

July 14, 2020

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

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: - Outcome of the Board Meeting dated July 14, 2020; commenced at 6:40 pm and concluded at 8:35 pm

I. Audited Financial Results

Pursuant to Regulations 30, 33 and any other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the audited Financial Results (Standalone and Consolidated) of ICRA Limited (the "Company") for the quarter and year ended March 31, 2020, reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on July 14, 2020.

Please also find enclosed the Auditors Reports submitted by M/s. B S R & Co. LLP, Chartered Accountants, (FRN: 101248W/W-100022), the Statutory Auditors of the Company.

Please also find attached statements on impact of audit qualifications.

II. Dividend

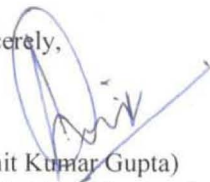
Pursuant to Regulation 30 and other applicable provisions of the Listing Regulations, please be informed that the Board of Directors has recommended a dividend of Rs. 27 per equity share of the face value of Rs. 10 each for the financial year ended March 31, 2020.

We shall inform you in due course of the date on which the Company will hold its Annual General Meeting for the financial year ended March 31, 2020 and the date on which dividend, if approved by the members, will be paid or warrants thereof despatched to the members.

Kindly take the above on record.

Regards,

Sincerely,


(Amit Kumar Gupta)
Whole-time Director & General Counsel
DIN: 00352927



Encl.: As above

B S R & Co. LLP

Chartered Accountants

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors OF ICRA Limited

Report on the audit of the Consolidated Annual Financial Results

Qualified Opinion

We have audited the accompanying Consolidated Annual Financial Results of ICRA Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects, if any, of the matter described in the "Basis for Qualified Opinion" section of our report and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid Consolidated Annual Financial Results:

- a. include the Annual Financial Results of the following entities:

Parent:

ICRA Limited

Subsidiaries:

ICRA Analytics Limited (*formerly known as ICRA Online Limited*)

Pragati Development Consulting Services Limited

ICRA Nepal Limited

ICRA Lanka Limited

PT ICRA Indonesia

ICRA Employees Welfare Trust

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2020.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-ET181) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

Basis for Qualified Opinion

Attention is drawn to note no. 7 of the Consolidated Annual Financial Results, wherein it is explained that the Company is in the process of addressing certain ongoing matters.

First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of INR 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of INR 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.

Second, the Board of Directors ("Board") had appointed external experts to examine and report on anonymous representations making certain allegations against two former officials, which were forwarded to the Company by SEBI ("Representations"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts to examine such allegations.

Based on our sighting and briefing of the findings of the external experts, the findings indicate that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The aforesaid officials are no longer in the employment of the Company. The external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.

Based on our sighting and briefing of the findings of the second set of external experts, the findings do not indicate any material deficiencies with applicable regulations and Company policies.

The findings of the external experts have been presented to the Board members. As informed to us, the Board is in the process of taking steps with regard to the outcome of the examinations.

Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.

Fourth, the Company had 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. As informed to us, the Company had submitted its responses to SEBI on such observations dated 14 August 2019 and there has been no further development in this matter.

While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the Consolidated Annual Financial Results for the year ended 31 March 2020.

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group and its joint ventures (including a subsidiary of a joint venture 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 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 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 qualified audit opinion on the Consolidated Annual Financial Results.

Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results

These Consolidated Annual Financial Results have been prepared on the basis of the Consolidated Annual Financial Statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit / loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and 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 of the assets of each 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 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 Annual Financial Results 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 Annual Financial Results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Annual Financial Results, the Management and the respective 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 the respective Board of Directors 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 Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Annual Financial Results 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 Annual Financial Results.

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 Annual Financial Results, 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 through a separate report on the complete set of Financial Statements 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 in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 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 annual financial results 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Annual Financial Results, including the disclosures, and whether the Consolidated Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Annual Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Annual Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Annual Financial Results, 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 communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Annual Financial Results 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.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- (a) The Consolidated Annual Financial Results include the audited financial statements of three subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 5,552.88 lacs as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. 656.44 lacs, total net profit after tax (and other comprehensive income) (before consolidation adjustments) of Rs. 420.89 lacs and net cash outflows (before consolidation adjustments) of Rs. 39.09 lacs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management and our opinion on the Consolidated Annual Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in paragraph above.

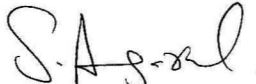
Certain of these subsidiaries are located outside India, whose financial statements have been prepared in accordance with the accounting principles generally accepted in their respective countries. The Holding Company's management has converted the financial statements of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the financial statements of such subsidiary companies located outside India is based on the report of other auditors and conversion adjustments prepared by the management and audited by us.

- (b) The Consolidated Annual Financial Results include the unaudited financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of Rs. 1.01 lacs as at 31 March 2020, total revenue (before consolidation adjustments) of Rs. Nil and total net loss after tax (before consolidation adjustments) of Rs. 5.37 lacs, and net cash inflows (before consolidation adjustments) of Rs. 0.06 lacs for the year ended on that date, as considered in the Consolidated Annual Financial Results. This unaudited financial information has been furnished to us by the Board of Directors and our opinion on the Consolidated Annual Financial Results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such annual financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.

Our opinion on the Consolidated Annual Financial Results 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 information certified by the Board of Directors.

- (c) The Consolidated Annual Financial Results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Shashank Agarwal
Partner
Membership No.: 095109
ICAI UDIN: 20095109AAAEN6918

Place: Gurugram
Date : 14 July 2020



STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020						
(Rupees in lakh, except share data, per share data and where otherwise stated)						
S.No	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		Audited (Refer note 10)	Unaudited	Audited	Audited	Audited
	Income					
	I Revenue from operations	8,706.50	7,935.61	8,365.24	32,108.84	32,806.00
	II Other income	1,249.68	1,167.48	1,164.34	4,796.75	4,479.57
	III Total income (I+II)	9,956.18	9,103.09	9,529.58	36,905.59	37,285.57
	Expenses					
	IV Employee benefit expenses	3,382.49	4,323.11	3,983.96	16,166.87	16,079.68
	V Finance costs	53.76	55.82	4.93	204.47	7.48
	VI Depreciation and amortisation expense	267.41	264.15	163.23	1,029.01	562.24
	VII Other expenses	2,062.33	1,369.03	1,645.14	6,357.65	5,432.36
	VIII Total expenses (IV to VII)	5,765.99	6,012.11	5,797.26	23,758.00	22,081.76
	IX Profit before tax (III-VIII)	4,190.19	3,090.98	3,732.32	13,147.59	15,203.81
	Tax expense:					
	Current tax	1,027.37	978.26	1,112.71	3,707.31	4,278.80
	Deferred tax	(322.83)	(139.76)	(21.72)	(283.49)	330.45
	X Total tax expense	704.54	838.50	1,090.99	3,423.82	4,609.25
	XI Profit after tax (IX-X)	3,485.65	2,252.48	2,641.33	9,723.77	10,594.56
	Other comprehensive income					
	A (i) Items that will not be reclassified to profit or (loss)	(37.98)	(13.91)	15.97	(85.40)	(46.11)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)	9.66	2.71	(4.51)	21.59	13.36
	B (i) Items that will be reclassified to profit or (loss)	1.55	1.17	2.18	1.28	(5.39)
	(ii) Income tax relating to items that will be reclassified to profit or (loss)	-	-	-	-	-
	XII Other comprehensive income, net of income tax (A+B)	(26.77)	(10.03)	13.64	(62.53)	(38.14)
	XIII Total comprehensive income for the period (XI+XII)	3,458.88	2,242.45	2,654.97	9,661.24	10,556.42
	XIV Net Profit attributable to:					
	(a) Owners of the company	3,458.46	2,219.62	2,615.83	9,617.50	10,540.30
	(b) Non-controlling interest	27.19	32.86	25.50	106.27	54.26
	XV Other comprehensive income attributable to:					
	(a) Owners of the company	(26.77)	(10.03)	13.64	(62.53)	(36.22)
	(b) Non-controlling interest	-	-	-	-	(1.92)
	XVI Total comprehensive income attributable to:					
	(a) Owners of the company	3,431.69	2,209.59	2,629.47	9,554.97	10,504.08
	(b) Non-controlling interest	27.19	32.86	25.50	106.27	52.34
	XVII Paid up equity share capital (Face value : Rs. 10 per share)	965.12	965.12	965.12	965.12	965.12
	XVIII Other equity				69,196.35	63,122.31
	XIX Earnings per equity share (Rs.) (Face value of Rs. 10 per share):					
	Basic	35.95	23.08	27.19	99.98	108.03
	Diluted	35.95	23.08	27.17	99.98	107.98

See accompanying notes to the consolidated audited financial results

Notes:

1 Consolidated Statement of Assets and Liabilities are given below:

S.No	Particulars	As at 31/03/2020	As at 31/03/2019
		Audited	Audited
A. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment		5,252.48	3,230.73
(b) Goodwill		122.53	122.53
(c) Other intangible assets		74.60	30.24
(d) Intangible assets under development		204.19	140.21
(e) Financial assets			
(i) Investments		2,426.55	10,402.23
(ii) Loans		445.43	443.14
(iii) Other financial assets		2,106.88	4,193.15
(f) Deferred tax assets (net)		642.20	337.12
(g) Non-current tax asset (net)		1,178.75	1,204.73
(h) Other non-current assets		83.47	396.34
Total non-current assets		12,537.08	20,500.42
2 Current assets			
(a) Financial assets			
(i) Investments		7,969.99	7,747.76
(ii) Trade receivables		5,719.47	3,380.54
(iii) Cash and cash equivalents		1,620.82	2,442.15
(iv) Bank balances other than (iii) above		51,057.83	38,306.47
(v) Loans		36.06	53.79
(vi) Other financial assets		4,171.95	3,295.58
(b) Other current assets		1,411.89	1,116.15
(c) Assets held for sale		27.74	27.74
Total current assets		72,015.75	56,370.18
Total assets		84,552.83	76,870.60
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital		965.12	965.12
(b) Other equity		69,196.35	63,122.31
Equity attributable to equity holders of parent		70,161.47	64,087.43
Non-controlling interests		258.58	172.91
Total equity		70,420.05	64,260.34
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities		1,922.58	160.21
(b) Provisions		708.47	589.64
(c) Other non-current liabilities		-	0.27
Total non-current liabilities		2,631.05	750.12
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(A) Total outstanding dues of micro and small enterprises		11.39	6.35
(B) Total outstanding dues of creditors other than micro and small enterprises		1,540.87	1,040.01
(ii) Other financial liabilities		1,163.76	1,719.18
(b) Provisions		2,368.91	2,726.81
(c) Current tax liabilities (net)		300.25	162.91
(d) Other current liabilities		6,116.55	6,204.88
Total current liabilities		11,501.73	11,860.14
Total liabilities		14,132.78	12,610.26
Total equity and liabilities		84,552.83	76,870.60



2 Segment wise revenue, results and capital employed:						
Sr. No.	Particulars	Quarter ended 31/03/2020	Quarter ended 31/12/2019	Quarter ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
		Audited (Refer note 10)	Unaudited	Audited	Audited	Audited
(i)	Segment revenue:					
	(a) Rating, research and other services	5,449.18	5,443.62	5,948.14	21,434.70	23,443.90
	(b) Consulting services	1,057.37	420.02	537.61	2,477.12	2,063.85
	(c) Outsourced and information services	2,276.52	2,136.91	1,963.14	8,548.71	7,564.79
	Total segment revenue	8,783.07	8,000.55	8,448.89	32,460.53	33,072.54
	Less: Inter-segment revenue	(76.57)	(64.94)	(83.65)	(351.69)	(266.54)
	Total revenue	8,706.50	7,935.61	8,365.24	32,108.84	32,806.00
(ii)	Segment results:					
	(Profit before tax and other income from each segment)					
	(a) Rating, research and other services	1,969.24	1,294.48	1,985.37	5,530.13	8,899.99
	(b) Consulting services	45.95	(108.84)	(30.58)	(195.48)	(569.12)
	(c) Outsourced and information services	928.13	804.61	664.84	3,260.05	2,593.08
	Total segment results	2,943.32	1,990.25	2,619.63	8,594.70	10,923.95
	Less: Finance costs	(53.76)	(55.82)	(4.93)	(204.47)	(7.48)
	Add: Unallocable income net of unallocable expenses	1,300.63	1,156.55	1,117.62	4,757.36	4,287.34
	Profit before tax	4,190.19	3,090.98	3,732.32	13,147.59	15,203.81
(iii)	Segment assets:					
	(a) Rating, research and other services	7,974.59	8,328.15	4,561.17	7,974.59	4,561.17
	(b) Consulting services	1,747.34	1,277.04	1,155.13	1,747.34	1,155.13
	(c) Outsourced and information services	5,510.60	3,750.81	4,427.70	5,510.60	4,427.70
	(d) Unallocable	69,320.30	69,825.48	66,726.60	69,320.30	66,726.60
	Total segment assets	84,552.83	83,181.48	76,870.60	84,552.83	76,870.60
(iv)	Segment liabilities:					
	(a) Rating, research and other services	11,242.62	13,476.73	10,384.20	11,242.62	10,384.20
	(b) Consulting services	1,004.93	1,097.45	847.75	1,004.93	847.75
	(c) Outsourced and information services	1,622.97	1,437.68	1,240.86	1,622.97	1,240.86
	(d) Unallocable	262.26	184.59	137.45	262.26	137.45
	Total segment liabilities	14,132.78	16,196.45	12,610.26	14,132.78	12,610.26
3 Consolidated Cash Flow Statement for the year ended March 31, 2020						
Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019			
	Audited		Audited			
A. Cash flow from operating activities						
Profit before tax	13,147.59		15,203.81			
Adjustments for:						
Depreciation and amortisation expense	1,029.01		562.24			
Bad debts/ advances written off (net of provisions)	163.99		443.58			
Loss on sale/ write off of property, plant and equipment (net)	19.17		-			
Interest on lease liabilities	203.00		-			
Short term lease rental	61.79		-			
Other interest costs	1.47		7.48			
Unrealised foreign exchange loss/ (gain) (net)	(0.23)		9.29			
Interest income on fixed deposits	(3,696.29)		(2,705.16)			
Interest income on investments	(639.27)		(429.48)			
Gain on financial assets carried at FVTPL (net)	(314.52)		(1,116.82)			
Advances received from customers written back	(178.91)		(195.97)			
Profit on sale of property, plant and equipment (net)	-		(58.06)			
Adjustment on adoption of Ind AS 115	-		(146.94)			
Operating cash flow before changes in operating assets and liabilities	9,796.80		11,573.97			
Adjustments for changes in operating assets and liabilities						
(Increase)/ decrease in trade receivables	(2,664.74)		669.46			
(Increase)/ decrease in loans	15.44		(150.06)			
(Increase)/ decrease in other financial assets	(476.91)		(434.84)			
(Increase)/ decrease in other assets	(348.87)		(691.12)			
Increase/ (decrease) in trade payables	505.90		275.53			
Increase/ (decrease) in other financial liabilities	(917.56)		1,014.37			
Increase/ (decrease) in other liabilities	90.31		(201.69)			
Increase/ (decrease) in provisions	(324.47)		206.83			
Cash generated from operations before tax	5,675.90		12,262.45			
Taxes paid, net of refund	(3,543.99)		(4,177.07)			
Net cash generated from operating activities (A)	2,131.91		8,085.38			
B. Cash flow from investing activities:						
Purchase of property, plant and equipment, intangible assets and intangible assets under development including capital	(406.09)		(471.31)			
Sale proceeds from property, plant and equipment and intangible assets	18.37		461.03			
Sale proceeds from redemption/ disposal of mutual funds	8,290.21		18,382.49			
Investments (made in)/ redemption in corporate deposits (net)	(222.23)		(1,568.01)			
Interest received on investments	653.21		482.55			
(Increase)/ decrease in fixed deposits (having maturity of more than three months), net	(10,678.37)		(14,505.69)			
Interest received on fixed deposits	3,459.50		1,689.58			
Net cash generated/ (used) in investing activities (B)	1,114.60		4,470.64			
C. Cash flow from financing activities						
Payment towards buy back of shares	-		(8,539.88)			
Payment of lease liabilities	(306.35)		-			
Interest paid on lease liabilities	(203.00)		-			
Payment of short term leases	(61.79)		-			
Dividend paid	(2,906.39)		(2,971.87)			
Dividend distribution tax paid	(595.15)		(610.69)			
(Decrease)/ increase in unclaimed dividend	4.84		(0.21)			
Proceeds from transfer of shares to employees under employees stock options scheme	-		28.81			
Net cash generated/ (used) in financing activities (C)	(4,067.84)		(12,093.84)			
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(821.33)		462.18			
Add: Cash and cash equivalents at the beginning of year	2,442.15		1,979.97			
Cash and cash equivalents at the end of the year	1,620.82		2,442.15			



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

- 4 With effect from April 1, 2019, the Company has adopted Ind AS 116, 'Leases' and applied 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 has not restated comparative information. As on April 1, 2019, the Company has recognized a right of use asset at an amount equivalent to the lease liability amounting to Rs. 2,622.49 lakh and consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019.

In the statement of profit and loss, the nature of expense in respect of operating leases has changed from rent to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. The effect of adoption of Ind AS 116 on these financial results is as follows:

Impact on adoption of Ind AS 116	Quarter ended 31/03/2020	Quarter ended 31/12/2019	Year ended 31/03/2020
	Audited (Refer note 10)	Unaudited	Audited
Finance costs	53.77	55.81	203.00
Depreciation and amortisation expense	136.34	115.47	477.44
Other expenses	(132.85)	(130.09)	(514.85)
Total expenses	57.26	41.19	165.59
Profit before tax	(57.26)	(41.19)	(165.59)
Tax expense	(14.42)	(10.36)	(41.68)
Profit after tax	(42.84)	(30.83)	(123.91)
Earnings per equity share (Basic and Diluted) (Rs.)	(0.45)	(0.32)	(1.28)

(Positive amount represents increase and negative amount represents decrease)

- 5 The Board of Directors, at its meeting held on July 14, 2020, has recommended a dividend of Rs. 27 per equity share for the financial year ended March 31, 2020. The proposal is subject to the approval of members at the forthcoming Annual General Meeting.

- 6 The Scheme of Amalgamation ('Scheme') of ICRA Management Consulting Services Limited with ICRA Online Limited (both wholly owned subsidiaries of the Company) approved by the Board of Directors of the Company on August 9, 2018, was filed with the National Company Law Tribunal ('NCLT'), New Delhi and Kolkata. NCLT, New Delhi and Kolkata sanctioned the said Scheme and the orders were filed with the Registrar of Companies ('ROC'), Delhi and Kolkata on June 19, 2019 and November 15, 2019 respectively. Upon filing the order with the ROC, Kolkata, the scheme has become effective.

The Group had given the accounting effect of the Scheme, under the 'pooling of interest' method in accordance with Appendix C of Ind AS 103 'Business Combination' in the quarter ended September 30, 2019, as it was reasonably certain that post receipt of the certified copy of the order, the same will be filed with ROC. Consequently, the figures for previous quarters and periods as presented in the consolidated financial results which were earlier approved by the Board of Directors at their respective meetings have been re-presented only to give effect to the aforesaid Scheme. W.e.f. February 7, 2020, the merged entity has been renamed as "ICRA Analytics Limited".

- 7 The Company is in the process of addressing certain ongoing matters.

First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of Rs. 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enforcement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of Rs. 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. The Company has made adequate provision in this regard. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.

Second, the Board of Directors ("Board") had appointed external experts to examine and report on anonymous representations making certain allegations against two former officials which were forwarded to the Company by SEBI ("Representations"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts, to examine such allegations.

The external experts examining the Representations have concluded their examination and the findings indicate that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The aforesaid officials are no longer in the employment of the Company.

The external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.

The findings of the second set of external experts do not indicate any material deficiencies with applicable regulations and Company policies.

The findings of the external experts have been presented to the Board members. The Board is in the process of taking appropriate steps in the best interest of the Company and its various stakeholders with regard to the outcome of the examination.

Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.

Fourth, the Company had 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 had submitted its responses to SEBI on such observations dated 14 August 2019. There has been no further development in this matter.

While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the above matters is currently unascertainable. However, based on the legal opinions given by the reputed external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.

- 8 The lockdown imposed by the Central and most State Governments to contain the spread of COVID-19 has led to a steep decline in activity levels in the economy across sectors – manufacturing as well as service – that is expected to result in a sharp contraction in GDP of about 5%, as per ICRA's estimates, in financial year 2021. Fresh issuances from corporates, including finance companies, has been restricted to few entities which has impacted the fresh ratings business. This impact, however, has been mitigated to some extent by the spurt in rating opportunities due to issuances that got funded by the Reserve Bank of India's (RBI) Targeted Long-Term Repo Operations (TLTRO) which was a key step towards providing liquidity to corporates, and the refinancing opportunities that arose because of easing in monetary policy leading to fall in yields. Rating opportunities in the near term are going to depend, inter alia, on revival in economic activity, trajectory of interest rates and Government spending to revive manpower intensive sectors that in turn would spur consumption. Investment by private sector companies would additionally, depend on access to funding, as lenders as well as investors have turned risk averse. Further, no significant impact has been observed on Consulting and Outsourced & Information services.

In terms of operations, the Group is well geared to serve its clients and market participants without any disruption in the service levels. To mitigate any risk to employees, Group extended remote work for all employees across all locations and demonstrated its ability to provide seamless delivery of high-quality and timely services to its clients even during the lockdown.

In view of the pandemic relating to COVID-19, the Group has considered internal and external information and has performed an analysis based on current estimates on the entities capital and financial resources, profitability, liquidity position, assets, internal financial reporting and control, and demand for the entity's services. The Group is of the view that based on its present assessment this situation does not materially impact the entity's capital and financial resources. However, the actual impact of COVID-19 may differ from that estimated due to unforeseen circumstances and the entity's will continue to closely monitor any material changes to future economic conditions and consequential impact on its consolidated financial statements.

- 9 The previous periods figures have been regrouped/ reclassified wherever considered necessary to make them comparable with those of the current periods classification.

- 10 The above Statement of consolidated audited financial results are reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on July 14, 2020 and audited by the Statutory Auditors of the Company. The figures for the quarter ended March 31, 2020, as reported in these consolidated financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. The figures upto the end of third quarter had only been reviewed and not subject to audit and a qualified report (in respect of matter described in Note-7 above) has been issued. The report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details on consolidated audited financial results, visit Investors section of the Company's website at www.icra.in and Financial Results under Corporates section of www.nseindia.com and www.bseindia.com.

By Order of the Board of Directors

Amit Kumar Gupta

Whole-time Director & General Counsel

(DIN: 00352927)

Place: Gurugram

Dated: July 14, 2020


ICRA Limited

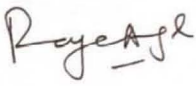
Statement on Impact of Audit Qualifications for the financial year ended March 31, 2020 on the Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rupees in lakh, except per share data)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	36,905.59	36,905.59
	2.	Total Expenditure	23,758.00	23,758.00
	3.	Net Profit/(Loss) ^{&}	9,723.77	9,723.77
	4.	Earnings Per Share [*]	99.98	99.98
	5.	Total Assets	84,552.83	84,552.83
	6.	Total Liabilities	14,132.78	14,132.78
	7.	Net Worth	70,420.05	70,420.05
	8.	Any other financial item(s) (as felt appropriate by the management)	Not applicable	Not applicable
^{&} PAT before comprehensive gain/(loss) [*] Earnings Per Share (Rs.) (Basic)				
II.	Audit Qualification (each audit qualification separately):			
	1	<p>Report on the Audit of the Consolidated Financial Results</p> <p>Attention is drawn to note 6 of the Consolidated Annual Financial Results, wherein it is explained that the Company is in the process of addressing certain ongoing matters.</p> <p>First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of INR 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of INR 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.</p> <p>Second, the Board of Directors ("Board") had appointed external experts to examine and report on anonymous representations making certain allegations against two former officials, which were forwarded to the Company by SEBI ("Representations"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts to examine such allegations.</p> <p>Based on our sighting and briefing of the findings of the external experts, the findings indicate that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The</p>		

		<p>aforesaid officials are no longer in the employment of the Company. The external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.</p> <p>Based on our sighting and briefing of the findings of the second set of external experts, the findings do not indicate any material deficiencies with applicable regulations and Company policies.</p> <p>The findings of the external experts have been presented to the Board members. As informed to us, the Board is in the process of taking steps with regard to the outcome of the examinations.</p> <p>Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.</p> <p>Fourth, the Company had 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. As informed to us, the Company had submitted its responses to SEBI on such observations dated 14 August 2019 and there has been no further development in this matter.</p> <p>While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the Consolidated Annual Financial Results for the year ended 31 March 2020.</p>
A		<p>Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified Opinion</p>
B		<p>Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>First time</p>
C		<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Not applicable</p>
D		<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Not applicable</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the</p>

			<p>above matters is currently unascertainable. However, based on the legal opinions given by the reputed external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.</p>
		<p>Auditors' Comments on (i) or (ii) above:</p>	<p>While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the Consolidated Annual Financial Results for the year ended 31 March 2020.</p>
	2	<p>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</p> <p>Because of the effects/possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls over financial reporting were not operating effectively as at 31 March 2020, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by the Company 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").</p> <p>We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Financial Statements of the Company for the year ended 31 March 2020 and the material weaknesses have affected our opinion on the said Consolidated Financial Statements and we have issued a qualified opinion on the said Consolidated Financial Statements.</p> <p>As explained inter-alia in the "Basis for Qualified Opinion" section of our Audit Report on the Consolidated Financial Statements for the year ended 31 March 2020, pursuant to examinations by the external experts appointed by the Board of Directors of the Company of anonymous representations received by the Company, non-compliances of certain applicable regulations and Company policies relating to credit rating activities, including override of certain internal controls by senior management officials, have been identified, which indicates that the control environment was ineffective as at 31 March 2020. This could potentially result in legal/ penal implications for the Company. The Company is in the process of undertaking remedial steps over a defined period of time towards strengthening its control environment. Pending the outcome of aforesaid non-</p>	

		compliances and conclusion of certain other ongoing matters, the completeness of identification of control deficiencies cannot be ascertained.
A	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Adverse Opinion
B	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
C	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not applicable
D	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	Not applicable
	(ii) If management is unable to estimate the impact, reasons for the same:	While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the above matters is currently unascertainable. However, based on the legal opinions given by the reputed external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.
	Auditors' Comments on (i) or (ii) above:	Pending the outcome of aforesaid non-compliances and conclusion of certain other ongoing matter, the completeness of identification of control deficiencies cannot be ascertained.
III.	Signatories:	
	CEO/Managing Director	For ICRA Limited AMIT KUMAR GUPTA  Amit Kumar Gupta Whole-time Director & General Counsel
	CFO	For ICRA Limited Digitally signed by VIPUL AGARWAL Date: 2020.07.14 21:03:26 +05'30' Vipul Agarwal Interim Chief Operating Officer & Group Chief Financial Officer
	Audit Committee Chairman	For ICRA Limited

Audit Committee Chairman	<p>For ICRA Limited</p>  <p>Ranjana Agarwal Chairperson, Audit Committee</p>
Statutory Auditor	<p>For B S R & Co. LLP <i>Chartered Accountants</i> Firm's Registration No.101248W/ W-100022</p> <p>SHASHANK Digitally signed by AGARWAL SHASHANK AGARWAL Date: 2020.07.14 21:45:37 +05'30'</p> <p>Shashank Agarwal <i>Partner</i> Membership No. 095109</p>
Place: Gurugram	
Date: July 14, 2020	

B S R & Co. LLP

Chartered Accountants

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

Telephone: +91 124 719 1000
Fax: +91 124 235 8613

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors OF ICRA Limited

Report on the audit of the Standalone Annual Financial Results

Qualified Opinion

We have audited the accompanying Standalone Annual Financial Results of ICRA Limited (hereinafter referred to as the "Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects, if any, of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid Standalone Annual Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2020.

Basis for Qualified Opinion

Attention is drawn to note no. 7 of the Standalone Annual Financial Results, wherein it is explained that the Company is in the process of addressing certain ongoing matters.

First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of INR 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of INR 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.

B S R & Co. (a partnership firm with Registration No. 8A91223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. A4B-B1B1) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Aurilio Mills Compound
N.M. Joshi Marg, Mahabaleshwar
Mumbai - 400 011

Second, the Board of Directors ("Board") had appointed external experts to examine and report on anonymous representations making certain allegations against two former officials, which were forwarded to the Company by SEBI ("Representations"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts to examine such allegations.

Based on our sighting and briefing of the findings of the external experts, the findings indicate that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The aforesaid officials are no longer in the employment of the Company. The external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.

Based on our sighting and briefing of the findings of the second set of external experts, the findings do not indicate any material deficiencies with applicable regulations and Company policies.

The findings of the external experts have been presented to the Board members. As informed to us, the Board is in the process of taking steps with regard to the outcome of the examinations.

Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.

Fourth, the Company had 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. As informed to us, the Company had submitted its responses to SEBI on such observations dated 14 August 2019 and there has been no further development in this matter.

While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the Standalone Annual Financial Results for the year ended 31 March 2020.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* 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 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 qualified audit opinion on the Standalone Annual Financial Results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These Standalone Annual Financial Results have been prepared on the basis of the Standalone Annual Financial statements.



The Company's Management and the Board of Directors are responsible for the preparation and presentation of these Standalone Annual Financial Results that give a true and fair view of the net profit / loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 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 Standalone Annual Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Annual Financial Results, the Management and the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Annual Financial Results 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 Annual Financial Results.

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 Annual Financial Results, 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 through a separate report on the complete set of Financial Statements 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 in the Standalone Annual Financial Results made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 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 Standalone Annual Financial Results 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 Annual Financial Results, including the disclosures, and whether the Standalone Annual Financial Results 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.

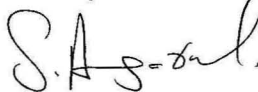
Other Matter

- a) The Standalone Annual Financial Results include the results for the quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W / W-100022



Shashank Agarwal

Partner

Membership No.: 095109

ICAI UDIN: 20095109AAAEM8418

Place : Gurugram

Date : 14 July 2020



STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020					
(Rupees in lakh, except share data, per share data and where otherwise stated)					
S. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended
		31/03/2020	31/12/2019	31/03/2019	31/03/2020
		Audited	Unaudited	Audited	Audited
		(Refer note 10)			
	Income				
I	Revenue from operations	5,276.38	5,270.01	5,792.43	20,778.26
II	Other income	1,000.02	994.39	1,009.06	4,057.40
III	Total income (I+II)	6,276.40	6,264.40	6,801.49	24,835.66
	Expenses				
IV	Employee benefit expenses	1,954.13	2,894.45	2,574.70	10,510.73
V	Finance costs	44.60	45.64	0.77	166.22
VI	Depreciation and amortisation expense	133.42	138.92	73.05	537.64
VII	Other expenses	1,284.07	1,001.23	1,221.42	4,415.87
VIII	Total expenses (IV to VII)	3,416.22	4,080.24	3,869.94	15,630.46
IX	Profit before tax (III-VIII)	2,860.18	2,184.16	2,931.55	9,205.20
	Tax expense:				
	Current tax	698.54	774.78	919.07	2,706.57
	Deferred tax	53.16	(181.34)	(16.40)	0.65
X	Total tax expense	751.70	593.44	902.67	2,707.22
XI	Profit after tax (IX-X)	2,108.48	1,590.72	2,028.88	6,497.98
	Other comprehensive income				
A	(i) Items that will not be reclassified to profit or (loss)	(19.93)	(22.06)	3.99	(71.95)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)	5.02	5.55	(1.16)	18.11
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 (A+B)	(14.91)	(16.51)	2.83	(53.84)
XIII	Total comprehensive income for the period (XI+XII)	2,093.57	1,574.21	2,031.71	6,444.14
XIV	Paid up equity share capital (Face value : Rs. 10 per share)	965.12	965.12	965.12	965.12
XV	Other equity				57,287.92
XVI	Earnings per equity share (Rs.) (Face value of Rs. 10 per share):				
	Basic	21.92	16.53	21.15	67.55
	Diluted	21.92	16.53	21.15	67.55
See accompanying notes to the standalone audited financial results					
Notes:					
1 Standalone Balance Sheet as at March 31, 2020:					
S. No.	Particulars	As at 31/03/2020		As at 31/03/2019	
		Audited		Audited	
A. ASSETS					
1 Non-current assets					
(a)	Property, plant and equipment	2,879.24		1,065.00	
(b)	Intangible assets	2.52		3.48	
(c)	Intangible assets under development	188.18		126.73	
(d)	Financial assets				
	(i) Investments	5,118.64		13,094.32	
	(ii) Loans	379.17		370.21	
	(iii) Other financial assets	775.35		2,490.57	
(e)	Deferred tax assets (net)	417.20		399.74	
(f)	Non-current tax asset (net)	742.01		722.45	
(g)	Other non-current assets	11.58		302.23	
	Total non-current assets	10,513.89		18,574.73	
2 Current assets					
(a)	Financial assets				
	(i) Investments	7,969.99		7,747.76	
	(ii) Trade receivables	3,339.31		1,942.56	
	(iii) Cash and cash equivalents	148.07		1,266.18	
	(iv) Bank balances other than (iii) above	43,376.35		32,628.13	
	(v) Loans	21.93		29.43	
	(vi) Other financial assets	2,186.75		1,933.79	
(b)	Other current assets	805.28		539.85	
(c)	Assets held for sale	27.74		27.74	
	Total current assets	57,875.42		46,115.44	
	Total assets	68,389.31		64,690.17	
B EQUITY AND LIABILITIES					
1 Equity					
(a)	Equity share capital	965.12		965.12	
(b)	Other equity	57,287.92		53,859.47	
	Total equity	58,253.04		54,824.59	
Liabilities					
2 Non-current liabilities					
(a)	Financial liabilities				
	(i) Other financial liabilities	1,588.55		148.81	
(b)	Provisions	152.57		139.29	
(c)	Other non-current liabilities	-		0.27	
	Total non-current liabilities	1,741.12		288.37	
3 Current liabilities					
(a)	Financial liabilities				
	(i) Trade payables				
	(A) Total outstanding dues of micro and small enterprises	10.37		1.53	
	(B) Total outstanding dues of creditors other than micro and small enterprises	928.18		475.63	
	(ii) Other financial liabilities	687.74		1,442.36	
(b)	Provisions	1,547.99		2,055.17	
(c)	Current tax liabilities (net)	107.47		139.96	
(d)	Other current liabilities	5,113.40		5,462.56	
	Total current liabilities	8,395.15		9,577.21	
	Total liabilities	10,136.27		9,865.58	
	Total equity and liabilities	68,389.31		64,690.17	



Particulars	For the year ended March 31, 2020 Audited	For the year ended March 31, 2019 Audited	
2 Standalone Cash Flow Statement for the year ended March 31, 2020			
A. Cash flow from operating activities			
Profit before tax	9,205.20	13,106.67	
Adjustments for-			
Depreciation and amortisation expense	537.64	243.42	
Bad debts/ advances written off (net of provisions)	213.71	136.96	
Loss on sale/ write off of property, plant and equipment (net)	0.43	-	
Interest on lease liabilities	164.75	-	
Other interest costs	1.47	3.32	
Short term lease rentals	18.44	-	
Long term individual payout funded through Trust	474.83	279.95	
Interest income on fixed deposits	(3,013.67)	(2,224.80)	
Interest income on investments	(639.27)	(428.65)	
Gain on financial assets carried at FVTPL (net)	(314.52)	(1,116.82)	
Advances received from customers written back	(178.91)	(195.97)	
Dividend from subsidiary companies	(21.47)	(550.51)	
Profit on sale of property, plant and equipment (net)	-	(63.96)	
Adjustment on adoption of Ind AS 115	-	(146.94)	
Operating cash flow before changes in operating assets and liabilities	6,448.63	9,042.67	
Adjustments for changes in operating assets and liabilities			
(Increase)/ decrease in trade receivables	(1,609.79)	385.45	
(Increase)/ decrease in loans	(1.46)	(181.55)	
(Increase)/ decrease in other financial assets	(109.08)	19.51	
(Increase)/ decrease in other assets	(313.76)	(425.34)	
Increase/ (decrease) in trade payables	461.39	137.75	
Increase/ (decrease) in other financial liabilities	(1,085.00)	739.02	
Increase/ (decrease) in other liabilities	(170.52)	(226.62)	
Increase/ (decrease) in provisions	(565.85)	(14.42)	
Cash generated from operations before tax	3,054.56	9,476.47	
Taxes paid, net of refund	(2,757.55)	(3,435.45)	
Net cash generated from operating activities (A)	297.01	6,041.02	
B. Cash flow from investing activities			
Purchase of property, plant and equipment, intangible assets and intangible assets under development including capital advances	(146.22)	(242.62)	
Sale proceeds from property, plant and equipment and intangible assets	10.25	455.87	
Sale proceeds from redemption/ disposal of mutual funds	8,290.20	18,351.27	
Investment (made in)/ redemption in corporate deposits (net)	(222.23)	(1,568.01)	
Interest received on investments	653.21	480.50	
(Increase)/ decrease in fixed deposits (having maturity of more than three months), (net)	(9,040.68)	(13,807.22)	
Interest received on fixed deposits	2,870.51	1,385.56	
Dividend received from subsidiary companies	12.75	547.32	
Net cash generated/ (used) in investing activities (B)	2,427.79	5,602.67	
C. Cash flow from financing activities			
Payment towards buy back of shares	-	(8,539.88)	
Payment of lease liabilities	(174.04)	-	
Interest paid on lease liabilities	(164.75)	-	
Short term lease rentals	(18.44)	-	
Dividend paid	(2,895.37)	(2,970.99)	
Dividend distribution tax paid	(595.15)	(500.29)	
(Decrease)/ increase in unclaimed dividend	4.84	(0.21)	
Net cash generated (used) in financing activities (C)	(3,842.91)	(12,011.37)	
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(1,118.11)	(367.68)	
Add: Cash and cash equivalents at the beginning of year	1,266.18	1,633.86	
Cash and cash equivalents at the end of the year	148.07	1,266.18	
3 The Company's business activity falls within a single primary operating segment viz. "Rating, research and other services". The operating segment has been defined based on regular review by the Company's Chief Operating Decision Maker to assess the performance of the Company and to make decision about allocation of resources.			
4 With effect from April 1, 2019, the Company has adopted Ind AS 116, 'Leases' and applied 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 has not restated comparative information. As on April 1, 2019, the Company has recognized a right of use asset at an amount equivalent to the lease liability amounting to Rs. 2,126.05 lakh and consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019. In the statement of profit and loss, the nature of expense in respect of operating leases has changed from rent to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. The effect of adoption of Ind AS 116 on these financial results is as follows:			
Impact on adoption of Ind AS 116	Quarter ended 31/03/2020 Audited (Refer note 10)	Quarter ended 31/12/2019 Unaudited	Year ended 31/03/2020 Audited
Finance costs	44.61	45.63	164.75
Depreciation and amortisation expense	79.85	81.59	319.33
Other expenses	(85.75)	(87.35)	(338.81)
Total expenses	38.71	39.87	145.27
Profit before tax	(38.71)	(39.87)	(145.27)
Tax expense:	(9.74)	(10.04)	(36.56)
Profit after tax	(28.97)	(29.83)	(108.71)
Earnings per equity share (Basic and Diluted) (Rs.)	(0.30)	(0.31)	(1.13)
(Positive amount represents increase and negative amount represents decrease)			
5 The Board of Directors, at its meeting held on July 14, 2020, has recommended a dividend of Rs. 27 per equity share for the financial year ended March 31, 2020. The proposal is subject to the approval of members at the forthcoming Annual General Meeting.			
6 The Scheme of Amalgamation ('Scheme') of ICRA Management Consulting Services Limited with ICRA Online Limited (both wholly owned subsidiaries of the Company) approved by the Board of Directors of the Company on August 9, 2018, was filed with the National Company Law Tribunal ('NCLT'), New Delhi and Kolkata. NCLT, New Delhi and Kolkata sanctioned the said Scheme and the orders were filed with the Registrar of Companies ('ROC'), Delhi and Kolkata on June 19, 2019 and November 15, 2019 respectively. Upon filing the order with the ROC, Kolkata, the scheme has become effective. Further, in terms of the Scheme, during the year, 10,00,000 Ordinary (Equity) shares of Rs. 10 each of ICRA Online Limited has been issued and allotted as fully paid up to ICRA Limited (including shares issued to nominee shareholders) against 1,50,00,000 Ordinary (Equity) shares of Rs. 10 each held in ICRA Management Consulting Services Limited. W.e.f. February 7, 2020, the merged entity has been renamed as "ICRA Analytics Limited".			

- 7 The Company is in the process of addressing certain ongoing matters.
- First, in respect of an adjudication proceeding ("Adjudication Proceeding") initiated by the Securities and Exchange Board of India ("SEBI") in relation to the credit ratings assigned to one of the Company's customers and the customer's subsidiaries, SEBI issued an order imposing a penalty of Rs. 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice ("SCN") for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the "SAT") and deposited the penalty amount of Rs. 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. The Company has made adequate provision in this regard. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.
- Second, the Board of Directors ("Board") had appointed external experts to examine and report on anonymous representations making certain allegations against two former officials which were forwarded to the Company by SEBI ("Representations"). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts, to examine such allegations.
- The external experts examining the Representations have concluded their examination and the findings indicate that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The aforesaid officials are no longer in the employment of the Company.
- The external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.
- The findings of the second set of external experts do not indicate any material deficiencies with applicable regulations and Company policies.
- The findings of the external experts have been presented to the Board members. The Board is in the process of taking appropriate steps in the best interest of the Company and its various stakeholders with regard to the outcome of the examination.
- Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.
- Fourth, the Company had 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 had submitted its responses to SEBI on such observations dated 14 August 2019. There has been no further development in this matter.
- While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the above matters is currently unascertainable. However, based on the legal opinions given by the reputed external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.
- 8 The lockdown imposed by the Central and most of the State Governments to contain the spread of COVID-19 has led to a steep decline in activity levels in the economy across sectors – manufacturing as well as service – that is expected to result in a sharp contraction in GDP of about 5%, as per ICRA's estimates, in financial year 2021. Fresh issuances from corporates, including finance companies, have been restricted to few entities which has impacted the fresh ratings business. This impact, however, has been mitigated to some extent by the spurt in rating opportunities due to issuances that got funded by the Reserve Bank of India's [RBI] Targeted Long-Term Repo Operations [TLTRO] which was a key step towards providing liquidity to corporates, and the refinancing opportunities that arose because of easing in monetary policy leading to fall in yields. Rating opportunities in the near term are going to depend, inter alia, on revival in economic activity, trajectory of interest rates and Government spending to revive manpower intensive sectors that in turn would spur consumption. Investment by private sector companies would additionally, depend on access to funding, as lenders as well as investors have turned risk averse.
- In terms of operations, the Company is well geared to serve its clients and market participants without any disruption in the service levels. To mitigate any risk to Company's employees, the Company extended remote work for all employees across all locations and demonstrated its ability to provide seamless delivery of high-quality and timely services to its clients even during the lock-down.
- In view of the pandemic relating to COVID-19, the Company has considered internal and external information and has performed an analysis based on current estimates on the Company's capital and financial resources, profitability, liquidity position, assets, internal financial reporting and control, and demand for the Company's services. The Company is of the view that based on its present assessment, this situation does not materially impact the Company's capital and financial resources. However, the actual impact of COVID-19 may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions and consequential impact on its financial statements.
- 9 Previous period figures have been re-grouped/ re-classified wherever necessary, to conform to current period's classification.
- 10 The above Statement of standalone audited financial results are reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on July 14, 2020 and audited by the Statutory Auditors of the Company. The figures for the quarter ended March 31, 2020, as reported in these standalone financial results, are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. The figures upto the end of third quarter had only been reviewed and not subject to audit and a qualified report (in respect of matter described in Note-7 above) has been issued. The report of the Statutory Auditors is being filed with the BSE and National Stock Exchange. For more details on standalone audited financial results, visit Investors section of the Company's website at www.icra.in and Financial Results under Corporates section of www.nseindia.com and www.bseindia.com.

By Order of the Board of Directors

Amit Kumar Gupta
Whole-time Director & General Counsel
(DIN: 00352927)

ICRA Limited

Statement on Impact of Audit Qualifications for the financial year ended March 31, 2020 on the Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rupees in lakh, except per share data)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	24,835.66	24,835.66
	2.	Total Expenditure	15,630.46	15,630.46
	3.	Net Profit/(Loss) ^{&}	6,497.98	6,497.98
	4.	Earnings Per Share [*]	67.55	67.55
	5.	Total Assets	68,389.31	68,389.31
	6.	Total Liabilities	10,136.27	10,136.27
	7.	Net Worth	58,253.04	58,253.04
	8.	Any other financial item(s) (as felt appropriate by the management)	Not applicable	Not applicable
		^{&} PAT before comprehensive gain/(loss)		
		[*] Earnings Per Share (Rs.) (Basic)		
II.	Audit Qualification (each audit qualification separately):			
	1	<p>Report on the Audit of the Standalone Financial Results</p> <p>Attention is drawn to note 7 of the Standalone Annual Financial Results, wherein it is explained that the Company is in the process of addressing certain ongoing matters.</p> <p>First, in respect of an adjudication proceeding (“Adjudication Proceeding”) initiated by the Securities and Exchange Board of India (“SEBI”) in relation to the credit ratings assigned to one of the Company’s customers and the customer’s subsidiaries, SEBI issued an order imposing a penalty of INR 25 lakh under section 15HB of the SEBI Act, 1992 on the Company. Further, SEBI issued a Show Cause Notice (“SCN”) for enhancement of penalty amount. The Company has filed an appeal challenging the adjudication order before the Securities Appellate Tribunal (the “SAT”) and deposited the penalty amount of INR 25 lakh without prejudice to such appeal. The said appeal is pending before the SAT. The Company has also been cooperating with government agencies and responding to their queries in relation to this matter.</p> <p>Second, the Board of Directors (“Board”) had appointed external experts to examine and report on anonymous representations making certain allegations against two former officials, which were forwarded to the Company by SEBI (“Representations”). During the examination of the aforesaid Representations, certain counter allegations were made by one of the two former officials, for which the Board appointed a second set of external experts to examine such allegations.</p> <p>Based on our sighting and briefing of the findings of the external experts, the findings indicate that the conduct of the aforesaid officials was not in conformity with certain applicable regulations and Company policies relating to credit rating activities. The</p>		

	<p>aforesaid officials are no longer in the employment of the Company. The external experts have expressed that no evidence was found suggesting ex-facie that the ratings examined as part of the examination were inflated (i.e. were unsupported by ratings analysis). Further, as per external experts, this is subject to the limitation that the determination of whether or not any ratings are supported by ratings analysis, is a qualitative technical matter that was beyond the scope of the examination as the examination was not aimed at reviewing the appropriateness of rating opinions on merits.</p> <p>Based on our sighting and briefing of the findings of the second set of external experts, the findings do not indicate any material deficiencies with applicable regulations and Company policies.</p> <p>The findings of the external experts have been presented to the Board members. As informed to us, the Board is in the process of taking steps with regard to the outcome of the examinations.</p> <p>Third, the Company directly received another anonymous representation during the year ended 31 March 2020 against certain of its existing officials and the examination thereof is in progress.</p> <p>Fourth, the Company had 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. As informed to us, the Company had submitted its responses to SEBI on such observations dated 14 August 2019 and there has been no further development in this matter.</p> <p>While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the Standalone Annual Financial Results for the year ended 31 March 2020.</p>	
A	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
B	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
C	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not applicable
D	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same:	Not applicable While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the above matters is currently unascertainable. However, based on

			the legal opinions given by the reputed external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.
		Auditors' Comments on (i) or (ii) above:	While the Company has made a provision for penalty on a best estimate basis with regard to the Adjudication Proceeding, the impact of uncertainties arising from SEBI's powers against non-compliances of aforesaid regulatory framework and other matters stated above are currently unascertainable. Consequently, we are unable to estimate the impact, if any, that may result from a conclusion of these matters or any related inquiry, on the Standalone Annual Financial Results for the year ended 31 March 2020.
	2	<p>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</p> <p>Because of the effects/possible effects of the material weaknesses described below on the achievement of the objectives of the control criteria, the Company has not maintained adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls over financial reporting were not operating effectively as at 31 March 2020, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company 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").</p> <p>We have considered the material weaknesses identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the Standalone Financial Statements of the Company for the year ended 31 March 2020 and the material weaknesses have affected our opinion on the said Standalone Financial Statements and we have issued a qualified opinion on the said Standalone Financial Statements.</p> <p>As explained inter-alia in the "Basis for Qualified Opinion" section of our Audit Report on the Standalone Financial Statements for the year ended 31 March 2020, pursuant to examinations by the external experts appointed by the Board of Directors of the Company of anonymous representations received by the Company, non-compliances of certain applicable regulations and Company policies relating to credit rating activities, including override of certain internal controls by senior management officials, have been identified, which indicates that the control environment was ineffective as at 31 March 2020. This could potentially result in legal/ penal implications for the Company. The Company is in the process of undertaking remedial steps over a defined period of time towards strengthening its control environment. Pending the outcome of aforesaid non-compliances and conclusion of certain other ongoing matters, the completeness of identification of control deficiencies cannot be ascertained.</p>	

	A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.	
A	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Adverse Opinion
B	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
C	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not applicable
D	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	Not applicable
	(ii) If management is unable to estimate the impact, reasons for the same:	While the Company has made a provision for penalty on a best estimate basis with regards to the Adjudication Proceeding, the impact of uncertainties arising from the above matters is currently unascertainable. However, based on the legal opinions given by the reputed external counsels, the Company does not foresee an action from the regulator(s) that could adversely affect the functioning of the Company.
	Auditors' Comments on (i) or (ii) above:	Pending the outcome of aforesaid non-compliances and conclusion of certain other ongoing matter, the completeness of identification of control deficiencies cannot be ascertained.
III.	Signatories:	
	CEO/Managing Director	For ICRA Limited AMIT KUMAR GUPTA <small>Digitally signed by AMIT KUMAR GUPTA DN: cn=Amit Kumar Gupta, 2.5.4.20=306264971151e4b729f4b86226571274e57ee8 64032a4980270184501454, postalCode=220001, st=UP, o=55 FIRST FLOOR ANS LOCK PRINCETON FLOORS SECTOR-51, serialNumber=6d72a04c5843269192c0caca98b78b840 50594c126720139918aa0918144c, o=Personal, ou=AMIT KUMAR GUPTA, email=amitg@icra.com, c=IN Date: 2020.07.14 21:11:51 +05'30'</small> Amit Kumar Gupta Whole-time Director & General Counsel
	CFO	For ICRA Limited Digitally signed by VIPUL AGARWAL Date: 2020.07.14 21:05:06 +05'30' Vipul Agarwal Interim Chief Operating Officer & Group Chief Financial Officer

Audit Committee Chairman	<p>For ICRA Limited</p> <p><i>Rajee Agarwal</i></p> <p>Ranjana Agarwal Chairperson, Audit Committee</p>
Statutory Auditor	<p>For BSR & Co. LLP <i>Chartered Accountants</i> Firm's Registration No.101248W/ W- 100022</p> <p>SHASHANK Digitally signed by AGARWAL SHASHANK AGARWAL Date: 2020.07.14 21:46:32 +05'30'</p> <p>Shashank Agarwal <i>Partner</i> Membership No. 095109</p>
Place: Gurugram	
Date: July 14, 2020	