



ICRA

ICRA Limited

May 24, 2023

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001, India
Scrip 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.:- Annual Secretarial Compliance Report for the year ended March 31, 2023

Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), please find attached Annual Secretarial Compliance Report for the year ended March 31, 2023, issued by M/s. Chandrasekaran Associates, Company Secretaries in Practice.

You are requested to take the above on record.

Regards,

Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As above

**SECRETARIAL COMPLIANCE REPORT OF ICRA LIMITED FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2023**

To,
The Board of Directors
ICRA Limited
B-710, Statesman House 148,
Barakhamba Road
New Delhi-110001

We Chandrasekaran Associates, Company Secretaries have examined:

- (a) All the documents and records made available to us and explanation provided by ICRA Limited ("the listed entity" or "the Company"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended on March 31, 2023 ("**Review Period**") in respect of compliance with the applicable provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("**SEBI**");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined and include:-

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") to the extent applicable;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 to the extent applicable; **Not applicable as there was no reportable event during the review period.**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;



- (f) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulation, 2021 to the extent applicable; **Not Applicable as there was no reportable event during the review period.**
- (g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**PIT Regulations**") to the extent applicable; The Company is maintaining a Structured Digital Database ("SDD"), being a listed entity, in accordance with regulation 3(5) of the PIT Regulations. The Company has to maintain SDD being an intermediary for its credit ratings operations.
- (h) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued;
- (j) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 to the extent applicable;
- (k) The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;
- (l) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008 to the extent applicable.
- (m) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 to the extent applicable.

We have examined the compliance of above regulations, circulars, guidelines issued thereunder as applicable during the review period and based on confirmation received from management of the Company as and whenever required and affirm that:

S. No.	Particulars	Compliance Status (Yes/No/N.A)	Observations/Remarks by PCS.
1.	<p><u>Secretarial Standard</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).</p> <p><i>We have examined the Secretarial Standards issued by Institute of Company Secretaries of India and as notified by Ministry of Corporate Affairs.</i></p>	Yes	
2.	<p><u>Adoption and timely updation of the Policies:</u></p> <ul style="list-style-type: none"> • All applicable policies under Securities Exchange Board of India ('SEBI') 	Yes	



	<p>Regulations are adopted with the approval of Board of Directors of the listed entity.</p> <ul style="list-style-type: none"> All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI. 		
3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> The listed entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website. 	Yes	
4.	<p><u>Disqualification of Director:</u></p> <p>None of the Director of the Company are disqualified under Section 164 of the Companies Act, 2013.</p>	Yes	
5.	<p><u>To examine details related to Subsidiaries of listed entity:</u></p> <ul style="list-style-type: none"> a) Identification of material subsidiary companies. b) Requirements with respect to disclosure of material as well as other subsidiaries. 	Yes	
6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year as prescribed in SEBI Regulations</p>	Yes	
8.	<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.</p>	Yes	



	(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	N.A.	No related party transaction has been subsequently approved/ratified/rejected by the Audit committee.
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder with respect to the listed entity.	Yes	Except as mentioned at point no 1 in the table given below under point (a).
12.	<u>Additional Non-compliances, if any:</u> Additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	No non-compliance observed for all SEBI regulation/circular/guidance note etc.



(a) The listed entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below and at clause (g) specified above:-

S.No	1
Compliance Requirement (Regulations/circulars /guidelines including specific clause)	The Company being a credit rating agency required to comply with the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999.
Regulation/ Circular No.	The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999
Deviations	Certain deviations/discrepancies of compliance requirements of the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999
Action Taken by	SEBI
Type of Action (Advisory/ clarification/ fine/ Show cause notice/ Warning letter etc.)	Administrative Warning.
Details of Violation	Certain deviations/discrepancies of compliances of the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 highlighted by the SEBI under the inspection of the Company's credit rating operations.
Fine Amount	Not Applicable.
Observations/ Remarks of the Practicing Company Secretary	The SEBI had conducted inspection of the Company's credit rating operations. Post inspection SEBI communicated the initial set of findings to the Company and advised the Company to submit responses against each finding. The Company had submitted a detailed response to SEBI on each of findings and after analysing the responses submitted by the Company, the SEBI issued an administrative warning for deviations/discrepancies highlighted under the inspection.
Management Response	The Board of Directors took note of SEBI's administrative warning and corrective steps taken by the Company to remediate the deviations/discrepancies and the SEBI was notified about the same
Remarks	Not Applicable

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S.No/ observations made in Auditor's Report for the Financial Year.	Financial Year 2018-19
Compliance Requirement (Regulations/circulars /guidelines including specific clause)	Not applicable
Regulation/ Circular No.	Not applicable



Deviations	Not applicable
Action Taken by	SEBI
Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.)	Show cause notice
Details of Violation	The Company received a show cause notice dated December 17, 2018 from SEBI regarding adjudication proceeding under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 in relation to credit ratings assigned to one of its customers and the customer's subsidiary.
Fine Amount	Not applicable
Observations/ Remarks of the Practicing Company Secretary	Show cause notice ("SCN") dated December 17, 2018 issued by SEBI and in respect of the SCN, the Company had sought inspection of documents from SEBI and the same is currently underway as of the date of the secretarial compliance report for the year ended March 31, 2019
Management Response	The Company has made an application on February 15, 2019 under section 15JB of (c) Securities and Exchange Board of India ("SEBI") Act,1992 read with the SEBI (Settlement Proceedings) Regulations, 2018 against the Adjudication proceedings in relation to credit ratings assigned to one of its customers and the customer's subsidiary (the "Initial SCN").
Remarks	Not applicable

S.No/ observations made in Auditor's Report for the Financial Year.	Financial Year 2019-20
Compliance Requirement (Regulations/circulars /guidelines including specific clause)	Not applicable
Regulation/ Circular No.	Not applicable
Deviations	Not applicable
Action Taken by	SEBI
Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.)	Show cause notice
Details of Violation	The Company received a show cause notice dated December 17, 2018 from SEBI regarding adjudication proceeding under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 in relation to credit ratings assigned to one of its customers and the customer's subsidiary.
Fine Amount	INR 25 lakh
Observations/ Remarks of the Practicing Company Secretary	The Company received a letter dated December 17, 2018 from Securities and Exchange Board of India ("SEBI") regarding adjudication proceedings under Rule 4 of SEBI



	(Procedure for Holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 in relation to credit rating assigned to one of its customer and its subsidiary (the "Initial SCN"), and In respect thereof, the Company sought inspection of documents from SEBI and the same was still underway as of the date of the secretarial compliance report for the year ended March 31, 2020.
Management Response	<p>The Company filed a settlement application before SEBI on February 15, 2019 against the Initial SCN (the "Settlement Application"). The Settlement Application was rejected by SEBI vide its letter dated June 28, 2019, and thereafter SEBI concluded its adjudication proceedings. SEBI vide its adjudication order dated December 26, 2019, has imposed a penalty of INR 25 lakh on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN.</p> <p>Further the Company received a show cause notice ("Subsequent SCN") dated January 28, 2020 under Section 15-1 (3) of SEBI Act, 1992 from SEBI, for enhancement of said penalty amount in respect of the Initial SCN. Management of the Company advised that the Company filed an appeal (the "Appeal") challenging the said adjudication order in respect of the Initial SCN (the "Impugned Order") before the Securities Appellate Tribunal ("SAT") and deposited the penalty amount of INR 25 lakh as imposed vide the Impugned Order without prejudice to such appeal.</p>
Remarks	Not applicable

S.No/ observations made in Auditor's Report for the Financial Year.	Financial Year 2020-21
Compliance Requirement (Regulations/circulars /guidelines including specific clause)	Not applicable
Regulation/ Circular No.	Not applicable
Deviations	Not applicable
Action Taken by	SEBI
Type of Action (Advisory/Clarification/Fine/Show Cause Notice/ Warning, etc.)	Show cause notice
Details of Violation	The Company received a show cause notice dated December 17, 2018 from SEBI regarding adjudication proceeding under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 in relation to credit ratings assigned to one of its customers and the customer's subsidiary.
Fine Amount	INR 1 crore (Amount of penalty has been increased by INR 75 lakh)



<p>Observations/ Remarks of the Practicing Company Secretary</p>	<p>SEBI concluded its adjudication proceedings, and vide its adjudication order dated December 26, 2019, imposed a penalty of INR 25 lakh on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN. Further, SEBI issued the Subsequent SCN dated January 28, 2020, for enhancement of said penalty amount in respect of the Initial SCN.</p> <p>Management of the Company advised that the Company filed an appeal challenging the said adjudication order (the "Impugned Order") before the Securities Appellate Tribunal ("SAT") and deposited the penalty amount of INR 25 lakh as imposed vide the Impugned Order without prejudice to such appeal.</p> <p>SEBI vide its order dated September 22, 2020, has enhanced the penalty amount to INR 1 crore on the Company under Section 15HB of SEBI Act, 1992. Thereafter the Company has filed an appeal challenging the SEBI enhancement order before the SAT and deposited the additional penalty amount of INR 75 lakh, without prejudice to the rights and contentions of the Company, and the said appeal application was pending on March 31, 2021.</p>
<p>Management Response</p>	<p>The Company has filed an appeal challenging the SEBI enhancement order before the SAT and deposited the additional penalty amount of INR 75 lakh, without prejudice to the rights and contentions of the Company. The said appeal was pending as on March 31, 2021.</p>
<p>Remarks</p>	<p>Not applicable</p>

<p>S.No/ observations made in Auditor's Report for the Financial Year.</p>	<p>Financial Year 2021-22</p>
<p>Compliance Requirement (Regulations/circulars /guidelines including specific clause)</p>	<p>Not applicable</p>
<p>Regulation/ Circular No.</p>	<p>Not applicable</p>
<p>Deviations</p>	<p>Not applicable</p>
<p>Action Taken by</p>	<p>SEBI</p>
<p>Type of Action</p>	<p>Show cause notice</p>
<p>Details of Violation</p>	<p>The Company received a show cause notice dated December 17, 2018 from SEBI regarding adjudication proceeding under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 in relation to credit ratings assigned to one of its customers and the customer's subsidiary.</p>
<p>Fine Amount</p>	<p>INR 1 crore</p>



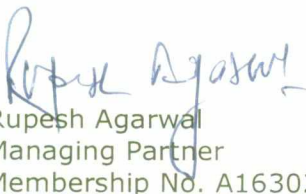
<p>Observations/ Remarks of the Practicing Company Secretary</p>	<p>SEBI concluded its adjudication proceedings, and vide its adjudication order dated December 26, 2019, imposed a penalty of INR 25 lakh on the Company under section 15HB of SEBI Act, 1992 in respect of the Initial SCN. Further, SEBI issued the Subsequent SCN dated January 28, 2020, for enhancement of said penalty amount in respect of the Initial SCN. Management of the Company advised that the Company filed an appeal challenging the said adjudication order (the "Impugned Order") before the Securities Appellate Tribunal ("SAT") and deposited the penalty amount of INR 25 lakh as imposed vide the Impugned Order without prejudice to such appeal. SEBI vide its order dated September 22, 2020, has enhanced the penalty amount to INR 1 crore on the Company under Section 15HB of SEBI Act, 1992. Thereafter the Company has filed an appeal challenging the SEBI enhancement order before the SAT and deposited the additional penalty amount of INR 75 lakh, without prejudice to the rights and contentions of the Company.</p> <p>SEBI has filed its reply on appeal filed by the Company against the enhancement of penalty amount. The said appeal was pending as on March 31, 2022.</p>
<p>Management Response</p>	<p>The said appeal was pending as on March 31, 2022</p>
<p>Remarks</p>	<p>Not Applicable.</p>

(c) The listed entity has suitably included the conditions as mentioned in para 6(A) and 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 in terms of appointment of its Statutory Auditors.

**For Chandrasekaran Associates
Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No: 1428/2021


Rupesh Agarwal
Managing Partner
Membership No. A16302



Certificate of Practice No. 5673
UDIN: A016302E000353793

Date: May 23, 2023
Place: Delhi