	8.18	(2.66)

Particulars	As at March 31, 2019	As at March 31, 2018
9.3 Aggregate current and deferred tax charge relating to items that are charged or credited directly to equity	-	-

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
9.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	15,203.81	15,680.43
Tax using the Company's domestic tax rate 29.12% (previous year 34.608%)	4,427.35	5,426.68
Effect of:		
Non-deductible expenses	145.56	66.86
Undistributed earnings of subsidiaries	310.43	194.30
Deferred tax not recognised on tax losses and temporary differences	183.08	257.69
Adjustments in respect of income tax of previous years	(20.77)	38.81
Reduction in tax rate#	(46.61)	126.48
Effect of utilisation of carried forward tax losses	(281.78)	(444.91)
Effect of lower tax rate in subsidiaries	27.86	(65.10)
Others	0.43	(38.63)
Total tax expense	4,745.55	5,562.18

*As per Finance Act 2018, in case of Companies, where total turnover in the financial year 2016-17 does not exceed Rs. 25,000 lakh, rate of tax will be 25%, plus applicable surcharge and cess for financial year 2018-19. Therefore for financial year 2018-19, effective tax rate for the Company is 29.12% and same was considered while calculating deferred tax assets/ liabilities as at March 31, 2018. During the financial year 2018-19, there is no change in tax rate.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
9.5 Deferred tax assets (net)		
Deferred tax assets		
Property, plant and equipment (including intangible assets)	59.08	38.97
Provision for employee benefits	376.31	369.59
Provision for doubtful receivables	163.85	154.16
Provision for doubtful financial assets	3.67	4.78
Tax losses carried forward	172.05	229.67
Others	9.18	8.96
Total	784.14	806.13
Deferred tax liabilities		
Investments at fair value through profit or loss	172.05	229.67
Property, plant and equipment (including intangible assets)	51.72	35.85
Undistributed earnings of subsidiaries	394.33	194.30
Others	-	1.02
Total	618.10	460.84
Total deferred tax assets (net)	166.04	345.29
9.6 Reconciliation of deferred tax assets/ (liabilities)		
Opening balance	345.29	402.65
Adjustment on adoption of Ind AS 115 (Refer note 44a)	42.79	-
Tax (expense)/ income during the period recognised in consolidated statement of profit and loss	(340.62)	(164.16)
Tax (expense)/ income during the period recognised in other comprehensive income	8.18	(2.66)
Reduction in deferred tax liability on dividend payment by subsidiaries	110.40	109.46
Closing balance	166.04	345.29
9.7 Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the respective entities can use the benefits therefrom.		
Capital losses	1,506.34	1,864.02
Business losses	904.43	480.90
Impairment loss on investments *	1,497.47	1,497.47
Deferred tax not recognised on temporary difference *	640.58	568.12
Total	4,548.82	4,410.51
Unrecognised tax effect	1,149.18	1,054.30
*The deductible temporary difference do not expire under current tax legislation.		
9.8 Expiry period of unutilised tax losses		
Financial Year 2022-23	44.15	48.26
Financial Year 2024-25	1,506.34	1,864.02
Financial Year 2025-26	335.53	432.64
Financial Year 2026-27	524.75	-
Total	2,410.77	2,344.92

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
10 Non-current tax assets		
Advance tax (net of provisions of respective tax jurisdiction to the extent permissible) (Refer note 28(b))	1,250.97	1,540.80
Total	<u>1,250.97</u>	<u>1,540.80</u>
Total tax assets	<u>1,250.97</u>	<u>1,540.80</u>
11 Other assets		
11.1 Non-current		
Unsecured, considered good		
Capital advances	8.89	55.68
Prepayments	387.45	138.48
Total non-current other assets	<u>396.34</u>	<u>194.16</u>
11.2 Current		
Prepayments	776.77	614.03
Balance with government authorities	167.17	59.97
Projects work in progress	172.21	-
Total current other assets	<u>1,116.15</u>	<u>674.00</u>
Total other assets	<u>1,512.49</u>	<u>868.16</u>
12 Trade receivables		
Trade receivables considered good - Unsecured @	3,380.54	4,060.48
Trade receivables which have significant increase in credit risk	730.93	820.05
	<u>4,111.47</u>	<u>4,880.53</u>
Trade receivables - credit impaired	(730.93)	(820.05)
Total trade receivables	<u>3,380.54</u>	<u>4,060.48</u>
@ Includes dues from related parties (Refer note 36)		
13 Cash and cash equivalents		
Cash on hand	3.18	3.01
Cheques on hand	6.85	-
Balances with banks		
In current accounts	2,157.72	1,835.05
In deposit accounts (with original maturity of three months or less)	274.40	141.91
Total cash and cash equivalents	<u>2,442.15</u>	<u>1,979.97</u>
Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.		
14 Other bank balances		
Balances with banks		
In deposit accounts with original maturity for more than three months but less than twelve months from the reporting date	38,078.55	20,862.90
Earmarked balances with banks		
In unpaid dividend account	6.66	6.87
In margin money#	101.12	95.39
Deposits with maturity for more than three months and less than twelve months from the reporting date earmarked against bank guarantees	120.14	113.68
Total	<u>38,306.47</u>	<u>21,078.84</u>

Represents deposits against bank guarantees.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
15 Equity share capital		
Authorised		
15000000 (previous year 15000000) equity shares of Rs. 10/- each	<u>1,500.00</u>	<u>1,500.00</u>
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, subscribed and fully paid up		
9651231 equity shares (previous year 9903280 equity shares) of Rs. 10/- each fully paid up	<u>965.12</u>	<u>990.33</u>

15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019	
	No. of shares	Amount
Equity shares		
At the commencement of the year	9,903,280	990.33
Less: Buy back of equity shares (Refer note 39)	(252,049)	(25.21)
At the end of the year	<u>9,651,231</u>	<u>965.12</u>

Particulars	As at March 31, 2018	
	Number of shares	Amount
At the commencement and at the end of the year	9,903,280	990.33

15.2 Terms/ rights attached to equity shares

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

Particulars	As at March 31, 2019	As at March 31, 2018
15.3 Shares held by subsidiaries of the ultimate holding Company (Equity shares of Rs. 10 each fully paid-up)		
Moody's Investment Company India Private Limited		
Number of shares	3,055,900	2,850,900
% of total shares	31.66%	28.79%
Moody's Singapore Pte Limited		
Number of shares	1,949,722	2,154,722
% of total shares	20.20%	21.76%
15.4 Details of shareholders holding more than 5% shares in the Company: (Equity shares of Rs. 10 each fully paid-up)		
Moody's Investment Company India Private Limited		
Number of shares	3,055,900	2,850,900
% of total shares	31.66%	28.79%
Moody's Singapore Pte Limited		
Number of shares	1,949,722	2,154,722
% of total shares	20.20%	21.76%
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life MNC Fund		
Number of shares	954,754	951,928
% of total shares	9.89%	9.61%
Life Insurance Corporation of India		
Number of shares	896,174	889,006
% of total shares	9.29%	8.98%
Pari Washington India Master Fund, Ltd.		
Number of shares	631,141	-
% of total shares	6.54%	-
General Insurance Corporation of India		
Number of shares	522,999	522,999
% of total shares	5.42%	5.28%

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
16 Other equity		
Capital reserve (Refer note 41)	3,302.03	3,302.03
Securities premium	-	5,078.29
Capital redemption reserve	65.31	40.10
Share based payment reserve	-	97.91
Treasury shares (Refer note 41)	(105.44)	(134.25)
General reserve	8,280.60	11,644.28
Foreign currency translation reserve	(6.86)	(1.47)
Retained earnings	51,289.46	44,484.90
Total other equity	62,825.10	64,511.79

Nature of reserves

a) Capital reserve

Capital reserve represents profit on sale of shares of the Company by ICRA Employees Welfare Trust ('ESOP Trust').

b) Securities premium

Securities premium is used to record the premium on issue of shares. The securities premium is utilised in accordance with the provisions of the Act.

c) Capital redemption reserve

The Company has bought back equity shares and as per the provisions of the Companies Act, 2013, is required to create capital redemption reserve.

d) Share based payment reserve

The share based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

e) Treasury shares

The treasury shares of the Company is used to settle share options exercised by the employees.

f) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the consolidated statement of profit and loss.

g) Foreign Currency Translation Reserve

Exchange differences arising on translation of non integral operations and accumulated in separate reserve within equity. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to consolidated statement of profit and loss.

Particulars	As at March 31, 2019	As at March 31, 2018
17 Other financial liabilities		
17.1 Non-current		
Deposits for vehicles	20.45	33.28
Payable to employees	139.76	185.51
Total non-current other financial liabilities	160.21	218.79
17.2 Current		
Unpaid dividends	6.66	6.87
Creditors for capital supplies and services	11.27	52.33
Due to related parties (Refer note 36)	8.41	11.15
Payable to employees	1,607.28	557.89
Deposits for vehicles	17.66	7.33
Other liabilities	67.90	44.45
Total current other financial liabilities	1,719.18	680.02
Total other financial liabilities	1,879.39	898.81

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
18 Provisions		
18.1 Non-current		
Provision for employee benefits		
Provisions for gratuity (Refer note 33)	343.66	326.05
Provision for compensated absence	245.98	210.52
Total non-current provisions	<u>589.64</u>	<u>536.57</u>
18.2 Current		
Provision for employee benefits		
Provisions for gratuity (Refer note 33)	58.14	153.35
Provision for compensated absence	181.29	167.66
Other employee benefits	2,371.47	2,184.30
Others		
Provision for pending litigations (Refer note 29)	100.00	-
Provision for service tax	15.91	21.63
Total current provisions	<u>2,726.81</u>	<u>2,526.94</u>
Total provisions	<u>3,316.45</u>	<u>3,063.51</u>
19 Other liabilities		
19.1 Non-current		
Deferred finance income	0.27	3.10
Total non-current other liabilities	<u>0.27</u>	<u>3.10</u>
19.2 Current		
Unearned revenue (Refer note 44)	4,008.66	4,001.33
Advance from customers	1,420.04	1,660.48
Statutory dues	773.67	934.60
Deferred finance income	2.51	3.30
Total current other liabilities	<u>6,204.88</u>	<u>6,599.71</u>
Total other liabilities	<u>6,205.15</u>	<u>6,602.81</u>
20 Trade payables		
(A) Total outstanding dues of micro and small enterprises	6.35	1.10
(B) Total outstanding dues other than micro and small enterprises	1,040.01	769.73
Total trade payables	<u>1,046.36</u>	<u>770.83</u>
20.1	Based on the information available with the Group, some suppliers have been identified who are registered under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED), to whom the Company owes dues, but the same are not outstanding for more than 45 days as at reporting date. The information has been determined to the extent such parties have been identified on the basis of information available with the Group.	
	The amounts remaining unpaid to suppliers as at the end of the year	
	6.27	1.10
The principal amount payable to suppliers at the year end	-	-
The amount of interest due on the remaining unpaid amount to the suppliers as at the year end	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	0.08	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED	-	-
21 Current tax liabilities (net)		
Provision for income tax (net of advance tax of respective tax jurisdiction to the extent permissible)	335.28	101.85
Total	<u>335.28</u>	<u>101.85</u>

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
22 Revenue from operations		
Sale of services (Refer note 44)		
Rating, research and other services fees	23,193.10	22,393.11
Consulting fees	1,864.07	2,227.62
Outsourced and information services	7,020.47	5,230.82
Total sale of services	32,077.64	29,851.55
Other operating revenue		
Export incentive	464.94	607.96
Government grant*	-	238.66
Advances received from customers written back	195.97	175.52
Bad debts recovered	27.54	12.81
Others	39.91	-
Total other operating revenue	728.36	1,034.95
Total revenue from operations	32,806.00	30,886.50
*Represents government grant for 'employment generation' and 'interest on borrowing' under West Bengal ICT incentive scheme 2012.		
23 Other income		
Interest income on fixed deposits	2,705.16	2,011.36
Interest income on investments	429.48	639.08
Other interest income	40.59	37.44
Gain on financial assets carried at fair value through profit or loss (net)	1,116.82	1,297.04
Foreign exchange gain (net)	51.80	-
Rental income (Refer note 36)	19.34	18.33
Profit on sale of assets (net)	58.06	729.75
Interest on income tax refunds	35.04	157.66
Reversal of impairment loss	-	32.38
Miscellaneous income	23.28	12.49
Total other income	4,479.57	4,935.53
24 Employee benefit expenses		
Salaries, wages and bonus	14,815.79	13,146.61
Contribution to provident fund (Refer note 33)	591.47	526.49
Staff welfare expense	629.20	580.04
Total employee benefits expense	16,036.46	14,253.14
25 Finance costs		
Interest expense	50.70	10.36
Total finance costs	50.70	10.36
26 Depreciation and amortisation expense		
Depreciation of tangible assets (Refer note 4)	500.35	510.65
Amortisation of intangible assets (Refer note 5)	55.59	241.87
Impairment of intangible assets under development	6.30	-
Total depreciation and amortisation expense	562.24	752.52
27 Other expenses		
Electricity and water	212.00	217.95
Rent (Refer note 28)	621.36	573.45
Repairs and maintenance	854.71	741.49
Insurance	24.45	23.60
Rates and taxes	133.65	83.73
Communication	279.11	300.12
Printing and stationery	71.72	78.94
Books and periodicals	85.91	83.18
Travelling and conveyance	669.01	731.21
Directors' sitting fees	28.13	21.66

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Legal and professional charges	1,030.03	732.52
Conference and meeting	70.60	74.89
Sub-contracting	214.65	318.30
Advertisement	7.74	10.34
Auditors' remuneration and expenses (Refer note 35)	85.60	73.89
Technical services	22.12	25.80
Bad debts/ advances written off (net of provisions)	443.58	462.65
Corporate social responsibility (Refer note 30)	254.65	203.20
Fees and subscription	27.86	34.91
Remuneration to non executive directors	56.00	56.00
Recruitment	65.05	86.64
Loss on foreign exchange fluctuations	-	3.52
Loss on sale/ write off of fixed assets (net)	-	0.24
Miscellaneous	174.43	187.35
Total other expenses	5,432.36	5,125.58

28 Commitments and contingencies**a) Leases as lessee**

The Group's significant operating lease arrangements are in respect of premises (offices, godown and residential etc.). The lease term for these leases ranges between 11 months and 9 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Lease payments under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The lease rental charged during the year are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent *	646.41	685.65

Future minimum lease payable under non-cancellable operating lease is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	407.76	360.15
Later than one year but not later than five years	561.38	724.61

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

Leases as lessor

The Group has given a part of its premises under cancellable operating lease arrangement. Lease rentals amounting to Rs. 19.34 lakh (previous year Rs. 18.33 lakh) has been recognised in the Consolidated Statement of Profit and Loss. As only a portion of these premises has been let out, the gross carrying amount, depreciation for the year and the accumulated depreciation of leased premises/ assets is not separately identifiable.

b) Contingent liabilities

(to the extent not provided for):

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax #	1,039.43	986.25
Service tax #	1,439.63	1,433.16
Other	24.89	12.09
Total	2,503.95	2,431.50

#Amount deposited under protest Rs. 66.00 lakh (previous year Rs. 12.08 lakh) under protest against the above claims.

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

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The Supreme Court on 28 February 2019 has provided its judgement regarding inclusion of other allowances such as travel allowances, special allowances, etc within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. There are interpretive challenges on the application of the Supreme Court Judgement including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations with Provident fund authorities. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgement. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Group has reconised provision for provident fund contribution on the basis of above mentioned order w.e.f the order date.

c) Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advances)	110.89	112.99

29 The Company is in the process of addressing certain matters (i) related to credit rating assigned to one of its customer and its subsidiaries, regarding which adjudication proceedings have been initiated by SEBI ("Adjudication Proceeding") and (ii) related to an anonymous representation that was forwarded to the Company by SEBI ("Representation"). The Board of Directors has appointed external experts to assist with/ look into the aforesaid and related matters, which are currently on going. Based on the work done till date, the Company has made provision on a prudent basis with regards to the Adjudication Proceedings, while, apropos the Representation, no findings have yet been identified. The Company will consider the implications, if any, in due course, upon completion of these matters.

30 Corporate Social Responsibility expenditure

ICRA Limited and ICRA Online Limited constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act, which requires a company, meeting the applicability threshold, to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The expenditure incurred on activities which are specified in Schedule VII to the Act is as under:

- a) Gross amount required to be spent during the year ended March 31, 2019 was Rs. 254.65 lakh (previous year Rs. 203.2 lakh).
- b) Amount spent during the year ended:

Particulars	March 31, 2019		
	In cash	Yet to be paid cash	Total
(i) Construction/acquisitions of any asset	-	-	-
(ii) On purposes other than (i) above	254.65	-	254.65

Particulars	March 31, 2018		
	In cash	Yet to be paid cash	Total
(i) Construction/acquisitions of any asset	-	-	-
(ii) On purposes other than (i) above	203.20	-	203.20

31 Earnings per share

a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding. The calculations of profit attributable to equity holders, weighted average number of equity shares outstanding during the year and basic earnings per share are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Profit attributable to the equity holders		
Profit for the year, attributable to the equity holders	10,404.00	10,069.55
(ii) Weighted average number of equity shares		
Opening balance	9,903,280	9,919,323
Shares held by ESOP Trust	(40,683)	(139,595)
Effect of buy back of shares	(109,545)	(15,867)
Effect of stock options exercised	4,214	3,987
Effect of shares sold by ESOP Trust	-	67,099
Weighted average number of equity shares for the year	9,757,266	9,834,947
(iii) Basic earnings per share (face value Rs. 10 per share) [(i)/ (ii)]	106.63	102.39

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders after adjustment for expense related to dilutive potential equity shares (if any) by the weighted average number of equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares. The calculations of profit attributable to equity holders, equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares and diluted earnings per share are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Profit attributable to the equity holders (diluted)		
Profit for the year, attributable to the equity holders (basic)	10,404.00	10,069.55
Share based payments to employees	-	-
Profit attributable to the equity holders (diluted)	10,404.00	10,069.55
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	9,757,266	9,834,947
Effect of dilution of share options	4,014	12,948
Weighted average number of equity shares (diluted)	9,761,280	9,847,895
(iii) Diluted earnings per share (face value INR 10 per share) [(i)/(ii)]	106.58	102.25

32 Dividend on equity shares

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend on equity shares declared and paid during the year		
Final dividend of Rs. 30 per share for financial year 2017-18 (Rs. 27 per share for financial year 2016-17)	2,970.99	2,673.89
Dividend distribution tax *	500.29	435.00
	3,471.28	3,108.89
Proposed dividend on equity shares not recognised as liability		
Final dividend of Rs. 30 per share for financial year 2018-19 (Rs. 30 per share for financial year 2017-18)	2,895.37	2,970.99
Dividend distribution tax *	595.15	500.29
	3,490.52	3,471.28

* Dividend distribution tax (net), comprises the dividend distribution tax on proposed dividend and the credit in respect of dividend distribution tax under Section 115-O of the Income-tax Act, 1961 on dividend paid/ proposed by the domestic subsidiary company.

33 Employee benefits**a) Defined contribution plans**

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance Fund which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds aggregating to Rs. 591.47 lakh for the year ended March 31, 2019 (previous year Rs. 526.49 lakh) and is included in "Employee benefits expense".

b) Defined benefit plans

The Group has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Plan entitles an employee, who has rendered at least five years of services, to gratuity at the rate of fifteen days salary for every completed year of service or part thereof in excess of six months, based on the rate of salary last drawn by the employee concern.

For Holding Company, the defined benefit plan for gratuity is administered by a single gratuity trust fund that is legally separate from the Company. The trustees of the gratuity fund comprises of four employees. The trustees of the gratuity fund are required to act in the best interests of the members and/or their beneficiaries in accordance with the provisions of trust deed.

This defined benefit plan expose the group to actuarial risks, such as interest rate risk and market (investment) risk.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

(i) Reconciliation of the net defined benefit (asset) liability

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	1,226.48	1,053.00
Current service cost	143.77	126.81
Past service cost	-	53.48
Interest expense/ (income)	84.66	68.66
Benefits directly paid by the Group	(104.95)	(35.87)
Benefits paid from plan assets	(7.97)	(28.61)
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in financial assumptions	11.50	(56.44)
- experience adjustments	36.65	45.45
Defined benefit obligations at the end of the year	1,390.14	1,226.48
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	747.07	651.45
Contribution paid to the plan assets	200.00	85.00
Benefits paid	(7.97)	(28.61)
Interest income on plan assets	54.71	45.54
Actuarial gain/ (loss) on plan assets	2.04	(6.30)
Fair value of plan assets at the end of the year	995.85	747.08
Net defined benefit liability/ (asset)	394.29	479.40
Provisions for gratuity		
Non-current	343.66	326.05
Current	58.14	153.35
Total	401.80	479.40
Advance paid to gratuity trust		
Non-current	-	-
Current	7.51	-
Total	7.51	-
Net defined benefit liability/ (asset)	394.29	479.40

(ii) Expense recognised in the Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expense recognised in Consolidated Profit and Loss		
Current service cost	140.80	126.81
Past service cost	-	53.48
Net interest expense/ (income)	29.96	23.12
	170.76	203.41
Remeasurements recognised in Other Comprehensive Income		
Actuarial (gain)/ loss on defined benefit obligations	48.15	(10.99)
Return on plan assets excluding interest income	(2.04)	6.30
	46.11	(4.69)

(iii) Plan assets comprise of the following:

Particulars	As at March 31, 2019	As at March 31, 2018
Kotak Group Floating Rate Fund	349.48	329.77
Kotak Group Short Term Bond Fund	351.88	332.08
Kotak Secure Return Employee Benefit Plan	294.48	85.22
Total	995.84	747.07

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	6.70% - 7.50%	7.00% - 7.60%
Future salary escalation rate		
- For first five years	6.00% - 10.00%	6.50% - 10.00%
- Thereafter	6.00% - 10.00%	7.00% - 10.00%
Withdrawal rate	9.00% - 30.00%	9.00% - 30.00%
Retirement age	60	58 - 60
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	

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

(v) Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined obligation by the amounts shown below:

Particulars	Sensitivity level		Impact on Defined benefit obligation	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Assumptions				
Discount rate				
Increase	0.50%	0.50%	(31.19)	(27.18)
Decrease	0.50%	0.50%	32.81	28.49
Future salary escalation rate				
Increase	0.50%	0.50% - 1.00%	29.23	33.72
Decrease	0.50%	0.50% - 1.00%	(27.94)	(31.26)
Withdrawal rate				
Increase	0.50% - 5.00%	0.50% - 5.00%	(5.19)	(3.77)
Decrease	0.50% - 5.00%	0.50% - 5.00%	0.22	(0.37)

The sensitivity results above determine their individual impact on defined benefit obligation at the end of year. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

The following payments are expected in future years

Particulars	As at March 31, 2019
March 31, 2020	257.95
March 31, 2021	250.96
March 31, 2022	243.48
March 31, 2023	241.71
March 31, 2024	244.77
March 31, 2025 to March 31, 2029	1,005.25

34 Share based payment**A. Description of share based payment arrangement**

The Company's Employee Stock Option Schemes ("ESOSs") provide for the grant of stock options to eligible employees and whole time directors of the Company and its subsidiaries. The ESOSs are administered through ESOP Trust. The Trust transfers shares to the eligible employees upon exercise of the options by such employees.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The Company has two stock option schemes in place namely ESOS 2006 and ESOS 2018. The ESOS 2006 came in to force on June 27, 2006 and after completion of 10 years, expired on June 27, 2016 with a right to exercise the options by November 8, 2018.

During current year, the Company has introduced a new stock option scheme namely "ESOS 2018" which is effective from June 28, 2018. ESOS 2018 provides that the grant price shall be as decided by the Nomination and Remuneration Committee ('N&RC') of the Company. The options could vest in tranches. The number of options and terms of the same made available to employees (including the vesting period) could vary at the discretion of the N&RC. Till March 31, 2019, the Company has not granted any option under ESOS 2018.

Summary of ESOS 2006 grants:

Type of arrangement	Tranche 1	Tranche 2
Date of grant	March 24, 2007	November 9, 2010
Number granted	615,763	272,500
Fair value of option	138	1,153
Exercise price per share	330	330
Contractual life from the date of vesting	5	5
Method used for valuation	Intrinsic value method	
Method of settlement	Equity shares	

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

Summary of vesting provisions

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

B. Reconciliation of outstanding share options

All the vested options against tranche-1 were exercised/ expired/ lapsed on or before April 1, 2016. Reconciliation of outstanding share options against tranche-2 is as under:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of options	Weighted Average Exercise Price (Rs)	Number of options	Weighted Average Exercise Price (Rs)
Options outstanding at the beginning of the year	8,951	330	19,345	330
Exercised during the year	(8,733)	330	(10,176)	330
Options expired during the year	(218)	330	(218)	330
Options outstanding at the end of the year	-	330	8,951	330
Options exercisable at the end of the year	-	330	8,951	330

C. Other information regarding employee share based payment plans

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Share based payment reserve as at year end		-	97.91
Weighted average share price during the year	In Rupees	3,339.20	3,954.90
Weighted average remaining contractual life	In Years	-	0.61

The unissued shares lying as at March 31, 2019 is 31,950 (March 31, 2018: 31,732).

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

35 Remuneration to Auditors (excluding goods and service tax/ service tax)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fees	44.54	43.74
Limited review fees	17.35	14.88
Tax audit fees	10.93	10.21
Other certification services fees	7.70	1.08
Reimbursement of expenses	5.08	3.98
Total	85.60	73.89

36 Related party transactions**A. List of related parties****a) Related parties where control exists***Ultimate holding company*

Moody's Corporation

Companies having substantial interest

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

b) Trusts

ICRA Limited Employees Group Gratuity Scheme

c) Fellow subsidiaries

Moody's Investors Service India Private Limited

Moody's Investors Service Inc.

MIS Quality Management Corp.

Moody's Investors Service Singapore Pte Limited

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc.

Moody's Investors Service Pty Limited

Moody's Asia Pacific Limited

MA Knowledge Services Research (India) Private Limited

Moody's Analytics UK Limited

d) Key management personnel

Mr. Naresh Takkar

Mr. Vipul Agarwal

Mr. Amit Kumar Gupta

Mr. S. Shakeb Rahman

Independent directors

Mr. Arun Duggal

Ms. Ranjana Agarwal

Ms. Radhika Vijay Haribhakti

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
a)	Related parties where control exists:				
	<i>Ultimate Holding Company</i>				
1	Moody's Corporation				
	Technical services received	12.90	12.09	-	-
	Other financial liabilities - Due to related parties	-	-	0.53	-
	<i>Companies having substantial interest</i>				
1	Moody's Investment Company India Private Limited				
	Dividend paid	855.27	769.74	-	-
2	Moody's Singapore Pte Limited				
	Dividend paid	646.42	581.77	-	-
b)	Trusts				
1	ICRA Limited Employees Group Gratuity Scheme				
	Amount contributed during the year	200.00	85.00	-	-
	Amount settled by trust on behalf of the Company	7.97	28.61	-	-
	Other financial assets - Advance paid to gratuity trust	-	-	7.51	-
c)	Fellow subsidiaries				
1	Moody's Investors Service India Private Limited				
	Rental income	19.34	18.33	-	-
	Reimbursement of expenses received/ receivable	3.53	3.82	-	-
	Reimbursement of expenses paid/ payable	0.23	-	-	-
	Other financial assets - Other recoverables	-	-	6.49	3.17
2	Moody's Investors Service Inc.				
	Revenue from outsourced and information services	4,802.58	3,430.55	-	-
	Reimbursement of expenses paid/ payable	87.89	42.88	-	-
	Other financial liabilities - Due to related parties	-	-	0.62	-
	Trade receivables- Due from related parties	-	-	785.67	640.00
3	MIS Quality Management Corp.				
	Trademark license fees	7.05	10.42	-	-
	Other financial liabilities - Due to related parties	-	-	6.90	3.52
4	Moody's Investors Service Singapore Pte Limited				
	Conference and meeting expense	3.35	-	-	-
5	Moody's Investors Service Hong Kong Limited				
	Technical services received	2.91	3.29	-	-
	Professional services provided	-	3.96	-	-
	Other financial liabilities - Due to related parties	-	-	0.25	0.72

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
6	Moody's Analytics Inc				
	Professional services used	0.12	-	-	-
	Revenue from outsourced and information services	1,112.04	853.30	-	-
	Other financial liabilities - Due to related parties	-	-	0.11	-
	Trade receivables- Due from related parties	-	-	156.49	167.10
7	Moody's Investors Service Pty Limited				
	Professional services provided	-	0.20	-	-
8	Moody's Asia Pacific Limited				
	Conference and meeting expense	4.34	-	-	-
9	MA Knowledge Services Research (India) Private Limited				
	Professional services used	2.83	5.27	-	-
	Other financial liabilities - Due to related parties	-	-	-	7.30
10	Moody's Analytics UK Limited				
	Other financial liabilities - Due to related parties	-	-	-	0.04
d)	Key management personnel				
1	Mr. Naresh Takkar				
	Managerial remuneration* ^s	439.65	412.20	-	-
	Interest received by the Company	0.51	0.59	-	-
	Dividend paid by the Company	12.60	11.07	-	-
	Loan outstanding	-	-	10.15	11.80
	Provisions - other employee benefits	-	-	128.14	141.59
	Other financial liabilities - payable to employees	-	-	113.55	64.19
2	Mr. Vipul Agarwal				
	Remuneration*	192.16	183.91	-	-
	Provisions - other employee benefits	-	-	35.54	33.35
	Other financial liabilities - payable to employees	-	-	30.56	12.67
	Trade payable	-	-	-	0.03
3	Mr. Amit Kumar Gupta				
	Remuneration*	75.11	72.26	-	-
	Provisions - other employee benefits	-	-	9.00	8.85
	Other financial liabilities - payable to employees	-	-	12.27	3.89
	Trade payable	-	-	0.03	0.24
4	Mr. S. Shakeb Rahman				
	Remuneration*	24.81	21.40	-	-
	Dividend paid by the Company	0.06	0.03	-	-
	Provisions - other employee benefits	-	-	4.03	4.37
	Other financial liabilities - payable to employees	-	-	7.52	3.05
5	Mr. Arun Duggal				
	Remuneration to non executive directors	22.00	22.00	-	-
	Sitting fees paid	6.20	4.20	-	-
	Trade payable	-	-	19.80	19.80

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
6	Ms. Ranjana Agarwal				
	Remuneration to non executive directors	17.00	17.00	-	-
	Sitting fees paid	11.00	6.90	-	-
	Trade payable	-	-	15.30	15.30
7	Ms. Radhika Vijay Haribhakti				
	Remuneration to non executive directors	17.00	17.00	-	-
	Sitting fees paid	7.40	5.40	-	-
	Trade payable	-	-	15.30	15.30

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

⁵ Employee Stock Options expense in the Consolidated Statement of Profit and Loss is Rs. Nil (previous year Rs. Nil).

C. Compensation of Key management personnel against following categories

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	260.16	244.53
Other long-term benefits	45.66	42.94

37 Financial instruments

37.1 Financial instruments by category

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019 and March 31, 2018.

a) Fair value of financial assets

Particulars	Carrying values		Fair values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets measured at fair value through profit or loss				
Investment in equity shares	43.84	56.53	43.84	56.53
Investments in mutual funds	10,358.39	27,580.15	10,358.39	27,580.15
Total (A)	10,402.23	27,636.68	10,402.23	27,636.68
Financial assets measured at amortised cost				
Investment in corporate deposits	7,747.76	6,179.75	7,747.76	6,179.75
Investment in government or trust securities	-	31.22	-	31.22
Loans	496.93	346.87	496.93	346.87
Trade receivables	3,380.54	4,060.48	3,380.54	4,060.48
Cash and cash equivalents	2,442.15	1,979.97	2,442.15	1,979.97
Other bank balances	38,306.47	21,078.84	38,306.47	21,078.84
Other financial assets	7,488.73	9,330.53	7,488.73	9,330.53
Total (B)	59,862.58	43,007.66	59,862.58	43,007.66
Total (A+B)	70,264.81	70,644.34	70,264.81	70,644.34

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

b) Fair value of financial liabilities

Particulars	Carrying values		Fair values	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial liabilities measured at amortised cost				
Trade payables	1,046.36	770.83	1,046.36	770.83
Others financial liabilities	1,879.39	898.81	1,879.39	898.81
Total	2,925.75	1,669.64	2,925.75	1,669.64

The fair value of the financial assets and liabilities represents amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair values of the quoted investments in equity shares and mutual funds are based on market price and net asset value (NAV) at the reporting date.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Management has assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, investments, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

37.2 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

The categories used are as follows:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2019

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	43.84	-	-	43.84
Investment in mutual funds	10,358.39	-	-	10,358.39
Total	10,402.23	-	-	10,402.23

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2018

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	56.53	-	-	56.53
Investment in mutual funds	27,580.15	-	-	27,580.15
Total	27,636.68	-	-	27,636.68

There have been no transfers between Level 1 and Level 2 during the period.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

37.3 Financial risk management objectives and policies

Risk management framework

The Board has overall responsibility for establishing and governing the Group's risk management framework. The Board has delegated monitoring and reviewing of the risk management plan to the Risk Management Committee. The Group has constituted a Executive Risk Committee, a Risk management team and functional sub-committees which are responsible for identifying, analysing, mitigating and monitoring risks as per risk management framework. The key risks and mitigation actions are also placed before Risk Management Committee and Board.

The Group is exposed to various risks in relation to financial instruments. The Group financial assets and liabilities are summarised in note 37.1. The main types of financial risks are market risk (price risk), credit risk and liquidity risk.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes may result from changes in foreign currency rate, interest rate, price and other market changes. The Group's exposure to market risk is mainly due to price risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. The Group has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence and exit strategies in order to mitigate losses as defined in board approved investment policy.

The Group is exposed to price risk arising mainly from investment in equity shares and investment in mutual funds recognised at fair value through profit or loss. The detail of such investments are given in note 37.1. If the prices had been higher/ lower by 1% from the market prices existing as at the reporting date, profit would have been increased/ decreased by Rs. 104.02 lakh and Rs. 276.37 lakh for the year ended March 31, 2019 and March 31, 2018 respectively.

b) Credit risk

Credit risk is the risk of financial loss to the Group if customer or counterparty to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customer and investment in mutual funds and deposits with banks.

To manage credit risk, the Group periodically review its receivables from customer for any non-recoverability of the dues, taking in to account the inputs from business development team and ageing of trade receivables. The management establishes an allowance for impairment that represents its expected credit losses in respect of trade and other financial assets. The management uses a simplified approach for the purpose of computation of expected credit loss. While computing expected credit loss, the management consider historical credit loss experience adjusted with forward looking information.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2019 and March 31, 2018. The concentration of credit risk is limited due to the fact that the customer base is large.

Movement in the expected credit loss allowance is as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss allowance at the commencement of the year	1,038.55	924.50
Changes in loss allowance, net	63.26	114.05
Loss allowance at the end of the year	1,101.81	1,038.55

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. For the Group, liquidity risk arises from obligations on account of financial liabilities - Trade payable and other financial liabilities.

Liquidity risk management

The Group continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Group's finance department is responsible for liquidity and fund management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through forecasts related on the basis of expected cash flows.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities are as under:

As at March 31, 2019	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	1,046.36	-	-	1,046.36
Other financial liabilities	1,730.58	148.81	-	1,879.39
Total	2,776.94	148.81	-	2,925.75

As at March 31, 2018	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	770.83	-	-	770.83
Other financial liabilities	680.02	218.79	-	898.81
Total	1,450.85	218.79	-	1,669.64

37.4 Capital Management

The primary objective of the Group's capital management is to maximise the shareholder value. Equity share capital and other equity are considered for the purpose of group's capital management. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issues new shares and raises money through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

38 Transfer pricing

The Indian entities of the Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Indian entities of the Group have maintained adequate documentation for the international transactions entered into with the associated enterprises and expect such records to be in existence in accordance with the requirements of the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

39 Buy back of shares

The Board of Directors of the Company in its meeting held on August 9, 2018 approved a proposal to buyback equity shares of the Company, for an aggregate amount not exceeding Rs 8,540 lakh (referred to as the "Maximum Buyback Size") from shareholders of the Company under the open market route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder. The buyback process commenced on October 1, 2018 and closed on December 12, 2018. The Company utilised 99.9986% of Maximum Buyback Size authorised for buyback and bought back 252,049 equity shares resulted in total cash outflow of Rs. 8,539.88 lakh. In line with the requirement of the Companies Act 2013, an amount of Rs 5,173.82 lakh was utilized from the securities premium and an amount of Rs. 3,340.85 lakh was utilized from General Reserve for the buyback. Further, capital redemption reserve of Rs 25.21 lakh (representing the nominal value of the shares bought back) was created as an apportionment from the general reserve.

40 Merger of wholly-owned subsidiaries

The Scheme of Amalgamation of ICRA Management Consulting Services Limited, involved in consulting services, with and into ICRA Online Limited, which is involved in outsourcing and information services (both wholly owned subsidiaries of the Company) which was approved by the Board of Directors of the Company on August 9, 2018, has been filed with National Company Law Tribunal ('NCLT') in September 2018 and is pending for approval. As the orders of NCLT are awaited, the consolidated financial statements as at and for year end March 31, 2019 do not include any adjustments that will arise on implementation of scheme.

41 Treasury shares

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the commencement of the year	40,683	134.25	139,595	460.66
Shares transferred to employees on exercise of stock options	(8,733)	(28.81)	(10,176)	(33.58)
Shares sold by ESOP Trust *	-	-	(88,736)	(292.83)
Balance at the end of the year	31,950	105.44	40,683	134.25

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Shares against vested options	-	8,951
Unissued shares (including shares against options expired or lapsed)	31,950	31,732
Total	31,950	40,683

* During the year ended March 31, 2018, ESOP Trust sold 88,736 equity shares of the Company and received net sale proceeds of Rs 3,594.86 lakh. Gain on sale of the Company's shares amounting to Rs 3,302.03 lakh was accounted through Capital Reserve in the consolidated financial statements for the year ended March 31, 2018.

42 Other comprehensive income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Items that will not be reclassified to profit or (loss)		
Remeasurements of defined benefit liability/ (asset)	(46.11)	4.69
Income tax relating to items that will not be reclassified to profit or (loss)	8.18	(2.66)
(ii) Items that will be reclassified to profit or (loss)		
Exchange difference on translation of Foreign operations	(5.39)	(2.02)
Income tax relating to items that will be reclassified to profit or loss	-	-
Total other comprehensive income, net of tax (i+ii)	(43.32)	0.01

43 Following is the summary of changes in carrying amount of goodwill

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the commencement and end of the year	122.53	122.53

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The goodwill is on account of the investment in subsidiaries as of March 31, 2019 and March 31, 2018 respectively. Allocation of goodwill by segments as of March 31, 2019 and March 31, 2018 is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Outsourced and Information services	122.53	122.53

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to their underlying segment. The recoverable amount is determined based on value in use calculation, which uses future cash flow projections based on financial budgets and plans approved by the management and applicable discount rate.

Budgeted Projections are based on same expected gross margins throughout the period. The cash flows beyond five-year period have been extrapolated using a steady growth rate. As at March 31, 2019, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

The management believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

Following key assumptions were considered while performing Impairment testing

Budgeted Projections: The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.

Budgeted gross margins: The segment will maintain the average gross margins achieved in the period immediately before the budget margin period.

The values assigned to the key assumption are consistent with external sources of information.

44 Impact of Ind AS 115, "Revenue from Contracts with Customers" in the consolidated financial statements

Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and being included in retained earnings as on April 1, 2018. Accordingly, the information presented for the year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, "Revenue".

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

a) The impact of Ind AS 115 in the consolidated financial statements is as under:

Particulars		Amount
Retained earnings		44,484.90
Adjustment to retained earnings from adoption of Ind AS 115		
- Deferment of revenue	(338.51)	
- Recognition of assets for costs to fulfil contracts	191.57	
- Increase in deferred tax assets	42.79	(104.15)
Retained earnings		44,380.75

b) The impact of Ind AS 115 on the consolidated balance sheet is as follows:

Particulars	Amount
Increase in projects work in progress	172.21
Decrease in trade receivables	(80.51)
Increase in other liabilities - Advance from customers	121.88

c) The impact of Ind AS 115 on the consolidated statement of profit and loss for the year ended March 31, 2019 is as follows:

Particulars	As reported	Impact of Ind AS 115	Amount without adoption of Ind AS 115
Revenue from operations	32,806.00	136.12	32,669.88
Other income	4,479.57		4,479.57
Total income	37,285.57	136.12	37,149.45
Employee benefit expenses	16,036.46	19.37	16,017.09
Finance costs	50.70	-	50.70
Depreciation and amortisation expense	562.24	-	562.24
Other expenses	5,432.36	-	5,432.36
Total expenses	22,081.76	19.37	22,062.39
Profit before tax	15,203.81	116.75	15,087.06
Tax expense	4,745.55	34.00	4,711.55
Profit after tax	10,458.26	82.75	10,375.51
Total comprehensive income for the year	10,414.94	82.75	10,332.19
Earnings per share (Rs.)			
1) Basic	106.63	0.85	105.78
2) Diluted	106.58	0.84	105.74

d) Revenue disclosure

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of services		
Rating, research and other services		
Rating and grading fees	8,204.74	8,589.33
Surveillance fees	14,372.98	13,268.15
Research services fees	615.38	534.12
Others	-	1.51
Consulting fees	1,864.07	2,227.62
Outsourced and information services		
Outsourced services fees	6,578.41	4,796.22
Information services fees	442.06	434.60
Total sale of services	32,077.64	29,851.55

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

e) Revenue recognised from last years' unearned revenue

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rating, research and other services fees		
Rating and grading fees	1,031.54	1,061.40
Surveillance fees	2,413.05	2,966.53
Research services fees	268.28	181.17
Other services fees	2.23	1.25
Consulting fees	107.94	105.71
Outsourced and information services		
Outsourced services fees	158.65	128.20
Total	3,981.69	4,444.26

f) Unearned revenue

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue to be recognised in:		
FY 2018-19	-	3,981.69
FY 2019-20	3,980.48	8.11
FY 2020-21	1.65	1.11
Revenue to be recognised on completion of milestones	26.53	10.42
Total	4,008.66	4,001.33

45 Segment information

The Group has determined following reporting segments based on the information reviewed by the Group's CODM.

- Rating, research and other services – Rating, grading and industry research services.
- Consulting services – Management consulting which includes risk management, financial advisory, outsourcing and policy advisory.
- Outsourced and Information services – financial information product and services and KPO services

The above business segments have been identified considering :

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- the internal financial reporting systems.

The CODM is responsible for allocating resources and assessing performance of the operating segments.

(i) Segment wise revenues and results

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
External revenues		
Rating, research and other services	23,421.43	22,574.81
Consulting services	1,899.16	2,232.57
Outsourced and information services	7,485.41	6,079.12
Total external revenue	32,806.00	30,886.50
Inter-segment revenue		
Rating, research and other services	22.47	19.40
Consulting services	164.69	130.33
Outsourced and information services	79.38	32.36
Total Inter-segment revenue	266.54	182.09

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Total revenue		
Rating, research and other services	23,443.90	22,594.21
Consulting services	2,063.85	2,362.90
Outsourced and information services	7,564.79	6,111.48
Total segment revenue	33,072.54	31,068.59
Less: Elimination of inter-segment revenue	(266.54)	(182.09)
Total revenue	32,806.00	30,886.50
Segment results		
Rating, research and other services	8,943.21	9,707.04
Consulting services	(569.12)	(834.80)
Outsourced and information services	2,593.08	1,957.75
Total profit before tax for reportable segments	10,967.17	10,829.99
Unallocated expenses	(192.23)	(74.73)
Interest expense	(50.70)	(10.36)
Other income	4,479.57	4,935.53
Provision for tax	(4,745.55)	(5,562.18)
Profit after tax	10,458.26	10,118.25

ii) Segment wise capital employed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Capital employed (Segment assets - Segment liabilities)		
Segment assets		
Rating, research and other services	4,561.17	4,265.42
Consulting services	1,155.13	1,557.29
Outsourced and information services	4,427.70	3,938.00
Total assets of reportable segments	10,144.00	9,760.71
Unallocable assets	66,601.76	67,312.66
Total assets	76,745.76	77,073.37
Segment liabilities		
Rating, research and other services	10,384.20	9,469.56
Consulting services	847.75	953.49
Outsourced and information services	1,240.86	949.15
Total liabilities of reportable segments	12,472.81	11,372.20
Unallocable liabilities	309.82	65.61
Total liabilities	12,782.63	11,437.81
Total capital employed	63,963.13	65,635.56

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

iii) Other information

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Capital expenditure during the year		
Rating, research and other services	270.85	210.91
Consulting services	59.69	31.20
Outsourced and information services	156.59	73.73
Depreciation		
Rating, research and other services	248.97	271.07
Consulting services	63.63	152.24
Outsourced and information services	249.64	329.21
Non cash expenses other than depreciation		
Rating, research and other services	136.96	78.91
Consulting services	306.16	434.78
Outsourced and information services	0.46	1.06
Interest income	3,175.23	2,687.88

iv) Information about secondary segment- Geographical segment

In respect of secondary segment information, the Group has identified its geographical segments as:

- (a) Within India
- (b) Outside India

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from external customer by geographical market		
India	25,808.50	25,552.26
Outside India	6,997.50	5,334.24
Total	32,806.00	30,886.50
Non current assets *		
India	3,897.89	3,845.20
Outside India	22.16	17.16
Total	3,920.05	3,862.36
Capital expenditure		
India	485.14	309.81
Outside India	1.99	6.03
Total	487.13	315.84

* Non-current assets are excluding financial instruments, deferred tax assets and non-current tax assets.

Notes to the consolidated financial statements for the year ended March 31, 2019

(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

46 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary:

Name of the entity	As at March 31, 2019							
	Net Assets (Total assets–Total liabilities)		Share in consolidated profit or (loss)		Share in consolidated other comprehensive income		Share in consolidated total comprehensive income	
	As % of consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of Consolidated profit or (loss)	Amount	As % of Consolidated profit or (loss)	Amount
Parent								
ICRA Limited	85.71%	54,824.59	92.25%	9,597.30	55.82%	(23.11)	92.39%	9,574.19
Subsidiaries								
Indian								
ICRA Management Consulting Services Limited	2.32%	1,482.65	-5.09%	(529.27)	43.00%	(17.80)	-5.28%	(547.07)
Pragati Development Consulting Services Limited	0.19%	123.80	0.27%	27.62	-	-	0.27%	27.62
ICRA Online Limited	9.54%	6,102.41	18.66%	1,941.68	-15.46%	6.40	18.80%	1,948.08
ICRA Employees welfare Trust	6.19%	3,959.31	1.71%	177.99	-	-	1.72%	177.99
Foreign								
PT. ICRA Indonesia	0.00%	1.51	-0.01%	(0.81)	-	-	-0.01%	(0.81)
ICRA Lanka Limited	0.14%	88.87	0.10%	10.32	11.84%	(4.90)	0.05%	5.42
ICRA Nepal Limited	0.55%	352.87	1.06%	110.74	9.44%	(3.91)	1.03%	106.83
Non-controlling interest included in respective subsidiaries	-0.27%	(172.91)	-0.52%	(54.26)	-4.64%	1.92	-0.51%	(52.34)
Eliminations	-4.37%	(2,799.97)	-8.43%	(877.31)	-	-	-8.46%	(877.31)
Total	100.00%	63,963.13	100.00%	10,404.00	100.00%	(41.40)	100.00%	10,362.60

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
(ICAI Firm registration No.: 101248W/W-100022)

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 9, 2019

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

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

Vipul Agarwal
Group Chief Financial Officer

Arun Duggal
Chairman
(DIN: 00024262)

S. Shakeb Rahman
Company Secretary

Form AOC-1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries
Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts (Rupees in lakhs)

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the financial year holding in the case of foreign reporting subsidiaries	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign reporting subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover*	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	ICRA Management Consulting Services Limited			1500.00	(17.35)	2037.14	554.49	5.00	1 871.42	(528.34)	0.93	(529.27)	-	100% owned by ICRA Limited
2	ICRA Online Limited			895.15	5207.26	7538.06	1 435.65	-	7 564.79	2 724.34	782.66	1 941.68	-	100% owned by ICRA Limited
3	PT. ICRA Indonesia	December 31	Balance Sheet : (1 INR = 206.2142 IDR) Profit loss (1 INR= 204.3814 IDR)	1510.66	(1509.15)	2.93	1.42	-	-	(0.81)	-	(0.81)	-	99% owned by ICRA Limited
4	ICRA Lanka Limited		Balance Sheet : (1 INR = 2.5329 LKR) Profit loss (1 INR= 2.4174 LKR)	256.59	(124.66)	188.18	56.25	-	143.03	10.45	0.13	10.32	-	100% owned by ICRA Limited
5	ICRA Nepal Limited	Mid of July	1 INR = NPR 1.6015	124.88	227.99	696.29	343.42	-	287.04	147.67	36.92	110.76	26.29	51% owned by ICRA Limited
6	Pragati Development Consulting Services Limited			5.00	118.80	567.06	443.26	-	192.43	37.41	9.79	27.62	-	100% owned by ICRA Management Consulting Services Limited
7	ICRA Employees Welfare Trust			2.00	4062.75	4358.13	293.38	105.44**	-	273.31	95.32	177.99	-	Note 4

Notes:

- Names of subsidiaries which are yet to commence operations : Nil
- Names of subsidiaries which have been liquidated or sold during the year : Nil
- The financial statements are as on March 31, 2019
- ICRA Limited has established ICRA Employees Welfare Trust ("Trust"). The object of the Trust is defined in the trust deed. The Trust holds 31,950 equity shares of ICRA Limited, as on March 31, 2019.

*Including other operating income

**Investments in equity shares of ICRA Limited

Shareholders 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
2. National Stock Exchange of India Limited (NSE): [Symbol: ICRA]
Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

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 2017-18, a Dividend of 300%

For the financial year 2016-17, a Dividend of 270%

For the financial year 2015-16, a Dividend of 250%

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

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

Q Where is ICRA's Registered Office located?

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

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

Tel: +91 11 2335 7940-45; 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

Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058

Email: delhi@linkintime.co.in; Tel: +91 11 4141 0592/93/94; Fax: +91 11 4141 0591

Or, ICRA's Company Secretary & Compliance Officer:

Mr. S. Shakeb Rahman

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

Email: investors@icraindia.com; Tel: + 91 124 4545 300

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 Depository Participant (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.

Shareholders 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 splitting a share certificate into smaller lots?

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

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

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

Q Who should be contacted for complaints?

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

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

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

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

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

Q Can there be multiple addresses for a single Folio?

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

Q Can joint-holders request a change of address?

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

ICRA ONLINE LIMITED

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

(Branch Office)
107, Raheja Arcade, 1st Floor
Plot No. 61, Sector XI, CBD Belapur
Navi Mumbai 400 614, India
Tel.: 91-22- 67816100
Fax: 91-22- 27563057

www.icraonline.com

ICRA MANAGEMENT CONSULTING SERVICES LIMITED

NEW DELHI

(Registered Office)
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110 001, India
Tel.: 91-11- 23357940-45

NOIDA

(Corporate Office)
Logix Park, 1st Floor,
Tower A4 & A5, Sector - 16
Noida 201 301 (U.P.), India
Tel.: 91-120- 4515800
Fax: 91-120- 4515850

MUMBAI

Unit No. 1102, 1103, 1104
11th Floor, 'B' Wing
Wall Street Kanakia
Andheri-Kurla Road
Chakala, Andheri (East)
Mumbai 400 093, India
Tel.: 91-22-61796300

KOLKATA

Infinity Benchmark
17th Floor, Plot G-1
Block GP, Sector V, Salt Lake
Kolkata 700 091, India
Tel.: 91-33-40170100
Fax: 91-33-40170101

CHENNAI

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600 035, India
Tel.: 91-44-45964300

www.imacs.in

PRAGATI DEVELOPMENT CONSULTING SERVICES LIMITED

(Registered Office)
1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg
New Delhi 110 001, India
Tel.: 91-11- 23357940-45

NOIDA

(Corporate Office)
Logix Park, 1st Floor
Tower A-4 & A-5, Sector - 16
Noida 201 301 (U.P.), India
Tel.: 91-120- 4515800
Fax: 91-120- 4515850

PATNA

(Project Office)
H. No. 212, Patliputra Colony
Patna 800 003, India
Tel.: 91-0612- 2262777-8

ICRA LIMITED

NEW DELHI

(Registered Office)
1105, Kailash Building
11th Floor, 26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11-23357940-45

GURUGRAM

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

MUMBAI

Electric Mansion, 3rd & 4th Floor
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400025, India
Tel.: 91-22-61693300

KOLKATA

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

CHENNAI

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600035, India
Tel.: 91-44-45964300

BENGALURU-1

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

BENGALURU-2

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

AHMEDABAD

1809-1811 Shapath V
Opp. Karnavati Club, S.G. Highway
Ahmedabad 380015, India
Tel.: 91-79-40271500

HYDERABAD-1

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

HYDERABAD-2

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

PUNE

5A, Symphony, 5th Floor
S.No. 210, CTS 3202
Range Hills Road, Shivajinagar
Pune 411020, India
Tel.: 91-20-66069999

www.icra.in

ICRA LANKA LIMITED

(Registered & Corporate Office)
10-02 East Tower
World Trade Center
Colombo 1,
Sri Lanka-00100
Tel.: 94-11- 4339907
Fax: 94-11- 4235636

www.icralanka.com

ICRA NEPAL LIMITED

Registered & Corporate Office
Sunrise Bizz Park, 6th Floor
Dillibazar
Kathmandu, Nepal
Tel.: 977 1 4419910/20

www.icranepal.com



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty-Eighth** Annual General Meeting of the Members of **ICRA Limited** (the "**Company**") will be held on Saturday, the 28th day of September, 2019, at 3:30 p.m. at Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi-110003, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the audited financial statements of the Company for the financial year ended March 31, 2019 and the report of the Board of Directors and Auditors thereon; and
 - b. the audited consolidated financial statements of the Company and its Subsidiaries for the financial year ended March 31, 2019 and the report of the Auditors thereon.
2. To declare dividend on the equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Dr. Min Ye. (DIN: 06552282), who retires by rotation, and being eligible, offers himself for reappointment.
4. To approve the re-appointment of Statutory Auditors and to fix their remuneration, and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.: 101248W/W-100022) be and are hereby re-appointed as Statutory Auditors of the Company, for a further period of five (5) years, to hold office from the conclusion of this Annual General meeting until the conclusion of thirty-third Annual General Meeting on such remuneration, inclusive of applicable taxes and reimbursement of travelling and out of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

SPECIAL BUSINESS

5. To appoint Mr. David Brent Platt as a Non-Executive and Non-Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Mr. David Brent Platt (DIN: 0008424532) who was appointed as an Additional Director with effect from April 30, 2019 by the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, and who holds office till the date of the Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

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

6. To re-appoint Mr. Arun Duggal as an Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors and subject to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arun Duggal (DIN: 00024262), who was appointed as an Independent Director for a term of 5 (five) years effective from November 11, 2014, by the members, in their Annual General Meeting held on August 13, 2015, and who holds office of Independent Director up to November 10, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a second term of 5 (five) consecutive years on the Board of Directors of the Company effective from November 11, 2019 up to November 10, 2024.

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

7. To re-appoint Ms. Ranjana Agarwal as an Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors and subject to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Ranjana Agarwal (DIN: 03340032), who was appointed as an Independent Director for a term of 5 (five) years effective from November 11, 2014, by the members, in their Annual General Meeting held on August 13, 2015, and who holds office of Independent Director up to November 10, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a second term of 5 (five) consecutive years on the Board of Directors of the Company effective from November 11, 2019 up to November 10, 2024.

“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 re-appoint Ms. Radhika Vijay Haribhakti as an Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board of Directors and subject to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Radhika Vijay Haribhakti (DIN: 02409519), who was appointed as an Independent Director for a term of 5 (five) years effective from December 4, 2014, by the members, in their Annual General Meeting held on August 13, 2015, and who holds office of Independent Director up to December 3, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a second term of 5 (five) consecutive years on the Board of Directors of the Company effective from December 4, 2019 up to December 3, 2024.

“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

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Place: Gurugram
Date: August 22, 2019

CIN: L74999DL1991PLC042749
Registered Office: 1105, Kailash Building, 11th Floor, 26,
Kasturba Gandhi Marg, New Delhi 110 001
Telephone No.: +91.11.23357940-45
Website: www.icra.in
Email ID: investors@icraindia.com

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE SAID MEETING AND VOTE ON HER/HIS BEHALF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
3. A proxy form duly stamped and executed, in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting.
4. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
5. Members/Proxy holders are requested to bring at the venue of the Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
6. The explanatory statements pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business proposed under item nos. 5, 6, 7 and 8 above, are annexed hereto and forms a part of this Notice.
7. Members holding shares in the physical form are requested to send the advice about any change in their registered address or bank particulars, to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, quoting their folio number. **Members holding shares in the electronic form must send the advice about any change in their registered address or bank particulars to their respective Depository Participants and not to the Company.**
8. The Notice of the Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail IDs are registered with the Company's Registrar and Share Transfer Agent/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. www.icra.in.
9. 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.
10. Pursuant to Section 123(5) of the Companies Act, 2013, and Regulation 12 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding use of electronic payment modes for making payments to investors, **Members are requested to update their bank account and latest address details with their respective Depository Participants** (for shares held in the electronic form) or **submit duly completed NECS mandate forms** (available on the Company's website) along with a photocopy of their cheques to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of the same for payment of dividend. Your Company provides Direct Credit (DC), Real Time Gross Settlement (RTGS), National Electronic Clearing Service (NECS) for payment of Dividend. Through DC/RTGS/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 DC/RTGS/NECS, if not done already. Members may kindly note that DC/RTGS/NECS details are accessed from the Depositories (for shares held in the electronic form) and from the Company's Registrar and Share Transfer Agent (for shares held in the physical form) and used for payment of dividend.

NOTES

11. Members desiring any information on the accounts of the Company are requested to write to the Company at least 10 (ten) days prior to the date of the Annual General Meeting so as to enable the Company keep the information ready.
12. Members may write to the Company Secretary of the Company for the annual accounts of the subsidiary companies. The annual accounts of the subsidiary companies for the financial year ended March 31, 2019 are available on the website www.icra.in under Investors section. The annual accounts shall also be available for inspection by any Member at the Registered Office of the Company.
13. 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.
14. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 26, 2019 to Friday, September 27, 2019 (both days inclusive) for determining the names of Members eligible to receive the dividend declared, if any, on the equity shares of the Company.
15. If the Members approve the payment of dividend at the forthcoming Annual General Meeting, the dividend shall be paid to all those Members whose names appear in the Register of Members as on Wednesday, September 25, 2019, and to all those Members whose names appear as beneficial owners as per the details furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") on the close of business hours as on that date.
16. Those Members who have not yet encashed/claimed the dividend of the Company for any/all of the financial years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 are requested to encash/claim the same immediately. In terms of Section 124(5) of the Companies Act, 2013, 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".

The details of the un-encashed/unclaimed dividend for the Financial Years 2011-12 to 2017-18 as on March 31, 2019 are as under:

Dividend for the financial year	Unclaimed/Unpaid Dividend as on March 31, 2019 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2011-12	1,20,700	September 9, 2019
2012-13	1,08,460	September 8, 2020
2013-14	1,19,140	September 19, 2021
2014-15	85,536	September 15, 2022
2015-16	64,400.22	September 12, 2023
2016-17	1,01,492. 83	September 5, 2024
2017-18	65, 849.74	September 12, 2025

Pursuant to Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendment Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the demat account of Investor Education and Protection Fund ("IEPF") Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF as per the procedure mentioned in the said Rules.

17. Voting through electronic means

In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer electronic voting ("**E-voting**") facility to the Members to cast their votes electronically on all resolutions set forth in the

NOTES

Notice convening the 28th Annual General Meeting of the Company. The Company has engaged the services of CDSL to provide E-voting facility.

- I. The E-voting facility is available at the link [https:// www.evotingindia.com](https://www.evotingindia.com).
- II. The E-voting Sequence Number (EVSN) is as under:

EVSN	190822081
------	-----------

- III. The E-voting facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
Wednesday, September 25, 2019 (9:00 a.m. IST)	Friday, September 27, 2019 (5:00 p.m. IST)

- IV. The instructions for E-voting are as under:

The way to vote electronically on CDSL e-Voting system consists of “two steps” which are mentioned below:

- (i) The shareholders should log on to the E-voting website www.evotingindia.com.
- (ii) Click on Shareholders / Members
- (iii) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company’s Registrar and Share Transfer Agent/Depository Participant(s) are requested to use the initial password provided separately.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or the Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.

NOTES

- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of ICRA Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- V. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI. The E-voting period commences on Wednesday, September 25, 2019 (9:00 a.m. IST) and ends on Friday, September 27, 2019 (5:00 p.m. IST). During this period Members' of the Company, holding shares either

NOTES

in physical form or in dematerialized form, as on the cut-off date of Friday, September 20, 2019 may cast their vote electronically. The E-voting module shall also be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- VII. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, September 20, 2019.
 - VIII. Since the Company is required to provide Members facility to exercise their right to vote by electronic means, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Friday, September 20, 2019 and not casting their vote electronically, may only cast their vote at the 28th Annual General Meeting of the Company.
 - IX. Mr. Sachin Agarwal, Proprietor of A. Sachin & Associates, Company Secretaries, Mobile No. 9871790055 e-mail Id: asa.corporateadvisors@gmail.com, has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
 - X. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
 - XI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.icra.in and on the website of NSDL within two (2) days of passing of the resolutions at the 28th Annual General Meeting of the Company on September 28, 2019, and communicated to the BSE Limited and the National Stock Exchange of India Limited.
18. All documents referred to in the accompanying Notice will be available for inspection at the Registered Office of the Company during office hours on all working days up to the date of declaration of the result of the 28th Annual General Meeting of the Company. For any further update, please refer Investors section of the Company's website, www.icra.in.

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

Item No. 4

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.: 101248W/W-100022) (hereinafter referred as "B S R & Co.") as the Statutory Auditors of the Company were first appointed Statutory Auditors of the Company at the Twenty-Third Annual General Meeting. B S R & Co. will hold office until the conclusion of the Twenty-Eighth Annual General Meeting of the Company.

As per the provisions of Section 139 of the Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years.

Accordingly, the Audit Committee and the Board of Directors have recommended the re-appointment of B S R & Co. to the Members of the Company for their approval at the Annual General Meeting by way of passing an ordinary resolution to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the thirty-third Annual General Meeting to be held in the year 2024. B S R & Co., have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules.

The annual fee for the financial year ending March 31, 2020 is proposed at 47,00,000 (Rupees Forty-Seven Lakh only), plus out of pocket expenses and taxes at the applicable rates, for the purpose of the statutory audit of the Company, which is in line with the fee that was paid to B S R & Co. in earlier years. The Board of Directors and the Audit Committee shall be given the power to alter and vary the terms and conditions arising out of increase in scope of work, amendment in Auditing Standards or regulations and such other requirements resulting in change in scope of work. Any such change in the terms and conditions of appointment and remuneration of Statutory Auditors would be intimated in the Directors Report of the Company in the relevant year. In addition to the above and in accordance with the provisions of the Companies Act, 2013, the Board and the Audit Committee may approve other services, as deemed appropriate, and remuneration for such services as required by law or otherwise, subject to the provisions of section 144 of the Companies Act, 2013.

The Board recommends the Resolution at Item no. 4 for approval of the Members of the Company.

None of the Directors or Key Managerial Personnel or their respective relatives are concerned or interested in the resolution at Item No. 4 of the Notice.

Brief profile of B S R & Co.

B S R & Co. ('the firm') was constituted on 27 March 1990 having firm registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on 14 October 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra -400 011.

B S R & Co. LLP is a member entity of B S R & Associates, a network registered with the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Associates include B S R & Associates LLP, B S R & Company, B S R and Co, B S R and Associates, B S R and Company, B S S R & Co and B B S R & Co.

B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi.

Item No. 5

Mr. David Brent Platt is an Additional Director of the Company under the category Non-Independent and Non-Executive Director.

The Board of Directors of the Company appointed Mr. David Brent Platt as an Additional Director, effective from April 30, 2019. As per the provisions of Section 161 of the Companies Act, 2013, Mr. David Brent Platt holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director liable to retire by rotation. Mr. David Brent Platt is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. David Brent Platt is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

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

The Nomination and Remuneration Committee of your Company has considered the candidature of Mr. David Brent Platt, and recommended Mr. David Brent Platt to the Members of the Company for appointment as a Director of the Company, liable to retire by rotation.

With Mr. David Brent Platt joining as Director, the Company would be benefited from his extensive experience and expertise.

Mr. David Brent Platt does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. David Brent Platt, is in any way concerned or interested in this Resolution. Details regarding Mr. David Brent Platt 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 Mr. David Brent Platt would be beneficial to the Company and hence recommends the Resolution at Item no. 5 for approval of the Members of the Company.

Item Nos. 6 to 8

Mr. Arun Duggal (DIN: 00024262), Ms. Ranjana Agarwal (DIN: 03340032), and Ms. Radhika Vijay Haribhakti (DIN: 02409519) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 (the "**Act**") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). Mr. Duggal and Ms. Agarwal hold office as Independent Directors of the Company up to November 10, 2019 and Ms. Haribhakti holds office as Independent Director up to December 3, 2019 ("**first term**" in line with the explanation to Sections 149(10) and 149(11) of the Act). Section 149 of the Act and provisions of the Listing Regulations *inter alia* prescribe that an independent director shall hold office for a term of up to five consecutive years on the board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti as Independent Directors for a second term of five years on the Board of the Company. The performance evaluation of these directors was done during each year of their current tenure.

The evaluation process broadly consists of the following parameters:-

1. time devoted by each of the Board members in attending and preparing for the Board meetings and to the affairs of the Company;
2. core competencies;
3. personal characteristics;
4. accomplishment of specific responsibilities and expertise;
5. contributions at Board /committee meetings;
6. roles played other than at meetings;
7. ability to contribute to and monitor statutory corporate governance practices;
8. ability to contribute by introducing international best practices to address top-management issues;
9. active participation in long-term strategic planning;
9. commitment to the fulfillment of Director's obligation and fiduciary responsibilities - this includes participation and attendance;
10. guidance provided to the Senior Management and Board members;
11. integrity and maintenance of confidentiality;
12. independence of behaviour and judgment; and
13. compliance and adherence to the Code of Conduct applicable to them.

The Board of Directors, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background, experience and contributions made by them during their first tenure, the continued association of Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly,

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

the Board of Directors in its meeting held on May 9, 2019, approved the re-appointment of the aforesaid Independent Directors.

Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Regulation 16 (1) (b) of the Listing Regulations.

In the opinion of the Board, Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations.

Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti are independent of the management.

Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Copy of draft letters of appointment of Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti setting out the terms and conditions of appointment are available for inspection by the Members at the registered office of the Company.

Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti are interested in the resolutions set out respectively at Item Nos. 6, 7 and 8 of the Notice with regard to their respective re-appointments.

The relatives of Mr. Duggal, Ms. Agarwal, and Ms. Haribhakti may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board recommends the Special Resolution(s) set out at Item Nos. 6, 7 and 8 of the Notice for approval by the Members.

By Order of the Board of Directors
For ICRA Limited

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Place: Gurugram
Date: August 22, 2019

CIN: L74999DL1991PLC042749
Registered Office: 1105, Kailash Building, 11th Floor, 26,
Kasturba Gandhi Marg, New Delhi 110 001
Telephone No.: +91.11.23357940-45
Website: www.icra.in
Email ID: investors@icraindia.com

Annexure

Details of the Director seeking reappointment/appointment at the Twenty-Eighth Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Profile					
	<p>Mr. Arun Duggal is the Non-Executive Chairman and an Independent Director of ICRA Limited. He is also a Visiting Professor at the Indian Institute of Management, Ahmedabad where he teaches a course on Venture Capital, Private Equity and Business Ethics. He is an experienced international Banker and has advised companies Private Equity firms and financial institutions on Financial Strategy, M&A and Capital Raising. He, as an Angel Investor has supported several Entrepreneurs.</p>	<p>Ms. Ranjana Agarwal is an Independent Director on the board of ICRA Limited and chairs their Audit and CSR committees. She is also on the board of KDLD Ltd., Indo Rama Synthetics (India) Ltd., Shubham Housing Development Finance Co. Ltd., Joyville Shapoorji Housing Ltd., Ugro Capital Limited, ICRA Management Consulting Services Limited and ICRA Online Limited.</p>	<p>Ms. Agarwal is the founder and managing partner of Vaish & Associates, Chartered Accountants and has over 30 years of experience in audit, tax and related services including succession planning and business valuations. She was also a partner in CC Chokshi & Co. and Deloitte Haskins & Sells until 2000.</p>	<p>Ms. Agarwal was the national president of the women wing of FICCI and currently chairs their 'FLO women directors' programme. She also started the India chapter of 'Women Corporate Directors', USA.</p>	<p>Ms. Agarwal is on the governing body of Mobile Crèches, VAPW Trust, HVK Foundation and has been doing work in the field of education, health care and medical assistance to handicapped persons.</p>
	<p>Ms. Radhika Vijay Haribhakti is an Independent Director on the board of ICRA Limited. Ms. Haribhakti has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their Equity and Debt offerings in domestic as well as international capital markets. She now heads RH Financial, a boutique Advisory Firm focused on M&A and Private Equity.</p>	<p>She is on the Boards of Directors of Adani Ports and Special Economic Zone Limited, EIH Associated Hotels Limited, Mahanagar Gas Limited, Navin Fluorine International Limited and Rain Industries Limited. At these companies, she is a member of several board committees, including some which she chairs.</p>	<p>Ms. Haribhakti has also been closely associated with issues of women empowerment and financial inclusion and has served on the Boards of non profits for over 18 years, including 12 years as Chairperson.</p>		
	<p>Dr. Min Ye is a Non-Independent Director of ICRA Limited. He is the Managing Director and the Regional Head of Moody's Asia Pacific. He is responsible for formulating business growth initiatives, budgeting and planning, managing Moody's offices and affiliate relations, and monitoring the regulatory environment in the Asia Pacific region. Earlier, he was the Managing Director and the Country Manager for Moody's China, as well as the Chief Executive Officer of China Chengxin International Credit Rating Co. Ltd., a Moody's affiliate in China. Dr. Min Ye, who joined Moody's as a Senior Analyst and Vice President in 1994, has also worked as the Managing Director of the Structured Finance Group for Asia Pacific (ex-Japan) in Hong Kong.</p>	<p>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.</p>			
	<p>Mr. David Brent Platt is an Additional Director of ICRA Limited under the category of Non-Executive, Non-Independent Director. Mr. Platt currently serves as SVP & Chief Strategy Officer for Moody's Corporation, with responsibility for Corporate Development, Global Communications and Moody's CSR activities. Previously, Mr. Platt served as Managing Director and Head of Corporate Development for Moody's from January 2013 to November 2018.</p>	<p>Prior to joining Moody's, Mr. Platt provided M&A and corporate finance advisory services to clients, including Moody's, from 2010 to 2012. Previously, he served as a Managing Director in the M&A Group at Deutsche Bank from 2007 to 2009, advising companies and boards across a range of industries. Prior to Deutsche Bank, Mr. Platt served as a Managing Director in the M&A Group at Bank of America and held similar roles in the M&A Groups at Citigroup and Donaldson, Lufkin & Jenrette from 1997 to 2007. From 1992 to 1997, Mr. Platt was a Senior Investment Analyst in the Money Market Fixed Income Division at</p>			

	<p>He is an expert in international finance and from 1981-1990 he was head of Bank of America's (oil & gas) practice handling relationships with companies like Exxon, Mobil, etc. From 1991-94 as Chief Executive of BA Asia Limited, Hong Kong he looked after Investment Banking activities for the Bank in Asia. In 1995, he moved to Tokyo as the Regional Executive, managing Bank of America's business in Japan, Australia and Korea.</p> <p>Mr. Duggal is involved in several initiatives in social and education sectors. For air pollution abatement in Delhi, Mr. Duggal is the founder of newly established - 'Centre of Excellence for Research on Clean Air (CERCA)' at Indian Institute of Technology, Delhi, India. He was erstwhile Chairman of the American Chamber of Commerce, India.</p> <p>A Mechanical Engineer from the prestigious Indian Institute of Technology, Delhi, Mr. Duggal holds an MBA from the Indian Institute of Management, Ahmedabad (recipient of Distinguished Alumnus Award).</p>	<p>Ms. Ranjana Agarwal is a graduate in Economics from Lady Shri Ram College, Delhi University and has done her CA training from Price Waterhouse Coopers.</p>	<p>She is the former Chair of Friends of Women's World Banking (FWWB) and Swadhaar Finaccess, both non profits engaged in providing financial solutions to women in economically disadvantaged communities. She has also served on the Governing Council of Citigroup Micro Enterprise Award and CII's National Committee on Women Empowerment.</p> <p>Ms Haribhakti is a graduate in Commerce from Gujarat University and a Post Graduate in Management from the Indian Institute of Management (IIM), Ahmedabad.</p>	<p>Mr. Platt holds an M.B.A. from the University of Chicago, a B.A. from the University of California, Berkeley in Political Economics and of Industrialized Societies and earned the CFA designation.</p>	<p>Fidelity Investments where his responsibilities included credit risk assessment, setting of exposure limits and investment oversight for a broad range of corporate and municipal credits as well as structured products.</p>
Name of Director	Mr. Arun Duggal	Ms. Ranjana Agarwal	Ms. Radhika Vijay Haribhakti	Dr. Min Ye	Mr. David Brent Platt
Date of Birth	October 1, 1946	November 25, 1956	December 20, 1957	May 2, 1963	June 9, 1966
Relationship with other Directors inter se	None	None	None	None	None
First Date of Appointment	November 11, 2014	November 11, 2014	December 4, 2014	May 24, 2013	April 30, 2019
Expertise in Specific Functional Areas	International Banking, Financial Management and Corporate Governance	Audit, Tax and Business Valuation	Finance, Banking and General Management	Structured Finance/ Securitisation; and General Management	Merger and Acquisition and Corporate Finance; and General Management
Qualifications	Mechanical Engineer from Indian Institute of Technology, Delhi; MBA from Indian Institute of Management, Ahmedabad	BA Economics (Hons) from University of Delhi; and Chartered Accountant (The Institute of Chartered Accountants of India)	Graduate in Commerce from Gujarat University; Post Graduate in Management from Indian Institute of Management, Ahmedabad	ME in Electrical Engineering, Tsinghua University, Beijing; Ph.D., Electrical and Computer Engineering, Carnegie Mellon University, USA	M.B.A. from the University of Chicago; B.A. from the University of California, Berkeley in Political Economics and of Industrialized Societies and earned the CFA designation
No. of Equity Shares held in the Company	Nil	Nil	Nil	Nil	Nil

<p>List of Other Companies/bodies corporate (including listed entities) in which Directorships are held</p>	<ul style="list-style-type: none"> • Info Edge (India) Limited • International Asset Reconstruction Co. Private Limited • ITC Limited • Mangalore Chemicals & Fertilizers Limited • Jubilant Pharma Limited, Singapore 	<ul style="list-style-type: none"> • Indo Rama Synthetics (India) Limited • ICRA Management Consulting Services Limited • ICRA Online Limited • Joyville Shapoorji Housing Private Limited • KDDL Limited • Shubham Housing Development Finance Company Limited • Ugro Capital Limited 	<ul style="list-style-type: none"> • Adani Ports and Special Economic Zone Limited • Mahanagar Gas Limited • EIH Associated Hotels Limited • Navin Fluorine International Limited • Rain Industries Limited 	<ul style="list-style-type: none"> • China Cheng Xin International Credit Rating Co., Limited • Korea Investors Service, Inc. • Moody's (Japan) K.K. • Moody's Asia Pacific Limited • Moody's China (B.V.I.) Limited • Moody's Company Hong Kong Limited • Moody's Group Australia Pty Limited • Moody's Investors Service (Beijing), Limited • Moody's Investors Service (Korea) Inc. • Moody's Investors Service Hong Kong Limited • Moody's Investors Service Pty Limited • Moody's Investors Service India Private Limited • Moody's Investors Service Singapore Pte. Limited • Moody's SF Japan K.K. • Moody's Shared Services India Private Limited • Moody's Singapore Pte Limited • Moody's (China) Limited 	<ul style="list-style-type: none"> • Moody's Risk Assessments, Inc. • Moody's Risk Assessment Holdings, LLC • Moody's Holdings NL B.V. • Moody's Group NL B.V. • Yellow Maple I B.V. • Yellow Maple Holding B.V. • Bureau Van Dijk Electronic Publishing B.V.
<p>List of Committees of the Board of Directors (across all companies in which Chairmanship/ Membership is held**</p>	<p>Chairman</p> <ul style="list-style-type: none"> • Audit Committee of Info Edge (India) Ltd. <p>Member</p> <ul style="list-style-type: none"> • Audit Committee of ITC Limited • Audit Committee of Mangalore Chemicals & Fertilizers Limited • Audit Committee of ICRA Limited • Audit Committee of Jubilant Pharma Limited 	<p>Chairman</p> <ul style="list-style-type: none"> • Audit Committee of ICRA Limited <p>Member</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee of ICRA Limited • Audit Committee of KDDL Limited • Audit Committee of Indo Rama Synthetics (India) Limited • Audit Committee of Shubham Housing Development Finance Company Limited • Audit Committee of Ugro Capital Limited 	<p>Chairman</p> <ul style="list-style-type: none"> • Audit Committee of EIH Associated Hotels Limited <p>Member</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee of Adani Post and Special Economic Zone Limited • Audit Committee of Adani Ports and Special Economic Zone Limited • Audit Committee of ICRA Limited • Audit Committee of Mahanagar Gas Limited • Stakeholders Relationship Committee of Navin Fluorine International Limited 	<p>Member</p> <ul style="list-style-type: none"> • Audit Committee of ICRA Limited 	<p>None</p>

**Pursuant to Regulation 26(1)(b) of the Listing Regulations, only two committees, viz. Audit Committee and Stakeholders Relationship Committee, have been considered.

Note: For other details such as number of meetings of the board and its committees attended during the financial year 2018-19 and remuneration drawn in respect of Mr. Arun Duggal, Ms. Ranjana Agarwal, Ms. Radhika Vijay Haribhakti, Dr. Min Ye and Mr. David Brent Platt, please refer to the corporate governance report of the Company.

Form No. MGT-11

PROXY FORM

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Eighth Annual General Meeting of the Company to be held on Saturday, the 28th day of September, 2019 at 3:30 p.m. at Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi-110003, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt:
 - a. the audited financial statements of the Company for the financial year ended March 31, 2019 and the report of the Board of Directors and the Auditors thereon;
 - b. the audited consolidated financial statements of the Company and its Subsidiaries for the financial year ended March 31, 2019 and the report of Auditors thereon.
2. To declare dividend on the equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Dr. Min Ye (DIN: 06552282), who retires by rotation, and being eligible, offers himself for reappointment.
4. To approve re-appointment of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors for a further period of five years.
5. To appoint Mr. David Brent Platt (DIN: 0008424532) as a Non-Executive and Non-Independent Director of the Company.
6. To approve re-appointment of Mr. Arun Duggal (DIN: 00024262) as an Independent Director of the Company for a second term.
7. To approve re-appointment of Ms. Ranjana Agarwal (DIN: 03340032) as an Independent Director of the Company for a second term.
8. To approve re-appointment of Ms. Radhika Vijay Haribhakti (DIN: 02409519) as an Independent Director of the Company for a second term.

Signed this.....day of....., 2019

Signature of Shareholder

Signature of Proxy holder(s)



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

This page has been intentionally left blank.

ICRA LIMITED

Corporate Identity Number (CIN): L74999DL1991PLC042749

Registered Office:

1105, Kailash Building, 11th Floor,
 26, Kasturba Gandhi Marg, New Delhi-110 001
 Telephone No.: +91.11.23357940-45 Website: www.icra.in Email ID: investors@icraindia.com

ATTENDANCE SLIP

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

I hereby record my presence at the Twenty-Eighth Annual General Meeting of the Company held on Saturday, the 28th day of September, 2019, at 3:30 p.m. at Sri Sathya Sai International Centre, Bhasham Pitamah Marg, Lodhi Road, New Delhi-110003.

 Name of the Member/Proxy
 (in block letters)

 Member's/Proxy's Signature

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

Route map to the venue of the AGM

