August 13, 2018

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 Report for the year 2017-18

Pursuant to the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report for the year 2017-18 of ICRA Limited.

This is for your kind information and record.

Regards,

Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As Above

ICRA
A MOODY'S INVESTORS SERVICE COMPANY

ENHANCING BUSINESS VALUE THROUGH INTELLECTUAL LEADERSHIP

ANNUAL REPORT 2017-18

CONTENTS

ICRA at a Glance

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional Investment Information and Credit Rating Agency.

Today, ICRA, a full-service Credit Rating Agency with its shares listed on the BSE and the National Stock Exchange, has five subsidiaries: **ICRA Management Consulting Services Limited (IMaCS)**; **ICRA Online Limited (ICRON); PT ICRA Indonesia (ICRA Indo); ICRA Lanka Limited (ICRA Lanka), and ICRA Nepal Limited (ICRA Nepal). Together, ICRA and its subsidiaries, along with their subsidiaries, form the ICRA Group of Companies, that is, ICRA Group.** ICRA is majority-held by Moody's Group, which has 50.55% equity ownership stake in the Company.

ICRA Group Structure

Alliance with Moody's Investors Service

The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder[1]. ICRA and Moody's Investors Services have entered into a Technical Services Agreement, which is aimed at benefiting ICRA's capabilities, through access to Moody's global research base and training tools. The agreement also envisages collaborative initiatives including joint outreach activities to address issues relating to the development of capital markets in India.

The ICRA Factor

Facilitating efficiency in business...

ICRA information products, Ratings, and solutions reflect independent, professional and impartial opinions, which assist businesses enhance the quality of their decisions and help issuers access a broader investor base and even lesser known companies approach the money and capital markets.

The research factor...

We strongly believe that quality and authenticity of information are derivatives of an organisation's research base. Working in collaboration, our teams for Monetary, Fiscal, Industry and Sector research generate comprehensive analysis and maintain the highest standards of quality and credibility.

Committed to the development of the financial market...

The focus of ICRA in the coming years will continue to be on developing innovative concepts and products in a dynamic market environment, generating and promoting wider investor awareness and interest, enhancing efficiency and transparency in the financial market, and providing a healthier environment for market participants and regulators.

Our products and services are designed to:

- Provide information and guidance to institutional and individual investors/creditors.
- Enhance the ability of borrowers/issuers to access the money market and the capital market for tapping a larger volume of resources from a wider range of the investing public.
- Assist the regulators in promoting transparency in the financial markets.
- Provide intermediaries with a tool to improve efficiency in the funds raising process.

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

ICRA at a Glance

GROUP ICRA

The Services Spectrum*

ICRA

RATING SERVICES

- Credit Rating
- Bank Loan Rating
- Structured Finance Rating
- Issuer Rating
- Rating of SSIs/SMEs
- Corporate Governance Rating
- Project Finance Rating
- Mutual Fund Rating
- Rating of Claims Paying Ability of Insurance Companies

GRADING SERVICES

Microfinance Institutions, Construction Entities, Real Estate Developers and Projects, Education Institutes

INDUSTRY RESEARCH

www.icra.in

ICRA Lanka**

RATING SERVICES

- Credit Rating
- Bank Loan Rating
- Structured Finance Rating
- Issuer Rating
- Project Finance Rating
- Mutual Fund Rating
- Claims Paying Ability of Insurance Companies

**The operations of ICRA Lanka Limited (ICRA Lanka) are limited to the Sri Lankan market

www.icralanka.com

ICRA Nepal***

RATING SERVICES

- Debt Rating
- Issuer Rating
- Fund Management Quality Rating
- Equity Grading

Rating Services to be offered in near future

- Bank Loan Rating
- Claims Paying Ability of Insurance Companies

***The operations of ICRA Nepal Limited (ICRA Nepal) are limited to the Nepalese market

www.icranepal.com

IMaCS

Risk Management

- Risk Analytics
- Risk Advisory
- Tools, models, Calculators
- Software Solutions

Financial Advisory

- Financial Viability
- Structuring Solutions
- Enabling Transactions

Outsourcing

- Data Analytics
- Programme management
- Training

Portfolio Analytics

- Portfolio analytics
- Pricing solutions

www.imacs.in

ICRON

Financial Information Product and Services

- Mutual Fund and ULIP Data and Content Provider
- Investment Research and Analytics
- Investor education content
- Wealth and Transaction Management Software Products
- IT Tools for Financial Planning and Analytics

KPO Services (Back-end Analytical services support)

- Data Services
- Research
- Analytics

www.icraonline.com

*The list of services is indicative and not exhaustive

ICRA at a Glance

Range of Services

Rating Services

As an early entrant in the Credit Rating business, **ICRA Limited (ICRA)** is one of the most experienced Credit Rating Agencies in the country today. ICRA rates rupee-denominated debt instruments issued by manufacturing companies, commercial banks, non-banking finance companies, financial institutions, public sector undertakings and municipalities, among others. ICRA also rates structured obligations and sector-specific debt obligations such as instruments issued by Power, Telecom and Infrastructure companies. The other services offered include Corporate Governance Rating, Stakeholder Value and Governance Rating, Credit Risk Rating of Debt Mutual Funds, Rating of Claims Paying Ability of Insurance Companies, Project Finance Rating, Line of Credit Rating and Valuation of Principal Protected-Market Linked Debentures (PP-MLD). ICRA, along with National Small Industries Corporation Limited (NSIC), has launched a Performance and Credit Rating Scheme for Small-Scale Enterprises in India. The service is aimed at enabling Small and Medium Enterprises (SMEs) improve their access to institutional credit, increase their competitiveness, and raise their market standing.

ICRA Lanka Limited (ICRA Lanka), a wholly-owned subsidiary of ICRA, offers a wide range of Rating services in the Sri Lankan market, putting into use parent ICRA's accumulated experience in the areas of Credit Rating, Grading, and Investment Information. It's Rating focuses on entities in the financial and corporate sectors, besides long-, medium-, and short-term debt instruments issued by borrowers from various sectors of the economy.

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

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

Grading Services

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

Industry Research

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

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

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

Consulting Services

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of the Company, is an Advisory and Analytics firm with a global operating footprint in 45 countries. IMaCS focuses on providing advisory and analytics services that enable financial flows and transactions by way of various avenues, including equity investments, debt financing, grant funding, spending under corporate social responsibility, development financing, and trade finance. IMaCS offers

ICRA at a Glance

its services under four heads namely, (1) Risk Analytics (2) Financial Advisory (3) Outsourcing, and (4) Policy Advisory. IMaCS' clientele include banks and financial service companies, financial investors, corporates, governments, regulators, multilateral/bilateral development agencies, and not-for-profit organisations.

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

Knowledge Process Outsourcing and Online Software

Incorporated in 1999, **ICRA Online Limited (ICRON)** is a wholly-owned subsidiary of ICRA Limited with delivery centres in Kolkata and Mumbai. ICRON has three lines of businesses that offer outsourcing solutions in Data Services, Research & Content and Analytics to domestic and global clients. Timely, accurate, and affordable services help the company's clients achieve their business goals.

The Data Services segment offers basic and value-added services in areas of data extraction, aggregation, populating chart of accounts, validation, ratio analysis, accounting adjustments, data interpretation, etc. ICRON also provides operation support in areas such as data management and reconciliation and quality assurance.

The Research segment engages in mutual funds and other asset-class research, preparation of customized newsletters for domestic and global capital markets, news and event tracking, creation of innovative investor education content, preparation of company profiles, profiling of mutual fund schemes, etc.

Analytics is an emerging arena for ICRON. The segment offers services in the areas of predictive and marketing analytics.

ICRON is an ISO 9001:2008 and 27001: 2013 certified organisation.

Chairman Emeritus

Mr. D.N. Ghosh

Board of Directors

Mr. Arun Duggal
Chairman, Independent Director

Ms. Ranjana Agarwal
Independent Director

Ms. Radhika Vijay Haribhakti
Independent Director

Dr. Min Ye
Non Executive and Non Independent Director

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

Ms. Farisa Zarin
Non Executive and Non Independent Director

Mr. Navneet Agarwal
Additional Director, Non Executive and Non Independent

Mr. Naresh Takkar
Managing Director & Group CEO

Board Committees

Audit Committee

Ms. Ranjana Agarwal, Chairperson

Ms. Radhika Vijay Haribhakti

Mr. Arun Duggal

Dr. Min Ye

Nomination and Remuneration Committee

Ms. Radhika Vijay Haribhakti, Chairperson

Ms. Ranjana Agarwal

Mr. Thomas John Keller Jr.

Stakeholders Relationship Committee

Ms. Farisa Zarin, Chairperson

Ms. Ranjana Agarwal

Mr. Naresh Takkar

Corporate Social Responsibility Committee

Ms. Ranjana Agarwal, Chairperson

Ms. Farisa Zarin

Mr. Navneet Agarwal

Mr. Naresh Takkar

Strategy Committee

Mr. Thomas John Keller Jr., Chairman

Dr. Min Ye

Ms. Farisa Zarin

Mr. Naresh Takkar

Investment and Real Estate Committee

Ms. Ranjana Agarwal, Chairperson

Dr. Min Ye

Mr. Naresh Takkar

Statutory Auditors

B S R & Co. LLP

Chartered Accountants

Group Chief Financial Officer

Mr. Vipul Agarwal

General Counsel

Mr. Amit Gupta

Company Secretary & Compliance Officer

Mr. S. Shakeb Rahman

Bankers

Axis Bank Limited

HDFC Bank Limited

ICICI Bank Limited

Kotak Mahindra Bank Limited

State Bank of India

Registrar and Share Transfer Agent

Link Intime India Private Limited

Registered Office

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

Corporate Office

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

ICRA Board of Directors

Mr. Arun Duggal

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

Mr. Duggal is also Chairman of Board of Directors of International Asset Reconstruction Company Private Limited and Mangalore Chemicals & Fertilizers Limited. He is on the Boards of ITC Limited, Info Edge, Dr. Lal PathLabs Limited, ReNew Power Limited and ReNew Solar Energy Private Limited.

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

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

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

Ms. Ranjana Agarwal

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

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

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

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

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

Ms. Radhika Haribhakti

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

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

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

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

ICRA Board of Directors

Dr. Min Ye

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

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

Mr. Thomas John Keller Jr

Mr. Thomas John Keller Jr. is a Non-Independent and Non-Executive Director of ICRA Limited. Mr. Keller is Managing Director and Head of both the MIS Commercial Group and Regional Management.

As Head of the Commercial Group, Mr. Keller drives MIS's sales and marketing efforts, product development and strategic initiatives. He manages all MIS commercial relationships with issuers seeking rating services, dedicated to aligning the services that Moody's delivers to the needs of the market, while providing effective and efficient customer service.

As Head of the Regional Management organisation, he provides global leadership to advance, execute and communicate strategies across regions in which MIS operates.

In this capacity, working closely with regional and country managers to enhance coordination and transparency, Mr. Keller leads business growth initiatives; planning, budgeting and regulatory monitoring outside the U.S.; and the management of Moody's global assets (people, products, offices, capabilities). In addition, he oversees the relationships with MIS non-Moody's-branded affiliates to manage risk exposure and enhance cooperation. He is also the executive sponsor of Moody's LGBTA Employee Resource Group and a board member of the Hetrick-Martin Institute.

Prior to this current role, and in addition to managing the Regional Management organisation, Mr. Keller was responsible for all activities related to Moody's sovereign ratings that included ensuring the quality of those ratings and providing the analytical leadership to serve investors and issuers through its research. Before that, beginning in 2007, Mr. Keller was the Managing Director for the Global Public, Project and Infrastructure Finance Group, responsible for MIS's globally consistent methodology in assessing credit risk for all levels of financing across the group's wideranging portfolio. Mr. Keller has also served as the Head of MIS Asia Pacific, broadly responsible for Moody's offices and ratings in the region, first as Managing Director of the Rating Group and then as Representative Director of Moody's Japan.

Mr. Keller joined the company in 1992 as a Senior Analyst covering a broad range of sectors, including high-grade corporates, high-yield industrials and financial services. Prior to Moody's, he worked at Chemical Bank and Manufacturers Hanover Trust Company. He earned a B.B.A. from the University of Rhode Island and an M.B.A. from Iona College.

Ms. Farisa Zarin

Ms. Farisa Zarin is a Non-Independent and Non-Executive Director of ICRA Limited. Ms. Zarin is the Managing Director and Global Head-Government and Public Affairs of MCO. Her responsibilities include global interaction with policy makers, and securities, bank and insurance regulators. During her tenure at Moody's, Ms. Zarin has held senior positions in the Credit Policy group and the Global Compliance group. She has also worked in the Moody's Sovereign Risk Unit on an adjunct basis, focusing mainly on the legal ramifications of sovereign defaults. Prior to joining Moody's, Ms. Zarin worked as an attorney at the following organizations: the United Nations Office of the Prosecutor, International War Crimes Courts; the United States Senate Judiciary Committee; and American Bar Association's Central and Eastern European Law Initiative.

Ms. Zarin attended Oberlin College where she earned a B.A. in Economics and Psychology; University of Wisconsin where she earned a J.D. and was placed on the Dean's List; and the Instituto UniversitarioEuropeo where she earned an LL.M. in comparative law.

Ms. Zarin is an Alternate US Member for the APEC Business Advisory Council.

Mr. Navneet Agarwal

Mr. Navneet Agarwal[1] is an Additional Director of ICRA under the category Non-Independent and Non Executive Director. Mr. Agarwal is a Managing Director and head of Moody's Structured Finance Primary Ratings for the Americas in addition to Other Permissible Services for structured finance globally. Previously, Mr. Agarwal has led the US RMBS new ratings, the surveillance function for Moody's U.S. Asset Finance Group and a CLO surveillance team. He has also served on the Global Structured Finance Credit Committee and acted as a Group Credit Officer. Mr. Agarwal has published and spoken extensively on Moody's behalf and has also served in various analytic capacities in the RMBS, ABS and Structured Credit Ratings teams.

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

[1]The Board of Directors of the Company has appointed Mr. Navneet Agarwal as an Additional Director of the Company with effect from November 2, 2017 under the category of Non-Executive and Non-Independent Director.

ICRA Board of Directors

Mr. Naresh Takkar

Mr. Naresh Takkar is the Managing Director & Group CEO of ICRA. Prior to holding this position he was Joint Managing Director & Chief Rating Officer of ICRA. He is also a Non Executive Chairman of ICRA Online Limited and a Director on the Boards of ICRA Management Consulting Services Limited and ICRA Lanka Limited. He joined ICRA as an analyst in 1991. Before joining ICRA, he was with Tata Consultancy Services for three years in the System Consulting Division. Mr. Takkar is a Chartered Accountant from The Institute of Chartered Accountants of India and holds a Bachelor's Degree in Commerce from the University of Delhi.

Senior Management

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

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

Mr. Jayanta Chatterjee
Executive Vice-President
Head - Strategic &
Emerging Corporates

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

Mr. Subrata Ray
Senior Group Vice-President

Mr. Vipul Agarwal
Group Chief Financial Officer

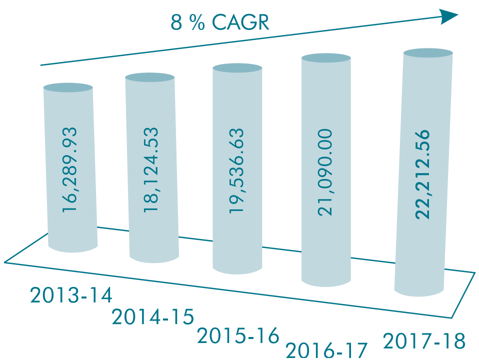
Mr. Amit Gupta
General Counsel

Ms. Preemita Singh
Group HR Head

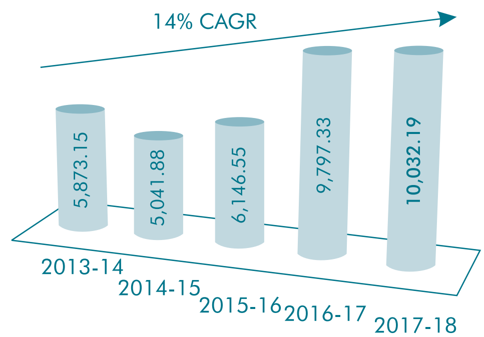
Mr. S. Shakeb Rahman
Company Secretary &
Compliance Officer

ICRA : Key Trends

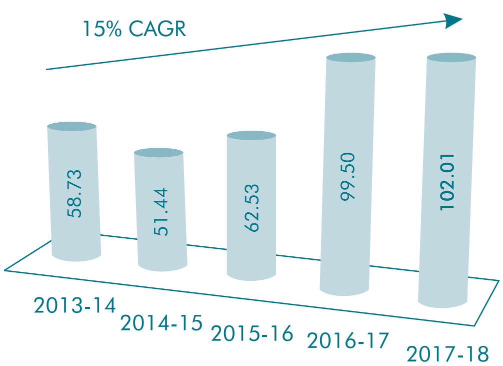
Trend in Operating Income (in Rs. lakh)



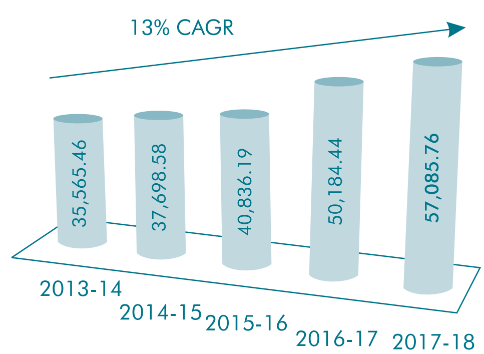
Trend in Profit after Tax (in Rs. lakh)



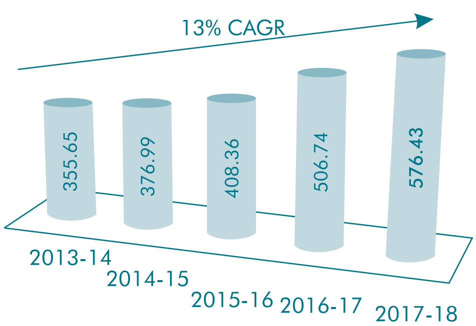
Trend in EPS (basic) (in Rs.)



Trend in Net Worth (in Rs. lakh)

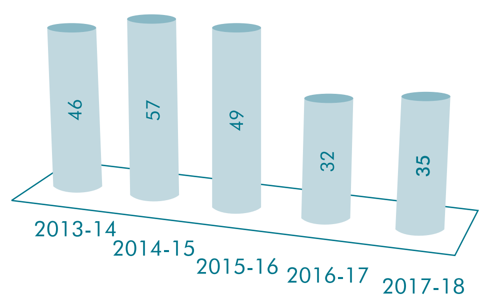


Trend in Book Value per Share (in Rs.)



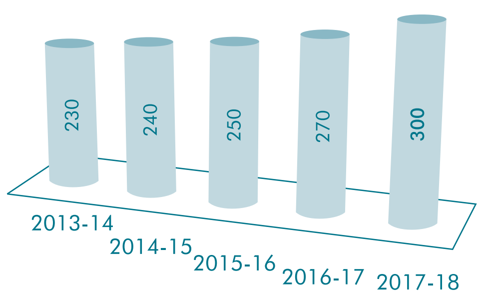
Trend in Dividend Payout (%)

(Including Corporate Dividend Tax)



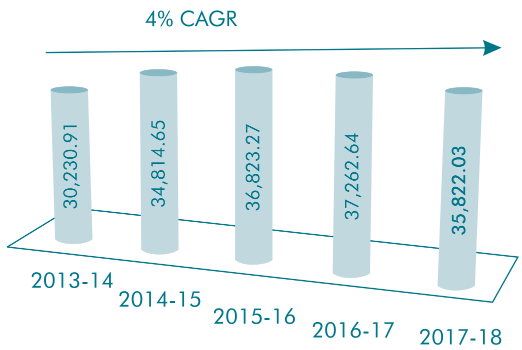
Trend in Dividend (%)

(Dividend for the year 2017-18 is subject to approval of Members)

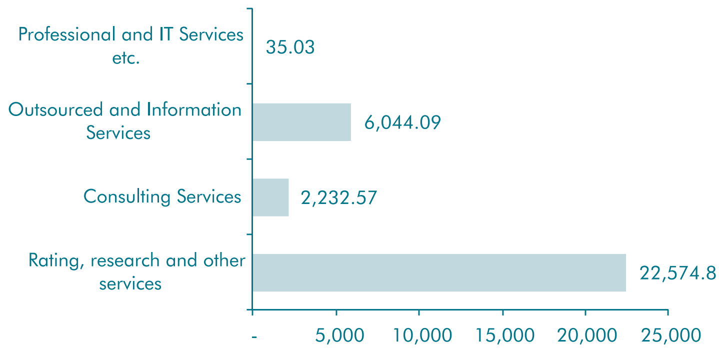


Group ICRA : Key Trends

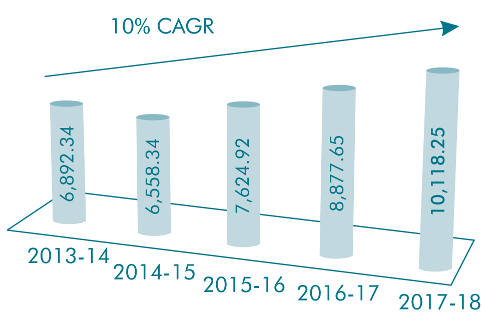
Trend in Total Income (in Rs. lakh)



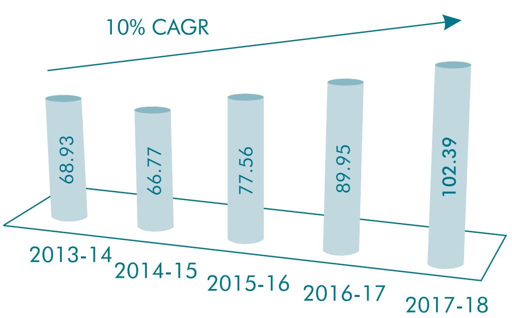
Segment-Wise Revenue 2017-18 (in Rs. lakh)



Trend in Profit after Tax (before Minority Interest) (in Rs. lakh)



Trend in EPS (basic) (in Rs.)



Financial Highlights of ICRA Limited

(Rs. in lakh)

	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Operating Income	8,872.80	10,616.39	12,930.51	13,936.08	14,859.41	16,289.93	18,124.53	19,536.63	21,090.00	**22,212.56**
2	Non-Operating Income	1,270.78	2,177.99	1,254.26	1,973.77	1,624.12	1,728.71	2,492.54	2,369.31	4,882.74	**5,074.27**
3	Total Income	10,143.58	12,794.38	14,184.77	15,909.85	16,483.53	18,018.64	20,617.07	21,905.94	25,972.74	**27,286.83**
4	PBDIT (before prior period adjustments & exceptional items)	5,443.74	7,606.80	7,083.74	7,762.39	7,498.60	8,437.01	9,898.97	10,109.57	13,049.42	**14,853.37**
5	Depreciation	(177.55)	(195.56)	(203.23)	(189.64)	(210.74)	(245.20)	(369.08)	(355.60)	(320.27)	**(265.78)**
6	Interest	-	-	-	-	-	-	-	-	(3.89)	**(3.46)**
7	Prior Period Adjustments	(0.24)	-	-	-	-	-	(764.82)	-	-	**-**
8	Exceptional Items	-	-	-	-	-	-	(1,151.95)	(345.52)	681.29	**-**
9	Profit Before Tax	5,265.95	7,411.24	6,880.51	7,572.75	7,287.86	8,191.81	7,613.12	9,408.45	13,406.55	**14,584.13**
10	Tax Provision	(1,650.85)	(2,410.87)	(2,389.15)	(2,482.77)	(1,249.53)	(2,318.66)	(2,571.24)	(3,261.90)	(3,609.22)	**(4,551.94)**
11	Profit After Tax	3,615.10	5,000.37	4,491.36	5,089.98	6,038.33	5,873.15	5,041.88	6,146.55	9,797.33	**10,032.19**
12	Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	(47.95)	**(21.98)**
13	Total comprehensive income for the year	3,615.10	5,000.37	4,491.36	5,089.98	6,038.33	5,873.15	5,041.88	6,146.55	9,749.38	**10,010.21**
14	Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	990.33	**990.33**
15	Securities Premium	6,511.23	6,511.23	6,511.23	6,939.37	7,680.85	8,459.63	8,608.94	8,703.56	4,966.98	**5,078.29**
16	Net Worth	17,941.25	20,959.74	24,234.13	28,291.65	32,236.74	35,565.46	37,698.58	40,836.19	50,184.44	**57,085.76**
17	Dividend (%)	120%	170%	170%	200%	220%	230%	240%	250%	270%	**300%**
18	Basic Earnings Per Share (Rs.)	36.15	50.00	44.91	50.90	60.38	58.73	51.44	62.53	99.50	**102.01**
19	Book Value Per Share (Rs.)	179.41	209.60	242.34	282.92	322.37	355.65	376.99	408.36	506.74	**576.43**

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

Financial Highlights of Group ICRA

(Rs. in lakh)

	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1	Operating Income	13,581.95	16,232.08	19,302.91	20,746.17	25,141.06	28,296.22	32,191.42	34,115.48	33,303.44	**30,886.50**
2	Non-Operating Income	1,401.71	2,267.02	1,284.06	2,128.68	1,791.31	1,934.69	2,623.23	2,707.79	3,959.20	**4,935.53**
3	Total Income	14,983.66	18,499.10	20,586.97	22,874.85	26,932.37	30,230.91	34,814.65	36,823.27	37,262.64	**35,822.03**
4	PBDIT (before prior period adjustments & exceptional items)	6,057.36	8,340.64	7,850.35	8,382.95	7,687.48	10,473.51	12,516.88	12,812.66	14,085.59	**16,443.31**
5	Depreciation	(364.80)	(414.43)	(452.63)	(465.30)	(483.19)	(601.02)	(965.36)	(957.69)	(853.82)	**(752.52)**
6	Interest	(1.70)	(0.48)	(0.07)	(0.47)	-	(81.78)	(198.30)	(55.15)	(3.89)	**(10.36)**
7	Prior Period Adjustments	(9.67)	0.29	-	-	-	-	(896.63)	-	-	**-**
8	Exceptional Items	-	-	-	-	-	-	(413.15)	-	-	**-**
9	Profit Before Tax	5,681.19	7,926.02	7,397.65	7,917.18	7,204.29	9,790.71	10,043.44	11,799.82	13,227.88	**15,680.43**
10	Tax Provision	(1,792.03)	(2,578.39)	(2,589.45)	(2,531.12)	(1,323.48)	(2,898.37)	(3,485.10)	(4,156.90)	(4,350.23)	**(5,562.18)**
11	Profit After Tax (before minority interest)	3,889.16	5,347.63	4,808.20	5,386.06	5,880.81	6,892.34	6,558.34	7,642.92	8,877.65	**10,118.25**
12	Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	(60.78)	**0.01**
13	Total comprehensive income for the year	3,889.16	5,347.63	4,808.20	5,386.06	5,880.81	6,892.34	6,558.34	7,642.92	8,816.87	**10,118.26**
14	Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	990.33	**990.33**
15	Securities Premium	6,511.23	6,511.23	6,511.23	6,939.37	7,680.85	8,459.63	8,608.94	8,703.56	4,966.98	**5,078.29**
16	Net Worth	18,871.36	22,172.39	25,704.81	30,161.33	33,923.75	38,793.86	42,877.56	47,623.77	54,899.02	**65,502.12**
17	Basic Earnings Per Share (Rs.)	38.89	53.48	48.11	54.01	59.16	68.92	66.77	77.56	89.95	**102.39**
18	Book Value Per Share (Rs.)	188.71	221.72	257.05	301.61	339.24	387.94	428.78	476.24	554.35	**661.42**

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

Directors' Report

To The Members,

ICRA Limited

Your Directors have the pleasure in presenting the 27th Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2018.

Financial Performance

During its 27th year of operations, your Company has earned a Net Profit of Rs. 100.32 crore as against Rs. 97.98 crore during the previous year. Your Company's basic earnings per share for the year ended March 31, 2018 was Rs. 102.01, as against Rs. 99.50 in the previous year. The financial results of your Company (standalone and consolidated) for the year ended March 31, 2018 are presented in the following tables.

Particulars	Standalone	
	2016-17 (Rs. crore)	2017-18 (Rs. crore)
Revenue from operations	210.90	222.13
Other income	48.83	50.74
Total income	259.73	272.87
Total expenses	132.47	127.03
Profit before exceptional items and tax	127.26	145.84
Exceptional items	6.81	-
Profit before tax	134.07	145.84
Total tax expense	36.09	45.52
Profit for the year	97.98	100.32
Total other comprehensive income, net of tax	(0.48)	(0.22)
Total comprehensive income for the year	97.50	100.10

Figures are extracted from the audited standalone financial statements as per Indian Accounting Standards (Ind AS).

1 crore = 10 million

Particulars	Consolidated	
	2016-17 (Rs. crore)	2017-18 (Rs. crore)
Revenue from operations	333.03	308.86
Other income	39.60	49.36
Total income	372.63	358.22
Total expenses	240.35	201.42
Profit before tax	132.28	156.80
Profit before tax from continuing operations	129.35	156.80
Total tax expense	41.79	55.62
Profit after tax from continuing operations	87.56	101.18
Profit before tax from discontinuing operations	2.93	-
Total tax expense	1.71	-
Profit after tax from discontinuing operations	1.22	-
Profit for the year	88.78	101.18
Total other comprehensive income, net of tax	(0.61)	0.00
Total comprehensive income for the year	88.17	101.18

Figures are extracted from the audited consolidated financial statements as per Indian Accounting Standards (Ind AS).

1 crore = 10 million

Directors' Report

Review of Operations

Rating Services

Market Overview

The market for credit rating business in FY2018 was positively influenced by favourable interest rates in the first five months of the year and new rating opportunities in the commercial paper and debt restructuring segments, while economic growth remained moderate as it adjusted to the Goods and Services Tax (GST) transition and the broad-based recovery in investment activity continued to be delayed.

Capital market issuances of debt in the first five months of the year grew well, supported by low interest rates. However, bond yields hardened in H2 FY2018 on account of factors such as the rise in the market borrowing programme of the Government of India (GoI), fiscal slippage relative to the previously announced targets, the uptick in the CPI inflation, as well as the hardening of global yields. This, in conjunction with the tepid recovery in private sector capex, weighed upon bond market issuance volumes in H2 FY2018, even as bank credit growth saw a modest revival, led by the base effect and higher working capital requirements.

Economic growth in FY2018 remained moderate as various sectors adjusted to the GST transition in H1 FY2018. While volume growth was low in many sectors in Q1 FY2018 to minimise inventories ahead of the GST rollout, the subsequent pace of restocking in Q2 FY2018 was modest. Subsequently, a number of sectors displayed healthy performance in Q3 FY2018, benefitting from the favourable base effect as well as a catch-up related to the low growth in H1 FY2018. Nevertheless, moderate capacity utilisation, high leverage levels of some large corporate groups and weak asset quality of the banking system continued to delay a broad-based recovery in investment activity.

Going ahead, expansion in Government spending at the Central and state level are expected to support economic activity and infrastructure creation. Furthermore, a likely normally distributed monsoon, increase in the minimum support prices (MSPs) of various crops, the improving sentiment and staggered pay revision by state governments are expected to support consumption growth. This, in turn, would support capacity utilisation in various sectors, although a broad-based capacity addition by the private sector is unlikely to emerge until H2 FY2019. Completion of the resolution process of cases admitted to the National Company Law Tribunal (NCLT) would improve utilisation of the existing capacity and promote consolidation in some sectors.

While bank credit growth in FY2019 would be supported by increasing capacity utilisation, it would be contingent upon the recapitalisation of the public sector banks (PSBs) and investment revival in the economy. An increased regulatory thrust to part-finance incremental borrowings, particularly in case of borrowers with whom banks have large exposures in capital market financing, is likely to support the bond market.

Corporate Sector

As in the previous years, the market for bank loan ratings remained sluggish in FY2018 too, although the corporate credit growth showed a marginal revival in the second half of the year because of enhanced demand for working capital loans and slowing bond market issuances. While sectoral performance in the first half of the year was impacted because of the twin effects of demonetisation and transition to the GST, volume growth has started to show an upward trend from Q3 of 2017-18, and this is expected to result in improved corporate performance going forward. Also the capacity utilisation levels in several industries are showing signs of a pick-up along with the capital goods segment, even though it would still be some time before private capital expenditure revives meaningfully.

In contrast to the trend seen in the previous years, borrowings through the bond route also showed a slowdown, especially in the second half of the year due to rising yields. However, we believe that this was a temporary phenomenon, and as yields stabilise we should see increased traction in the bond market, given the ability to borrow at lower rates and the strong regulatory support for the growth of the bond markets. During the year, the trend of special purpose vehicles (SPVs) in the infrastructure sector accessing the bond market to refinance bank loans continued, primarily driven by entities in the road sector and to some extent the power sector. Contrary to expectations, though, fund raising through new instruments like Infrastructure Investment Trusts (InvITs), formed under the Securities and Exchange Board of India (Sebi) InvIT Regulations 2014, did not show traction, possibly because of the muted investor response to the first two offerings.

Your Company has also been involved in the Independent Credit Evaluation (ICE) of stressed assets as required under the Reserve Bank of India's revised framework for resolution of stressed assets. Given the large quantum of stressed assets in the banking sector, we expect that this service has the potential to grow in the coming year.

Directors' Report

Till the third quarter of last year, the commercial paper (CP) market continued to be active with better rated entities using the CP route to meet their funding requirements, though activity levels were subdued in the last quarter because of higher interest rates. Your Company gained significantly from the Reserve Bank of India (RBI) mandating dual rating of CPs for issuances above a certain threshold, adding prominent corporates to its client list, and providing opportunities in the future as well.

Financial Sector

Total domestic issuances by the financial sector entities witnessed a slowdown during 2017-18 after three consecutive years of strong growth. Banks as well as non-bank finance companies (NBFCs) witnessed lower issuance volumes in 2017-18.

The year witnessed reduced bond issuances by PSBs as investors became risk averse to their bond issuances amid their mounting losses. Announcement by PSBs of recapitalisation improved the capital position for the PSBs and later the GoI instructions restricting PSBs to issue Tier-I capital bonds impacted bond issuances from PSBs. The slowdown in bond issuances by PSBs was largely offset by the growth in bond issuances from private sector banks (PVBs), as they locked in the borrowings at lower rates. With abundant liquidity in the banking system, the issuance of certificate of deposits also remained muted during most part of the year. Going forward, the debt capital issuances from banks is expected to be largely driven by banks pursuing credit growth, which is expected to be largely driven by PVBs, which have demonstrated relatively better financial performance in comparison to PSBs. Your Company has a strong presence in the banking segment.

The NBFCs borrowings from debt capital markets also witnessed a moderation during 2017-18 with the rise in interest rates in the latter half of the financial year and a higher base on the back of strong growth in the last few years. An increased appetite for credit by banks, especially in the H2 2017-18, also contributed to lower issuance volumes as some of the NBFCs shifted back to borrowings from banks. The inflows in the debt mutual funds have also been stagnating after the increase witnessed post demonetisation. This may also constrain the growth of debt issuances. The challenges with the banking sector helped the NBFCs expand their activity while maintaining adequate profitability and asset quality metrics, though the after-effects of demonetisation and the GST implementation did have an adverse impact on the collection efficiencies, especially in the micro finance sector, small and medium enterprise loans and loans against property segments. Your Company continued to expand its presence in this space by adding new clients and rating the incremental debt requirements of existing clients.

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

Ratings on mutual fund schemes continued to gain traction for your Company as it further expanded during the year under review.

Structured Finance

During FY2018, the securitisation market witnessed a marginal de-growth after showing a positive momentum in FY2016 and FY 2017.

The predominant motive for banks to invest in securitisation transactions and acquire loan pools through bilateral assignment continued to be the need to meet shortfalls in priority sector lending (PSL) targets and achieve balance sheet growth, respectively. This was, however, offset by the availability of the priority sector lending certificates (PSLCs) as an alternate tool available to banks for meeting their PSL requirements. PSLCs were the primary cause for the reduced securitisation volumes in FY2018.

Continuing the trend that started in the previous fiscal (pursuant to more clarity on legacy tax issues and removal of the distribution tax on securitisation trusts), mutual funds and foreign portfolio investors (FPIs) continued to push the non-PSL volumes.

In FY2018, your Company rated the first collateralised loan obligation (CLO) transaction, post the 2006 RBI guidelines on securitisation. Your Company continued to maintain its position as a thought leader and a dominant credit rating agency (CRA) in the structured finance segment.

Going forward, the extent of the shortfall in PSL targets in the banking system and the availability of eligible assets with sellers are expected to be the key factors influencing securitisation /assignment volumes. However, continued traction in the PSLC market and any adverse impact of adoption of the Indian Accounting Standards on the originators, could hamper issuance volumes going forward. Nonetheless, the market has seen a number of new asset classes getting securitised in the non-PSL segment and this trend is expected to strengthen further.

Directors' Report

Industry Research

Your Company has added several new clients as it continues to strengthen its research offerings, covering a large number of sub-segments within the corporate sector and multiple sub-segments under the financial services and structured finance sectors. Being focussed and thematic, these reports have been well appreciated, particularly by the senior management.

Besides the periodic off-the-shelf research publications, your Company's customised research offerings to meet the specific requirements of various clients have also been well appreciated. Your Company expects to be able to enhance the offerings under this service, leveraging its extensive knowledge base and research capabilities.

Franchise Development

Your Company has made significant strides to enhance its franchise through seminars, conferences and media activities aimed at promoting its visibility and brand strength.

During the year, your Company organised several seminars and conferences, including a few with industry associations like Assocham, CII etc to disseminate its views on credit trends in specific sectors in the domestic markets. Like each year, the Annual ICRA Bond Market and the Moody's-ICRA credit conferences, involving speakers and panelists representing the market participants, were very well received by the participants.

Further, your Company's sector-specific webinars and thematic research reports, were all well appreciated. Apart from these, your Company has been able to attain significant visibility in both electronic and print media – it has maintained its leading position in the latter in terms of share of voice through regular releases voicing our opinion on contemporary issues.

Your Company continues to be a preferred partner in powering the Financial Advisor Awards along with CNBC-TV18, and the India Pride Awards, an initiative to recognise the superior performing public sector entities, with the Dainik Bhaskar Group. These awards have a strong franchise and are a subject of considerable pride for the winners.

Change in nature of business

During 2017-18, there was no change in the nature of business of your Company.

Subsidiary Companies (including step-down subsidiaries)

At the beginning of the year 2017-18, your Company had six subsidiaries, including one step-down subsidiary.

There has been no material change in the nature of the business of the subsidiaries.

As of March 31, 2018, your Company had namely the following subsidiaries, including the step-down subsidiary:

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

**liquidation initiated by the Company*

Highlights of performance of subsidiary companies and their contribution to the overall performance of the Company during the year 2017-18 are provided in the Management Discussion and Analysis Report.

The consolidated financial statements of Group ICRA, consisting of ICRA Limited, its subsidiaries, and step-down subsidiary, for the year 2017-18, which form a part of the Annual Report, are attached. The Auditors' Report on the consolidated financial statements is also attached. In compliance with the relevant provisions of the Companies Act, 2013, a statement containing the brief financial details in Form AOC-1 as per Rule 5 of the Companies (Accounts) Rules, 2014, of the said subsidiaries is annexed to the consolidated financial statements, prepared in accordance with the prescribed Accounting Standards.

Directors' Report

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

Branches of the Company

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

Board meetings held during the year

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

Human Resource Development & Training

Human resource development continued to be accorded high priority during the year under review, with emphasis being placed on improving skill, competency and knowledge through regular training and in-house/external professional development programmes. Learning opportunities are extended to employees across levels which also results in the overall improved performance of the Company. New joiners go through a systematic on-boarding programme to equip them adequately with information and skills required to be purposeful at work.

ICRA believes in empowering and nurturing talent. Deserving employees, those who demonstrate high performance and potential, are awarded challenging assignments and higher responsibilities. They are provided adequate training and coaching to prepare them towards the same.

The Company inspires its employees to be focused and result-oriented. As part of the overall talent strategy, the Company reviews a succession plan towards critical positions, annually.

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

Employees Stock Option Scheme (ESOS)

Your Company has implemented the Employee Stock Option Scheme 2006 ("the Scheme") in accordance with the erstwhile Guidelines i.e. the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and in conformity with the resolutions passed by the Members at the Annual General Meetings of the Company held on June 12, 2006, July 29, 2008, and August 12, 2011. The Scheme came into force on June 27, 2006 and expired on June 27, 2016, after completion of 10 years, but the expiry shall not affect the granted options and the eligible employees will have the right to exercise till the expiry date of such options, with the expiry date of the last instalment of granted options being November 8, 2018.

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

https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=27&Title=Corporate%20Governance&Report=Disclosures%20on%20ESOPs_03-07-2017.pdf.

Particulars of Employees

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

Directors' Report

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

Extract of the Annual Return

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

Corporate Governance

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

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

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

Management Discussion & Analysis

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

Insider Trading Regulations

Based on the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Code of Conduct for prevention of insider trading is in force in your Company. The Board of Directors of the Company has adopted the Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with Chapter IV of the said Regulations and the same has been uploaded on the Company website.

Material Changes and Commitments

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

Buyback of Shares

During the year 2016-17, the Board of Directors of your Company at their meeting held on February 9, 2017, had approved the buyback of the Company's fully paid-up equity shares of the face value of Rs.10 each from its members/beneficial owners, other than those who are promoters or the persons in control of the Company and the promoter group, from the open market through the stock exchange mechanism i.e. using the electronic trading facilities of the BSE Limited and the National Stock Exchange of India Limited, where the equity shares are listed in accordance and consonance with the provisions contained in the Companies Act, 2013 (Act) and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Buyback Regulations).

The buyback commenced from March 2, 2017 and closed on April 3, 2017. The Company bought back 96,720 equity shares at an average price of Rs. 4,135.54 per equity share for a total consideration of Rs. 39,99,89,225/- (Rupees Thirty Nine Crore Ninety Nine Lakh Eighty Nine Thousand and Two Hundred Twenty Five Only) (excluding transaction costs), representing 99.997% of the total approved amount of Rs. 40.00 crore (Rupees Forty Crore Only) towards the buyback.

Share Capital

As on March 31, 2018, the Company's issued, subscribed and paid-up equity share capital, stood at Rs. 9,90,32,800 (Nine Crore Ninety Lakh Thirty Two Thousand Eight Hundred Only) divided into 99,03,280 equity shares of Rs. 10/- each.

Directors' Report

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

As your Company is not engaged in any manufacturing activity, the particulars relating to conservation of energy and technology absorption, as mentioned in the Companies (Accounts) Rules, 2014, are not applicable to it. However, emphasis is placed on employing techniques that result in the conservation of energy. Details on the foreign exchange earnings and expenditure of your Company appear in the notes to the financial statements.

Directors and Key Managerial Personnel

During 2017-18, Mr. Simon Richard Hastilow, Non-Executive, Non-Independent Director of your Company, resigned from the Board of your Company inclusive of membership in any and all committees of the Board. The resignation of Mr. Hastilow was effective from November 1, 2017. The Board placed on record its deep appreciation of the valuable advice and guidance provided by Mr. Hastilow throughout his tenure with your Company.

During the year under review, the Board of your Company appointed Mr. Navneet Agarwal as Additional Director, effective from November 2, 2017.

The Nomination and Remuneration Committee and the Board of your Company recommend the appointment of Mr. Agarwal, under the category of Non-Executive, Non-Independent Director, liable to retire by rotation, for approval of the shareholders of the Company at the forthcoming Annual General Meeting. The resolution seeking Mr. Agarwal's appointment as Director has been included in the Agenda of the Annual General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of your Company, Mr. Thomas John Keller Jr. is due to retire by rotation, and being eligible, has offered himself for re-appointment.

Proposals for the above appointments form a part of the Agenda for the forthcoming Annual General Meeting and the resolution is recommended for your approval. The profile of Messrs. Keller and Agarwal are presented in the Notice of the 27th Annual General Meeting, as required under the Companies Act, 2013, and the Listing Regulations.

Independent Directors' Declaration

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

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

Directors' Responsibility Statement

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

(i) in the preparation of the Annual Accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;

(ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the Annual Accounts on a going concern basis;

(v) the Directors had laid down the internal financial controls, followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors’ Report

Policy on Directors’ Appointment

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

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

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

Board and Directors’ Performance Evaluation

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

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

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

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

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

Auditors

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of your Company, at the 24th Annual General Meeting to hold office until the conclusion of the 28th Annual General Meeting, subject to ratification in each Annual General Meeting. In accordance with the Companies (Amendment) Act, 2017, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

Comments on Auditors’ Report

The notes to the financial statements referred to in the Auditors’ Report are self explanatory and do not call for any further comments.

Directors' Report

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

Secretarial Audit

The Board of Directors of the Company has appointed M/s. Y.J. Basrar & Co., Company Secretaries (Membership No. FCS 2754), as the Secretarial Auditor of the Company for the financial year 2017-18 in terms of Section 204 of the Companies Act, 2013. The Secretarial Audit Report for financial year 2017-18 has been annexed to this Report (Annexure V). The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

Transfer to Reserves

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

Dividend

The Board of Directors recommends for approval of the Members at the forthcoming Annual General Meeting, payment of dividend of Rs. 30 per Equity Share for the financial year ended March 31, 2018. If the members approve the dividend at the forthcoming Annual General Meeting, the dividend shall be paid to: (i) all those members whose names appear in the Register of Members as on Friday, August 17, 2018; and (ii) all those members whose names appear on that date as beneficial owners as furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

Dividend Distribution Policy

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

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

Transfer to Investor Education and Protection Fund

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

During 2017-18, the unclaimed dividend amount of Rs. 1,26,769 towards the unpaid dividend account of the Company for the financial year 2009-10 was transferred to Investor Education and Protection Fund. The said amount had remained unclaimed for seven years, despite reminder letters having been sent to each of the members concerned.

Pursuant to Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendments, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the demat account of Investor Education and Protection Fund ("IEPF") Authority (the "Authority") within a period of thirty days of such shares becoming due to be transferred to the IEPF, as per the procedure mentioned in the said Rules. Accordingly, your Company has transferred 207 equity shares to the demat account of the Authority and in terms of the said Rules. All benefits accruing on such shares viz. bonus shares, split, consolidation, fraction shares etc. except the right issue shall also be credited to such demat account.

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

Risk Management Policy

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

Directors' Report

Internal Control System and their Adequacy

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

Corporate Social Responsibility

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

Business Responsibility Report

Your Company, in accordance with the provisions of Regulation 34(2)(f) of the Listing Regulations has prepared a Business Responsibility Report for the year 2017-18. The Business Responsibility Report describes the initiatives taken by the Company from environmental, social and governance perspective. The Business Responsibility Report has been annexed to this report (Annexure VIII) and forms a part of the Director's Report.

Particulars of Contracts or Arrangements with Related Parties

Your Company has entered into contracts or arrangements with its related parties. The related-party transactions are disclosed in the financial statements for the year ended March 31, 2018. There have been no material-related party transactions as per Section 188(1) of the Companies Act, 2013 and as per Regulation 23 of the Listing Regulations, and the required disclosures of information in Form AOC-2 in terms of Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are annexed to this report (Annexure IX).

Policy on Prohibition, Prevention and Redressal of Sexual Harassment

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

Deposits

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

Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees and investments are disclosed in the financial statements for the year ended March 31, 2018.

Vigil Mechanism/Whistle-Blower Policy

Your Company has established a vigil mechanism in compliance with the provisions of Section 177 (9) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations. Your Company has adopted a Whistle Blower Policy for reporting of unethical/illegal/improper behaviour. The said whistle-blower policy also provides for adequate safeguards against victimisation of persons who use such vigil mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. Further, no stakeholders have been denied access to the Audit Committee.

Composition of the Audit Committee

Your Company has constituted an Audit Committee, the composition of which has been provided in the Corporate Governance Report. During the financial year 2017-18, the Board accepted all the recommendations of the Audit Committee.

Directors' Report

Litigations

During the year 2017-18 there were no litigations against the Company.

Acknowledgements

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

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

For and on behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

Place : Gurugram
Date : May 17, 2018

Annexure I

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

(i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director and Key Managerial Personnel during the financial year 2017-18:

Name of the Director/Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in remuneration
Mr. Arun Duggal	Independent Director	1.64:1	10%
Ms. Ranjana Agarwal	Independent Director	1.27:1	13.3%
Ms. Radhika Vijay Haribhakti	Independent Director	1.27:1	13.3%
Dr. Min Ye	Non- Executive and Non-Independent Director	Not Applicable[1]	Not Applicable[1]
Mr. Simon Richard Hastilow*	Non- Executive and Non-Independent Director	Not Applicable[1]	Not Applicable[1]
Mr. Thomas John Keller Jr.	Non- Executive and Non-Independent Director	Not Applicable[1]	Not Applicable[1]
Ms. Farisa Zarin	Non- Executive and Non-Independent Director	Not Applicable[1]	Not Applicable[1]
Mr. Navneet Agarwal[$]	Non- Executive and Non-Independent Director	Not Applicable[1]	Not Applicable[1]
Mr. Naresh Takkar	Managing Director & Group CEO	30.70:1	9.6%
Mr. Vipul Agarwal	Group Chief Financial Officer	NA	11.6%
Mr. Amit Gupta	General Counsel	NA	17.3%
Mr. S. Shakeb Rahman	Company Secretary	NA	13.4%

**Ceased to be a Director with effect from November 1, 2017.*

[$]Appointed as a Director with effect from November 2, 2017.

[1]Non-Executive Non Independent Directors have waived sitting fees and also waived commission payable to them for the financial year 2017-18.

(ii) The percentage increase in the median remuneration of employees for the financial year 2017-18 was 14.1%.

(iii) The number of permanent employees on the rolls of the Company as of March 31, 2018 was 427.

(iv) Average percentage increase made in the salaries of employees other than the managerial personnel (including KMP) in the financial year was 18.4% whereas the increase in the managerial remuneration was 9.8%. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies.

(v) The remuneration paid during the financial year 2017-18 is as per the Remuneration Policy of the Company.

Annexure II

Form No. MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L74999DL1991PLC042749
2.	Registration Date	16/01/1991
3.	Name of the Company	ICRA Limited
4.	Category/Sub-Category	Public Company
5.	Address of the Registered office and contact details	1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi – 110001 Tel.:+91.11.23357940-45 Email Id: investors@icraindia.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. Link Intime India Private Limited, 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi—110028, Tel: +91.11.4141 0592 Fax: +91.11.4141 0591 Email Id: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
3.	ICRA Lanka Limited 10-02, East Tower, World Trade Center, Colombo 1, Sri Lanka	NA	Subsidiary	100	2(87)
4.	ICRA Nepal Limited Sunrise Bizz Park, 6th Floor, Dillibazar, Kathmandu-33, Nepal	NA	Subsidiary	51	2(87)
5.	Pragati Development Consulting Services Limited 1105, 11th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi 100 001, India	U74140DL2011PLC213174	Subsidiary	100	2(87)

IV. SHAREHOLDING PATTERN

(EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)									
	Bodies Corporate	2850900	0	2850900	28.509	2850900	0	2850900	28.7409	0.0465
	Sub Total (A)(1)	2850900	0	2850900	28.509	2850900	0	2850900	28.7409	0.0465
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Bodies Corporate	2154722	0	2154722	21.5472	2154722	0	2154722	21.7225	0.0352
	Sub Total (A)(2)	2154722	0	2154722	21.5472	2154722	0	2154722	21.7225	0.0352
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	5005622	0	5005622	50.0562	5005622	0	5005622	50.4633	0.0818

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	999329	0	999329	10.0746	990063	0	990063	9.9973	-0.0773
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	867596	0	867596	8.7465	1062664	0	1062664	10.7304	1.9839
(f)	Financial Institutions/ Banks	570646	0	570646	5.7529	401912	0	401912	4.0584	-1.6945
(g)	Insurance Companies	1191740	0	1191740	12.0143	1412005	0	1412005	14.2580	2.2437
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	3629311	0	3629311	36.5883	3866644	0	3866644	38.9809	2.3926
[2]	Central Government/ State Government(s)/ President of India	0	0	0	0	207	0	207	0.0021	0.0021
	Sub Total (B)(2)	0	0	0	0	207	0	207	0.0021	0.0021
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	546661	1563	548224	5.5268	464504	1540	466044	4.7060	-0.8208
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	131822	0	131822	1.3289	141894	0	141894	1.4328	0.1039
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Trusts	3023	0	3023	0.0305	3003	0	3003	0.0303	-0.0002
	Hindu Undivided Family	22359	0	22359	0.2254	21900	0	21900	0.2211	-0.0043
	Non Resident Indians (Non Repat)	51655	0	51655	0.5208	10477	0	10477	0.1058	-0.4150
	Non Resident Indians (Repat)	24738	0	24738	0.2494	23164	0	23164	0.2339	-0.0155
	Clearing Member	14465	0	14465	0.1458	3717	0	3717	0.0375	-0.1083
	Bodies Corporate	348509	0	348509	3.5134	319905	0	319905	3.2303	-0.2831

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Sub Total (B)(3)	1143232	1563	1144795	11.5411	988584	1540	990124	9.9818	-1.5593
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	4772543	1563	4774106	48.1294	4855435	1540	4856975	48.9648	0.8354
	Total (A)+(B)	9778165	1563	9779728	98.5927	9861057	1540	9862597	99.4281	0.8354
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	139595	0	139595	1.4073	40683	0	40683	0.4108	-0.9965
	Total (A)+(B)+(C)	9917760	1563	9919323	100	9901740	1540	9903280	100	

Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Moody's Investment Company India Private Limited	28,50,900	28.51	Nil	28,50,900	28.7874	Nil	0.0465
2.	Moody's Singapore Pte Ltd	21,54,722	21.55	Nil	21,54,722	21.7577	Nil	0.0352
	Total	50,05,622	50.06	Nil	50,05,622	50.5451	Nil	0.0818

Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company*
1.	Moody's Investment Company India Private Limited				
	At the beginning of the year	28,50,900	28.51	28,50,900	28.7409
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year	28,50,900	28.7409	28,50,900	28.7874
2	Moody's Singapore Pte Ltd				
	At the beginning of the year	21,54,722	21.55	21,54,722	21.7225

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company*
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year	21,54,722	21.7225	21,54,722	21.7577

**As on March 31, 2016 the Company had a paid up share capital of 1,00,00,000 equity shares of Rs. 10 each. Till March 31, 2017, the Company has bought back 96,720 equity shares out of which 80,677 equity shares have been extinguished, the Company has extinguished the balance of 16,043 equity shares after March 31, 2017. The total share capital of the Company was 99,03,280 equity shares of Rs. 10 each. Change in shareholding percentage was due to change in total number of shares of the Company.*

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE MNC FUND	907392	9.1625			907392	9.1625
	Transfer			07 Apr 2017	4449	911841	9.2075
	Transfer			14 Apr 2017	(14357)	897484	9.0625
	Transfer			21 Apr 2017	(7110)	890374	8.9907
	Transfer			28 Apr 2017	9666	900040	9.0883
	Transfer			05 May 2017	1035	901075	9.0988
	Transfer			12 May 2017	(245)	900830	9.0963
	Transfer			19 May 2017	(7597)	893233	9.0196
	Transfer			26 May 2017	(3785)	889448	8.9813
	Transfer			02 Jun 2017	3699	893147	9.0187
	Transfer			09 Jun 2017	1926	895073	9.0381
	Transfer			16 Jun 2017	1890	896963	9.0572
	Transfer			23 Jun 2017	1250	898213	9.0699
	Transfer			30 Jun 2017	739	898952	9.0773
	Transfer			07 Jul 2017	4230	903182	9.1200
	Transfer			14 Jul 2017	1242	904424	9.1326
	Transfer			21 Jul 2017	990	905414	9.1426
	Transfer			28 Jul 2017	2232	907646	9.1651
	Transfer			04 Aug 2017	1557	909203	9.1808
	Transfer			11 Aug 2017	4419	913622	9.2254
	Transfer			18 Aug 2017	864	914486	9.2342
	Transfer			25 Aug 2017	1638	916124	9.2507
	Transfer			01 Sep 2017	1170	917294	9.2625
	Transfer			08 Sep 2017	810	918104	9.2707
	Transfer			15 Sep 2017	990	919094	9.2807
	Transfer			22 Sep 2017	1233	920327	9.2932

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			29 Sep 2017	(1530)	918797	9.2777
	Transfer			06 Oct 2017	5580	924377	9.3340
	Transfer			13 Oct 2017	666	925043	9.3408
	Transfer			20 Oct 2017	900	925943	9.3499
	Transfer			27 Oct 2017	1035	926978	9.3603
	Transfer			03 Nov 2017	1125	928103	9.3717
	Transfer			10 Nov 2017	1395	929498	9.3858
	Transfer			17 Nov 2017	1710	931208	9.4030
	Transfer			24 Nov 2017	1667	932875	9.4199
	Transfer			01 Dec 2017	880	933755	9.4287
	Transfer			08 Dec 2017	1188	934943	9.4407
	Transfer			15 Dec 2017	630	935573	9.4471
	Transfer			22 Dec 2017	1395	936968	9.4612
	Transfer			29 Dec 2017	819	937787	9.4695
	Transfer			05 Jan 2018	2394	940181	9.4936
	Transfer			12 Jan 2018	1733	941914	9.5111
	Transfer			19 Jan 2018	2295	944209	9.5343
	Transfer			26 Jan 2018	1710	945919	9.5516
	Transfer			02 Feb 2018	2079	947998	9.5726
	Transfer			09 Feb 2018	855	948853	9.5812
	Transfer			16 Feb 2018	375	949228	9.5850
	Transfer			23 Feb 2018	720	949948	9.5923
	Transfer			02 Mar 2018	360	950308	9.5959
	Transfer			09 Mar 2018	450	950758	9.6004
	Transfer			16 Mar 2018	450	951208	9.6050
	Transfer			23 Mar 2018	450	951658	9.6095
	Transfer			31 Mar 2018	270	951928	9.6122
	AT THE END OF THE YEAR					951928	9.6122
2	LIFE INSURANCE CORPORATION OF INDIA	668741	6.7527			668741	6.7527
	Transfer			21 Jul 2017	629	669370	6.7591
	Transfer			28 Jul 2017	10593	679963	6.8660
	Transfer			04 Aug 2017	5020	684983	6.9167
	Transfer			11 Aug 2017	13735	698718	7.0554
	Transfer			18 Aug 2017	3623	702341	7.0920
	Transfer			25 Aug 2017	1968	704309	7.1119
	Transfer			01 Sep 2017	2790	707099	7.1400
	Transfer			08 Sep 2017	2640	709739	7.1667
	Transfer			15 Sep 2017	3198	712937	7.1990
	Transfer			01 Dec 2017	88	713025	7.1999
	Transfer			08 Dec 2017	23865	736890	7.4409
	Transfer			15 Dec 2017	1047	737937	7.4514
	Transfer			29 Dec 2017	300	738237	7.4545
	Transfer			05 Jan 2018	18244	756481	7.6387
	Transfer			12 Jan 2018	17793	774274	7.8184

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			19 Jan 2018	13663	787937	7.9563
	Transfer			26 Jan 2018	10	787947	7.9564
	Transfer			02 Feb 2018	1364	789311	7.9702
	Transfer			09 Feb 2018	1876	791187	7.9891
	Transfer			16 Feb 2018	1435	792622	8.0036
	Transfer			23 Feb 2018	13292	805914	8.1378
	Transfer			02 Mar 2018	341	806255	8.1413
	Transfer			09 Mar 2018	10547	816802	8.2478
	Transfer			16 Mar 2018	23750	840552	8.4876
	Transfer			23 Mar 2018	45362	885914	8.9457
	Transfer			31 Mar 2018	3092	889006	8.9769
	AT THE END OF THE YEAR					889006	8.9769
3	GENERAL INSURANCE CORPORATION OF INDIA	522999	5.2811			522999	5.2811
	AT THE END OF THE YEAR					522999	5.2811
4	PUNJAB NATIONAL BANK	425268	4.2942			425268	4.2942
	Transfer			02 Feb 2018	(2268)	423000	4.2713
	Transfer			09 Feb 2018	(695)	422305	4.2643
	Transfer			16 Feb 2018	(300)	422005	4.2613
	Transfer			23 Feb 2018	(1198)	420807	4.2492
	Transfer			02 Mar 2018	(900)	419907	4.2401
	Transfer			09 Mar 2018	(9959)	409948	4.1395
	Transfer			16 Mar 2018	(33288)	376660	3.8034
	Transfer			23 Mar 2018	(36660)	340000	3.4332
	AT THE END OF THE YEAR					340000	3.4332
5	FRANKLIN TEMPLETON INVESTMENT FUNDS	300929	3.0387			300929	3.0387
	AT THE END OF THE YEAR					300929	3.0387
6	SMALLCAP WORLD FUND, INC	291264	2.9411			291264	2.9411
	AT THE END OF THE YEAR					291264	2.9411
7	PLATINUM ASIA FUND	0	0.0000			0	0.0000
	Transfer			14 Apr 2017	3046	3046	0.0308
	Transfer			21 Apr 2017	34923	37969	0.3834
	Transfer			28 Apr 2017	12434	50403	0.5090
	Transfer			05 May 2017	897	51300	0.5180
	Transfer			19 May 2017	34848	86148	0.8699
	Transfer			26 May 2017	10016	96164	0.9710
	Transfer			02 Jun 2017	5936	102100	1.0310
	Transfer			23 Jun 2017	80	102180	1.0318
	Transfer			30 Jun 2017	75820	178000	1.7974
	Transfer			27 Oct 2017	244	178244	1.7998
	Transfer			03 Nov 2017	951	179195	1.8095
	Transfer			10 Nov 2017	5656	184851	1.8666
	AT THE END OF THE YEAR					184851	1.8666
8	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	113408	1.1452			113408	1.1452

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			07 Apr 2017	331	113739	1.1485
	Transfer			14 Apr 2017	(229)	113510	1.1462
	Transfer			21 Apr 2017	(50)	113460	1.1457
	Transfer			28 Apr 2017	(127)	113333	1.1444
	Transfer			19 May 2017	(84)	113249	1.1436
	Transfer			23 Jun 2017	(946)	112303	1.1340
	Transfer			30 Jun 2017	(34)	112269	1.1337
	Transfer			07 Jul 2017	(311)	111958	1.1305
	Transfer			21 Jul 2017	(79)	111879	1.1297
	Transfer			04 Aug 2017	(50)	111829	1.1292
	Transfer			01 Sep 2017	(22)	111807	1.1290
	Transfer			08 Sep 2017	22	111829	1.1292
	Transfer			22 Sep 2017	3	111832	1.1292
	Transfer			29 Sep 2017	2247	114079	1.1519
	Transfer			06 Oct 2017	2885	116964	1.1811
	Transfer			13 Oct 2017	2597	119561	1.2073
	Transfer			20 Oct 2017	1141	120702	1.2188
	Transfer			27 Oct 2017	1990	122692	1.2389
	Transfer			03 Nov 2017	(53)	122639	1.2384
	Transfer			10 Nov 2017	(17)	122622	1.2382
	Transfer			01 Dec 2017	5	122627	1.2382
	Transfer			08 Dec 2017	4085	126712	1.2795
	Transfer			22 Dec 2017	5000	131712	1.3300
	Transfer			29 Dec 2017	5000	136712	1.3805
	Transfer			05 Jan 2018	5179	141891	1.4328
	Transfer			09 Mar 2018	864	142755	1.4415
	Transfer			23 Mar 2018	3005	145760	1.4718
	Transfer			31 Mar 2018	1131	146891	1.4833
	AT THE END OF THE YEAR					146891	1.4833
9	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND, L.P.	83150	0.8396			83150	0.8396
	AT THE END OF THE YEAR					83150	0.8396
10	M3 INVESTMENT PRIVATE LIMITED	94660	0.9558			94660	0.9558
	Transfer			24 Nov 2017	(23000)	71660	0.7236
	AT THE END OF THE YEAR					71660	0.7236
11	ICRA EMPLOYEES WELFARE TRUST	139595	1.4096			139595	1.4096
	Transfer			30 Jun 2017	(88736)	50859	0.5136
	Transfer			29 Sep 2017	(400)	50459	0.5095
	Transfer			03 Nov 2017	(2025)	48434	0.4891
	Transfer			10 Nov 2017	(5882)	42552	0.4297
	Transfer			17 Nov 2017	(869)	41683	0.4209
	Transfer			31 Mar 2018	(1000)	40683	0.4108
	AT THE END OF THE YEAR					40683	0.4108

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 9903280 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

Shareholding of Directors and Key Managerial Personnel

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

Name of the Director(s)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company*
Mr. Naresh Takkar	At the beginning of the year	41,000	0.413	41,000	0.413
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	1000 (ESOPs)	0.010	1000 (ESOPs)	0.010
	At the end of the year (or on the date of separation, if separated during the year)	42,000	0.424	42,000	0.424
Mr. Vipul Agarwal	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. Amit Kumar Gupta	At the beginning of the year	Nil	NA	Nil	NA
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Nil	NA	Nil	NA
	At the end of the year (or on the date of separation, if separated during the year)	Nil	NA	Nil	NA
Mr. S. Shakeb Rahman	At the beginning of the year	120	0.001	120	0.001
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc.)	90 (ESOPs)	0.001	90 (ESOPs)	0.001
	At the end of the year (or on the date of separation, if separated during the year)	210	0.002	210	0.002

INDEBTEDNESS

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

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

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration of Managing Director (MD), Whole-Time Directors (WTD) and/or manager:

(in Rs. lakh)

Sl. No.	Particulars of Remuneration	Mr. Naresh Takkar
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	270.37
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.24
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	0
4.	Commission	-
	As 1% of net profit	141.59
	Others	-
5.	Others	-
	Total (A)	412.20
	Ceiling as per the Act	707.95

Remuneration to other Directors:

(in Rs. lakh)

Particulars of Remuneration	Mr. Arun Duggal	Ms. Ranjana Agarwal	Ms. Radhika Vijay Haribhakti	Dr. Min Ye	Mr. Simon Richard Hastilow#	Mr. Thomas John Keller Jr.	Ms. Farisa Zarin	Mr. Navneet Agarwal$	Total Amount
Independent Directors:									
Fees for attending Board/ Committee meetings (sitting fee)	4.20	6.90	5.40	-	-	-	-	-	16.50
Commission	22.00	17.00	17.00	-	-	-	-	-	56.00
Others	-	-	-	-	-	-	-	-	-
Total (1)	**26.20**	**23.90**	**22.40**	**-**	**-**	**-**	**-**	**-**	**72.50**
Other Non Executive Directors:									
Fees for attending Board/ Committee meetings (sitting fee)	-	-	-	Nil *	Nil*	Nil*	Nil*	Nil*	Nil*
Commission	-	-	-	Nil*	Nil*	Nil*	Nil*	Nil*	Nil*
Others	-	-	-	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-	-	-	-
Total (B)= (1+2)	**26.20**	**23.90**	**22.40**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil***	**72.50**
Total Managerial Remuneration&	22.00	17.00	17.00	-	-	-	-	-	56.00
Overall Ceiling as per the Act									141.59

#Ceased to be a Director with effect from November 1, 2017.

&Excluding Sitting Fee.

**Non-Executive Non Independent Directors have waived sitting fees and commission payable to them for the financial year 2017-18.*

$Appointed as an Additional Director with effect from November 2, 2017.

Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(in Rs. lakh)

Sl. No.	Particulars of Remuneration	Mr. Vipul Agarwal (Group Chief Financial Officer)	Mr. Amit Kumar Gupta (General Counsel)	Mr. S. Shakeb Rahman (Company Secretary & Compliance Officer)	Total Amount
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	183.67	72.02	21.16	276.85
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.24	0.24	0.24	0.72
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	As 1% of net profit	-	-	-	-
	Others	-	-	-	-
5.	Others	-	-	-	-
	Total (A)	183.91	72.26	21.40	277.57
	Ceiling as per the Act				

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure III

Corporate Governance Report

A. Company's Philosophy on Corporate Governance

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

B. Board of Directors

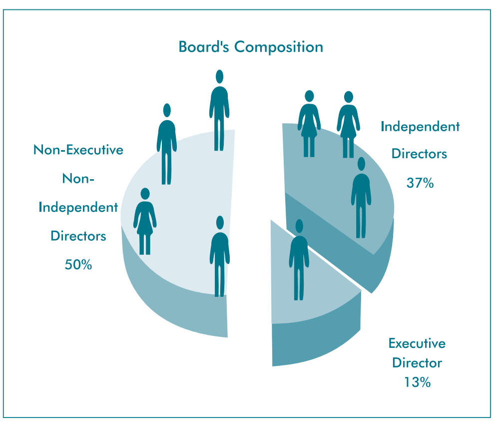
(i) Board Membership Criteria

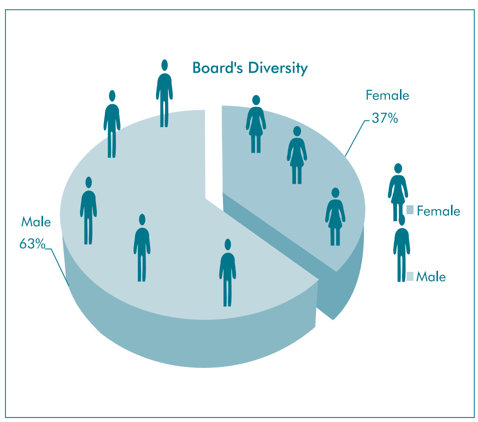
The members of the Board of Directors of your Company are expected to possess the required expertise, skill and experience to effectively manage and direct your Company so that it can attain its organisational goals. The members are expected to be individuals with vision, leadership qualities and a strategic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

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

(ii) Composition of the Board

(i) The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors with a balanced structure. As of March 31, 2018, the Board consists of eight members, one of whom is an Executive Director. Of the seven Non-Executive Directors, including three women Directors, three are Independent Directors and four Non-Executive Non-Independent Directors, including one Additional Director. The Chairman of the Board is a Non-Executive and Independent Director. Your Company believes in a balanced governance structure with the separation of the posts of a chairperson and a chief executive officer. Your Company acknowledges that while all directors have equal fiduciary responsibilities, appointing a Non-Executive and Independent Director as Chairman of the Board facilitates better engagement of, and by, the Independent Directors on the Board. The number of Non-Executive Directors is more than 50% of the total number of Directors.





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

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

The composition of the Board as on March 31, 2018 and the other directorships (inclusive of Board committee assignments with respect to the Company and other companies) held, as on the date of this report by each of the Directors, is set out in the following table:

Corporate Governance Report

Name of Director[1]	Category of Director	Relationship with Other Directors inter-se	Directorship in Other Companies[2]	No. of Board Committee(s) of which he/she is a Member[3]	No. of Board Committee(s) of which he/she is Chairman[3]
Mr. Arun Duggal DIN: 00024262	Chairman Non-Executive Independent Director	None	8	5	3
Mr. Naresh Takkar DIN: 00253288	Executive Director	None	3	1	None
Ms. Ranjana Agarwal DIN: 03340032	Non-Executive Independent Director	None	5	4	2
Ms. Radhika Vijay Haribhakti DIN: 02409519	Non-Executive Independent Director	None	6	7	None
Dr. Min Ye DIN: 06552282	Non-Executive Non-Independent Director	None	17	1	None
Mr. Thomas John Keller Jr. DIN: 00194502	Non-Executive Non-Independent Director	None	2	None	None
Ms. Fariza Zarin DIN:07532172	Non-Executive Non-Independent Director	None	None	None	1
Mr. Navneet Agarwal DIN: 07971691	Additional Director, Non-Executive Non-Independent Director	None	None	None	None

Notes:

1. *Except Mr. Naresh Takkar, none of the Directors of your Company were holding any shares of your Company as on March 31, 2018.*
2. *Including private companies and foreign companies.*
3. *Including membership/chairmanship only of the Audit Committee(s) and Stakeholders Relationship Committee(s).*

Name of Director	Directorship in Other Companies
Mr. Arun Duggal	• Dish TV India Limited • Dr Lal Pathlabs Limited • Info Edge (India) Limited • International Asset Reconstruction Co. Private Limited • ITC Limited • Mangalore Chemicals & Fertilizers Limited • ReNew Power Limited • ReNew Solar Energy Private Limited
Mr. Naresh Takkar	• ICRA Lanka Limited • ICRA Online Limited • ICRA Management Consulting Services Limited
Ms. Ranjana Agarwal	• Indo Rama Synthetics (India) Limited • ICRA Management Consulting Services Limited • Joyville Shapoorji Housing Private Limited • KDDL Limited • Shubham Housing Development Finance Company Limited
Ms. Radhika Vijay Haribhakti	• Adani Ports and Special Economic Zone Limited • Mahanagar Gas Limited • EIH Associated Hotels Limited • Navin Fluorine International Limited • Rain Industries Limited • Vistaar Financial Services Private Limited

Corporate Governance Report

Name of Director	Directorship in Other Companies
Dr. Min Ye	• China Cheng Xin International Credit Rating Co., Limited • Korea Investors Service, Inc. • Moody's (Japan) K.K. • Moody's Asia Pacific Limited • Moody's China (B.V.I.) Limited • Moody's Company Hong Kong Limited • Moody's Group Australia Pty Limited • Moody's Investment Company India Private Limited • Moody's Investors Service (Beijing), Limited • Moody's Investors Service (Korea) Inc. • Moody's Investors Service Hong Kong Limited • Moody's Investors Service Pty Limited • Moody's Investors Service India Private Limited • Moody's Investors Service Singapore Pte. Limited • Moody's SF Japan K.K. • Moody's Shared Services India Private Limited • Moody's Singapore Pte Limited
Mr. Simon Richard Hastilow[1]	• None
Mr. Thomas John Keller Jr.	• Moody's KIS • Equilibrium Clasificadora de Riesgo S.A.
Ms. Fariza Zarin	• None
Mr. Navneet Agarwal[2]	• None

[1]Mr. Simon Richard Hastilow ceased to be a Director with effect from November 1, 2017.

[2]Mr. Navneet Agarwal was appointed as an Additional Director with effect from November 2, 2017.

(iii) Board Meetings/Annual General Meeting

During the year 2017-18, the Board of Directors of your Company met four times - on May 11, 2017, August 3, 2017, November 2, 2017 and February 7, 2018. The Agenda papers, along with the explanatory notes for Board meetings, were sent in advance to the Directors. At some instances, documents were tabled at the meeting and presentations were also made by the respective executives on matters related to them at the meeting.

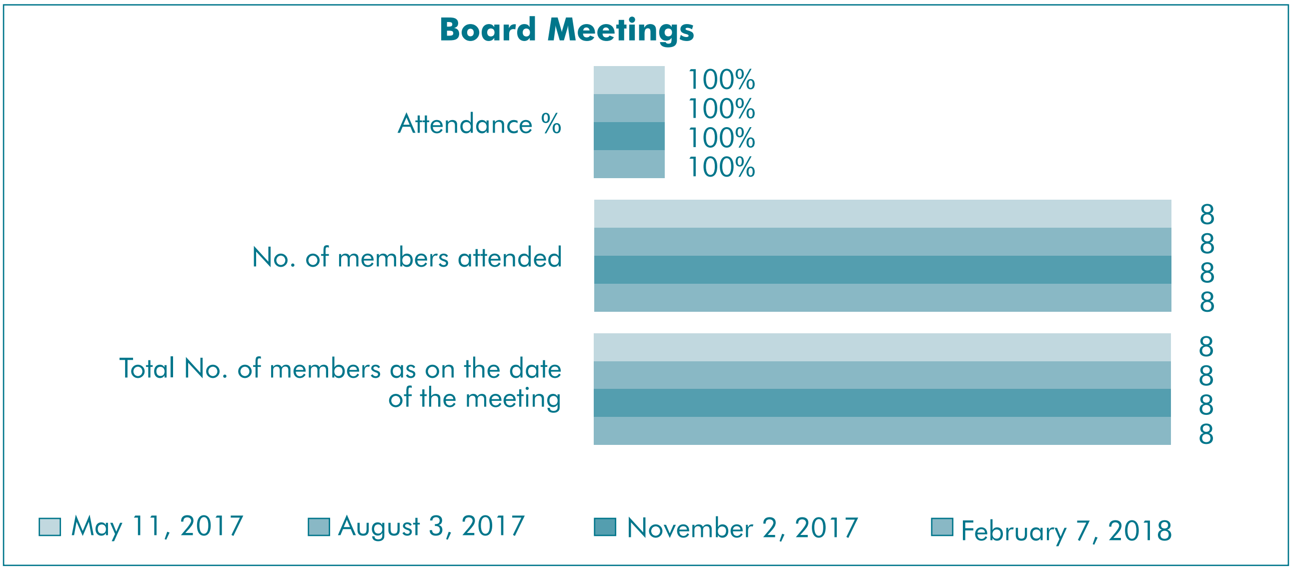
The previous Annual General Meeting was held on August 3, 2017. Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2017-18 are presented in the following table.

Name of the Director	Attended the last AGM held on August 3, 2017	Board Meetings			
		No. of meetings entitled to attend	No. of meetings attended	% of attendance	No. of meetings attended through video/audio conferencing
Mr. Arun Duggal	Yes	4	4	100%	Nil
Ms. Ranjana Agarwal	Yes	4	4	100%	Nil
Ms. Radhika V. Haribhakti	Yes	4	4	100%	Nil
Dr. Min Ye	Yes	4	4	100%	Nil
Mr. Simon Richard Hastilow[1]	Yes	2	2	100%	Nil
Mr. Thomas John Keller Jr.	Yes	4	4	100%	Nil
Ms. Farisa Zarin	Yes	4	4	100%	Nil
Mr. Navneet Agarwal[2]	N.A.	1	1	100%	Nil
Mr. Naresh Takkar	Yes	4	4	100%	Nil

[1]Mr. Simon Richard Hastilow ceased to be a Director with effect from November 1, 2017

[2]Mr. Navneet Agarwal was appointed as a Director with effect from November 2, 2017.

Corporate Governance Report



The necessary quorum was present for all the meetings.

(iv) Membership Term and Retirement Policy

According to the Articles of Association of your Company, at every Annual General Meeting, one-third of such number of the Directors for the time being, as are liable to retire by rotation, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.

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

(v) Code of Conduct

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

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

All the members of the Board and the Senior Management personnel of your Company have affirmed their compliance with the Code of Conduct for the year ended March 31, 2018.

(vi) Familiarisation Programme for Independent Directors

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

https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=17&Title=Corporate%20Governance&Report=Familiarisation%20Programme_2017-18.pdf.

C. Board Committees

In compliance with requirements under the Companies Act, 2013, the Listing Regulations, and other applicable laws, the

Corporate Governance Report

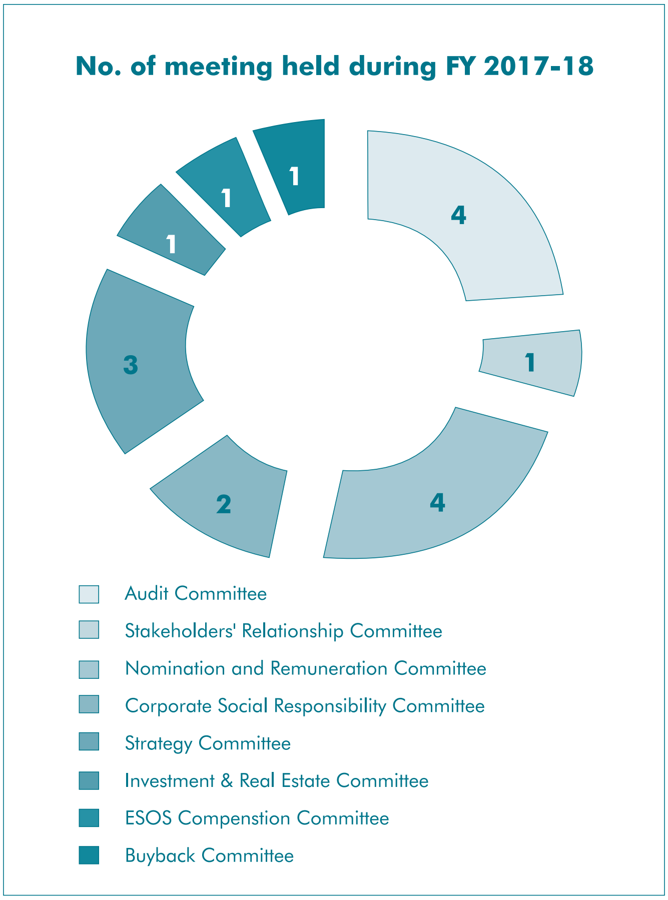
Board has constituted the following committees of the Board. The following table presents the composition of the various committees as on March 31, 2018.

Committees	Composition	Chairperson's classification	% of Independent members
Audit Committee	• Ms. Ranjana Agarwal, Chairperson • Ms. Radhika Vijay Haribhakti • Mr. Arun Duggal • Dr. Min Ye	ID	75%
Corporate Social Responsibility Committee	• Ms. Ranjana Agarwal, Chairperson • Ms. Farisa Zarin • Mr. Navneet Agarwal • Mr. Naresh Takkar	ID	25%
Investment & Real Estate Committee	• Ms. Ranjana Agarwal, Chairperson • Dr. Min Ye • Mr. Naresh Takkar	ID	33.33%
Nomination & Remuneration Committee	• Ms. Radhika Vijay Haribhakti, Chairperson • Ms. Ranjana Agarwal • Mr. Thomas John Keller Jr.	ID	66.67%
Stakeholders' Relationship Committee	• Ms. Farisa Zarin, Chairperson • Ms. Ranjana Agarwal • Mr. Naresh Takkar	NED	33.33%
Strategy Committee	• Mr. Thomas John Keller Jr., Chairman • Dr. Min Ye • Ms. Farisa Zarin • Mr. Naresh Takkar	NED	0%

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

The committees meet as often as necessary, subject to the minimum number and frequency stipulated by the Board of Directors or as prescribed under the Companies Act, 2013, and the Listing Regulations. The number of meetings held by each committee during the financial year 2017-18 is given below:

Corporate Governance Report



(i) Audit Committee

The terms of reference of the Audit Committee include:

A. Powers of Audit Committee

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

B. Role of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement, which in turn is to be included in the Board's report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings

Corporate Governance Report

   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process
8. Approval or any subsequent modification of transactions of the Company with related parties
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the Company, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with internal auditors of any significant findings and follow up thereon
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
16. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as a post-audit discussion to ascertain any area of concern
17. Looking into the reasons for substantial defaults, if any, in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
18. Reviewing the functioning of the whistle-blower mechanism
19. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

C. Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

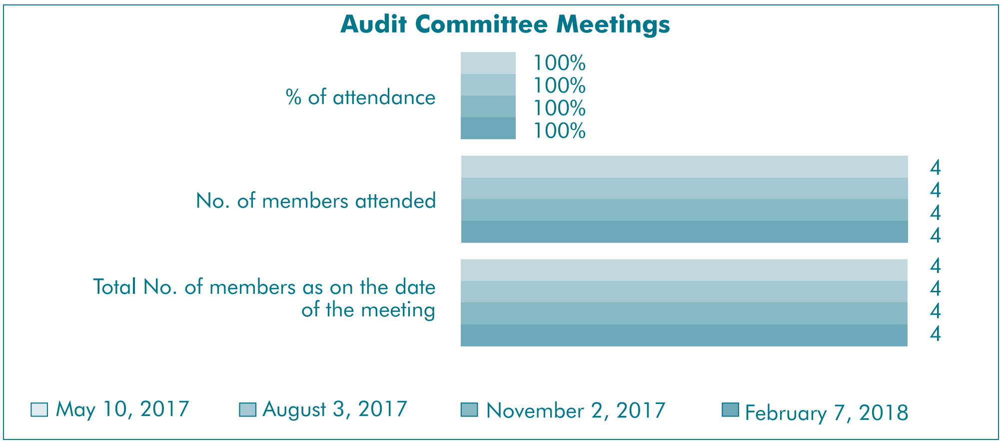
1. Management discussion and analysis of financial condition and results of operations
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management
3. Management letters/letters of internal control weaknesses issued by the statutory auditors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

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

The Audit Committee met four times during the year 2017-18: on May 10, 2017, August 3, 2017, November 2, 2017 and February 7, 2018. The following table presents, besides the composition of the Audit Committee as on March 31, 2018, the details of attendance at the meetings held during the financial year 2017-18.

Corporate Governance Report

Composition of Audit Committee			Audit Committee meetings		
Name of the Director	**Category**	**Position**	**No. of meetings entitled to attend**	**No. of meetings attended**	**% Attendance**
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	4	4	100%
Mr. Arun Duggal	Chairman, Non-Executive Independent Director	Member	4	4	100%
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Member	4	4	100%
Dr. Min Ye	Non-Executive Non-Independent Director	Member	4	4	100%



The necessary quorum was present for all the meetings.

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

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

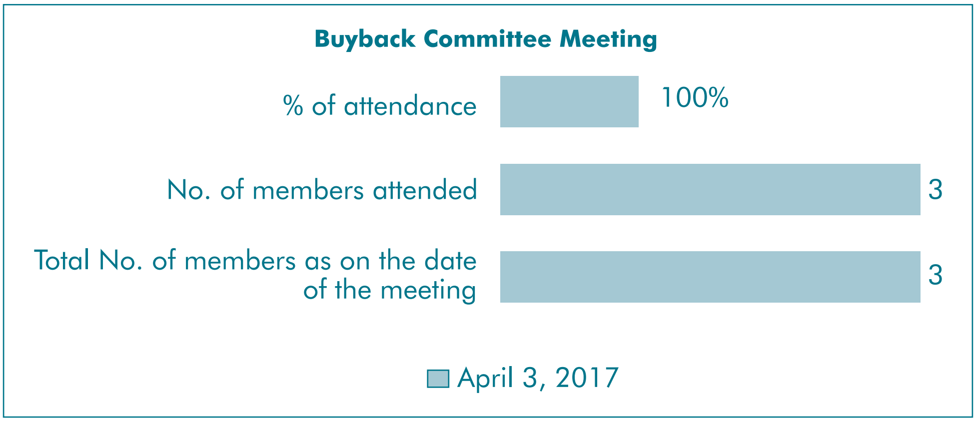
(ii) Buyback Committee

Your Company had constituted a Buyback Committee and authorised it to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper, in relation to the Buyback. The Buyback Committee met on April 3, 2017 to approve, *inter alia*, the closure of buyback and public notice in relation thereto.

The following table presents the composition of the Buyback Committee and the details of attendance at the Committee meeting held during the year 2017-18.

Composition of Nomination and Remuneration Committee			Nomination and Remuneration Committee Meetings		
Name of Director	**Category**	**Position**	**No. of meetings entitled to attend**	**No. of meetings attended**	**% of attendance**
Mr. Arun Duggal	Non-Executive Independent Director	Member	1	1	100%
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	1	1	100%
Mr. Naresh Takkar	Executive Director	Member	1	1	100%

Corporate Governance Report



The Board at its meeting held on August 3, 2017 dissolved the Buyback Committee with effect from August 3, 2017.

(iii) Corporate Social Responsibility Committee

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

The terms of reference of the CSR Committee include:

(a) Formulation and recommendation to the Board of a Corporate Social Responsibility Policy in accordance with the provisions of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

(b) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) Monitoring of the Corporate Social Responsibility Policy of the Company and performance of various CSR projects, programmes or activities undertaken by the Company from time to time.

During the year 2017-18, two meetings of the CSR Committee were held, on May 10, 2017 and November 2, 2017.

The following table presents the composition of the CSR Committee as on March 31, 2018 and the details of attendance at the CSR Committee meeting held during the year 2017-18.

Composition of Corporate Social Responsibility Committee			Corporate Social Responsibility Committee Meeting		
Name of the Director	**Category**	**Position**	**No. of meetings entitled to attend**	**No. of meetings attended**	**% Attendance**
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	2	2	100%
Dr. Min Ye[1]	Non-Executive Non-Independent Director	Member	2	2	100%
Ms. Farisa Zarin	Non-Executive Non-Independent Director	Member	2	2	100%
Mr. Navneet Agarwal[2]	Additional Director, Non-Executive Non-Independent Director	Member	Nil	Nil	Nil
Mr. Naresh Takkar	Executive Director	Member	2	2	100%

[1]*Dr. Min Ye ceased to be a member with effect from November 2, 2017.*

[2]*Mr. Navneet Agarwal was appointed as the member of the Corporate Social Responsibility Committee with effect from November 2, 2017.*

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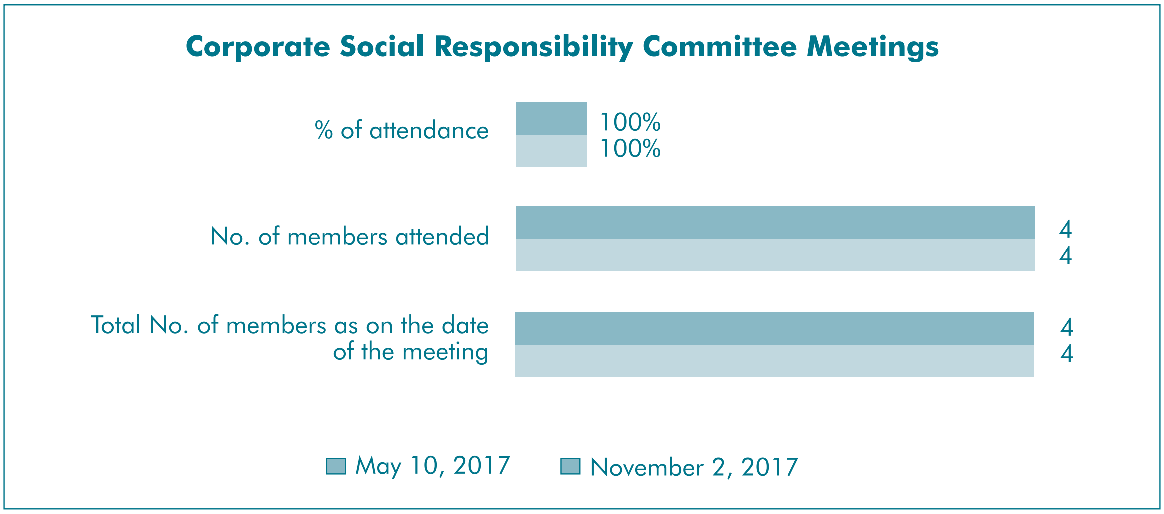


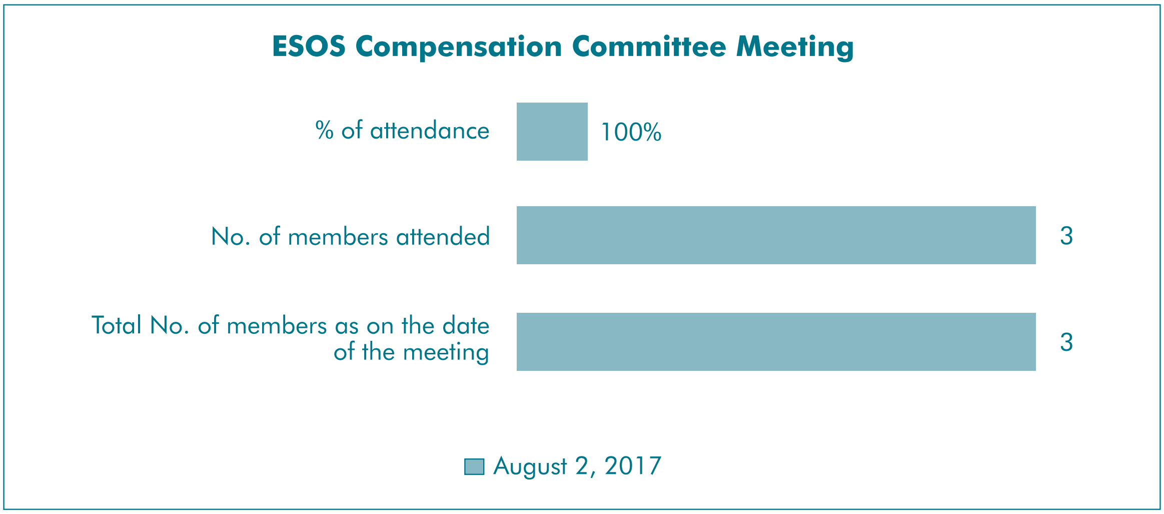
The necessary quorum was present for all the meetings.

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

(iv) ESOS Compensation Committee

The Board of Directors of your Company at its meeting held on February 7, 2018, merged the ESOS Compensation Committee with and into the Nomination and Remuneration Committee. Thereafter, the ESOS Compensation Committee was dissolved with effect from February 7, 2018.

The ESOS Compensation Committee met once during the year 2017-18: on August 2, 2017.



The necessary quorum was present for the meeting.

(v) Investment & Real Estate Committee

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

The Investment & Real Estate Committee met once during the year 2017-18: on May 10, 2017.

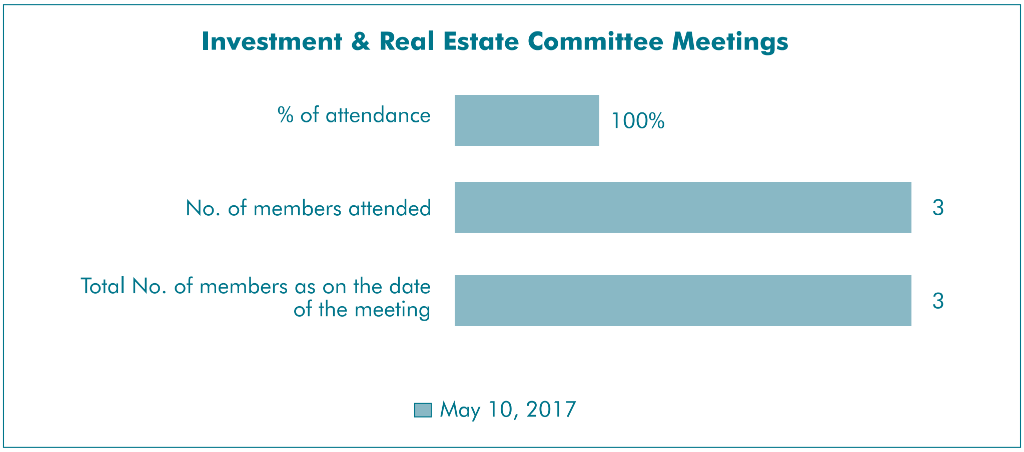
The following table presents the composition of the Investment & Real Estate Committee as on March 31, 2018 and the details of attendance at the Committee meeting held during the year 2017-18.

Corporate Governance Report

Composition of Investment & Real Estate Committee			Investment & Real Estate Committee Meeting		
Name of the Director	**Category**	**Position**	**No. of meetings entitled to attend**	**No. of meetings attended**	**% Attendance**
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	1	1	100%
Mr. Thomas John Keller Jr.[1]	Non-Executive Non-Independent Director	Member	1	1	100%
Dr. Min Ye[2]	Non-Executive Non-Independent Director	Member	Nil	Nil	Nil
Mr. Naresh Takkar	Executive Director	Member	1	1	100%

[1] Mr. Thomas John Keller Jr. ceased to be a member of the Investment and Real Estate Committee with effect from November 2, 2017.

[2] Dr. Min Ye appointed as a member of the Investment and Real Estate Committee with effect from November 2, 2017.



The necessary quorum was present for the meeting.

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

(vi) Nomination and Remuneration Committee

The terms of reference[1] of the Nomination and Remuneration Committee include:

a) identify persons who are qualified to become Directors and who can be appointed as a part of the senior management and recommend to the Board their appointment and removal;

b) recommend to the Board, the policy relating to remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:

   (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

c) review the Company's succession plan on an annual basis and recommend to the Board for approval;

d) formulate the criteria for evaluation of Independent Directors and the Board;

e) specify the manner for effective evaluation of performance of the Board, its committees and individual Directors to

[1] The Board of Directors of the Company post-merger of the ESOS Compensation Committee with and into the Nomination and Remuneration Committee, modified the terms of reference of the Nomination and Remuneration Committee to incorporate the terms of reference of the ESOS Compensation Committee.

Corporate Governance Report

be carried out either by the Board, by the Committee or by any an independent external agency and review its implementation and compliance;

f) devise the policy on Board diversity;

g) formulate the criteria for determining qualifications, positive attributes and independence of a Director;

h) attend through the chairperson, the general meeting of the Company to answer shareholders' queries;

i) formulate detailed terms and conditions of any employee stock option scheme in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and other applicable laws;

j) determine the eligibility of an employee for participation under any employee stock option scheme and to grant options thereunder based on, *inter alia*, the following criteria:

   (i) Performance of the employee in contributing to business results, organisational strength and market position of the Company;

   (ii) Employee's potential and criticality to the role(s) assigned;

   (iii) Level in the Company/Subsidiary; and

   (iv) Any other criteria that may be determined by the Committee from time to time.

k) determine the quantum of options to be granted under any employee stock option scheme per employee and in aggregate;

l) determine the number of shares to be covered by each such option granted under any employee stock option scheme;

m) approve forms of agreement for use under any employee stock option scheme;

n) establish and administer terms, conditions, performance criteria, restrictions, limitations, exercise period, forfeiture or vesting or exercise schedule and other provisions of or relating to any option granted under any employee stock option scheme, including conditions for lapse of options and to specify and determine such additional terms, conditions and restrictions not inconsistent with the terms of any employee stock option scheme and/or any options as may be deemed necessary or appropriate to ensure compliance with the applicable laws;

o) grant waiver of and variations in the terms, conditions, restrictions and limitations under any employee stock option scheme and amend or adjust the terms and conditions of any option outstanding thereunder, correct any errors, supply any omissions or reconcile any inconsistencies in any employee stock option scheme, any employee stock option agreement or any other instrument relating to any options granted, pursuant to any employee stock option scheme;

p) formulate the conditions under which any options granted, pursuant to any employee stock option scheme that has vested in employees may lapse in case of termination of employment for misconduct;

q) construe and interpret any ambiguous provisions/terms of any employee stock option scheme, any employee stock option agreement and any other instrument relating to any options and decide all questions relating thereto;

r) appoint such agents as it shall deem appropriate for the proper administration of any employee stock option scheme;

s) frame suitable policies and systems to ensure that there is no violation of the applicable laws including the SEBI (Prohibition of Insider Trading) Regulations, 2015, and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee;

t) make any other determination and to take any other action that it or the Board may deem necessary or desirable for the administration of any employee stock option scheme, including the actions required under the regulations framed by SEBI and other applicable laws.

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

The Nomination and Remuneration Committee met four times during the year 2017-18: on May 10, 2017, August 2, 2017, November 2, 2017 and February 7, 2018.

The following table presents the composition of the Nomination and Remuneration Committee as on March 31, 2018 and the details of attendance at the meetings held during the financial year 2017-18.

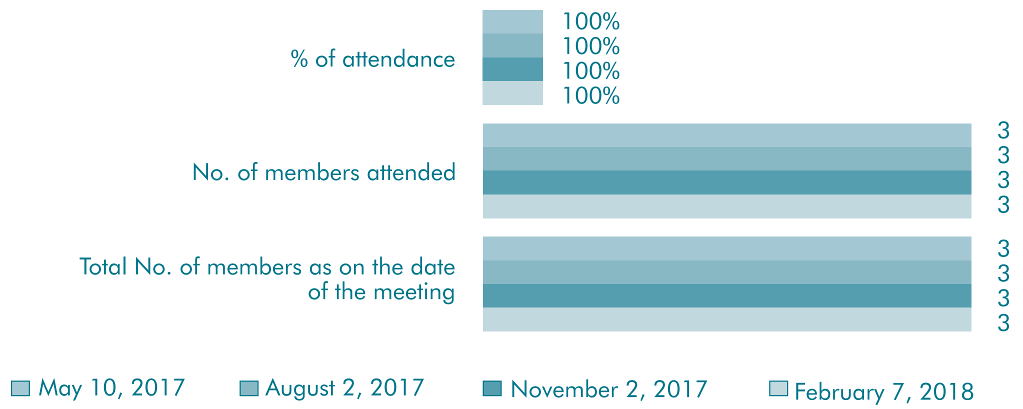
Corporate Governance Report

Composition of Nomination and Remuneration Committee			Nomination and Remuneration Committee Meetings		
Name of the Director	**Category**	**Position**	**No. of meetings entitled to attend**	**No. of meetings attended**	**% Attendance**
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Chairperson	4	4	100%
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	4	4	100%
Mr. Simon Richard Hastilow[1]	Non-Executive Non-Independent Director	Member	2	2	100%
Mr. Thomas John Keller Jr.[2]	Non-Executive Non-Independent Director	Member	2	2	100%

[1] Mr. Simon Richard Hastilow ceased to be member of the Nomination and Remuneration Committee with effect from October 11, 2017.

[2] Mr. Thomas John Keller Jr. was appointed as member of the Nomination and Remuneration Committee with effect from October 11, 2017.

Nomination and Remuneration Committee Meetings



The necessary quorum was present for all the meetings.

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

Performance Evaluation Criteria for Independent Directors

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

Remuneration Policy

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

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

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Executive Director

During the year 2017-18, your Company paid remuneration to its Executive Director within the limits envisaged under the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The remuneration mix for the Executive Director shall be as per the terms of appointment approved by the members of the Company, which shall include fixed pay, deferred pay and perquisites. In addition to the fixed pay, deferred pay and perquisites, the Company will also pay to the Executive Director remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as recommended by the Nomination and Remuneration Committee (the "Committee") and as approved by the Board, subject to the overall limit approved by the members. The increments, within the approved limit, shall be decided by the Board on the recommendation of the Committee.

Remuneration Paid/Payable to Executive Director for the year ended March 31, 2018

(in Rupees Lakh)

Name	Mr. Naresh Takkar
Designation	Managing Director & Group CEO
Salary	94.38
Allowances	164.67
Perquisites	0.24
Commission	141.59
Provident Fund Contribution	11.32
Gratuity	@
Compensated absences	@
Total Remuneration	412.20
Appointment Valid Till	July 1, 2020
Notice Period	Three months
No. of Stock Options Granted During the Year	Nil

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

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

Non-Executive Directors

Remuneration for Independent Directors

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

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

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

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

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

Corporate Governance Report

Sitting fees paid and commission payable to Non-Executive Directors including Independent and Non-Independent Directors during the year 2017-18

(in Rupees Lakh)

Name of Director	Sitting Fee paid	Commission payable
Mr. Arun Duggal	4.20	22.00
Ms. Ranjana Agarwal	6.90	17.00
Ms. Radhika Vijay Haribhakti	5.40	17.00
Dr. Min Ye	N.A*	Nil*
Mr. Simon Richard Hastilow[1]	N.A*	Nil*
Mr. Farisa Zarin	N.A.*	Nil*
Mr. Thomas John Keller Jr.	N.A.*	Nil*
Mr. Navneet Agarwal[2]	N.A.*	Nil*

**Non Executive Non Independent Directors have waived sitting fee and commission payable to them for the financial year 2017-18.*

[1]Mr. Simon Richard Hastilow ceased to be a Director with effect from November 1, 2017.

[2]Mr. Navneet Agarwal was appointed as a Director with effect from November 2, 2017.

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

(vii) Stakeholders Relationship Committee

The Stakeholders Relationship Committee shall consider and resolve the grievances of the shareholders/investors of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The Stakeholders Relationship Committee consists of three Directors. The Chairperson of the Committee, Ms. Farisa Zarin, is a Non-Executive, Non-Independent Director.

The Stakeholders Relationship Committee met once during the year 2017-18: on August 2, 2017.

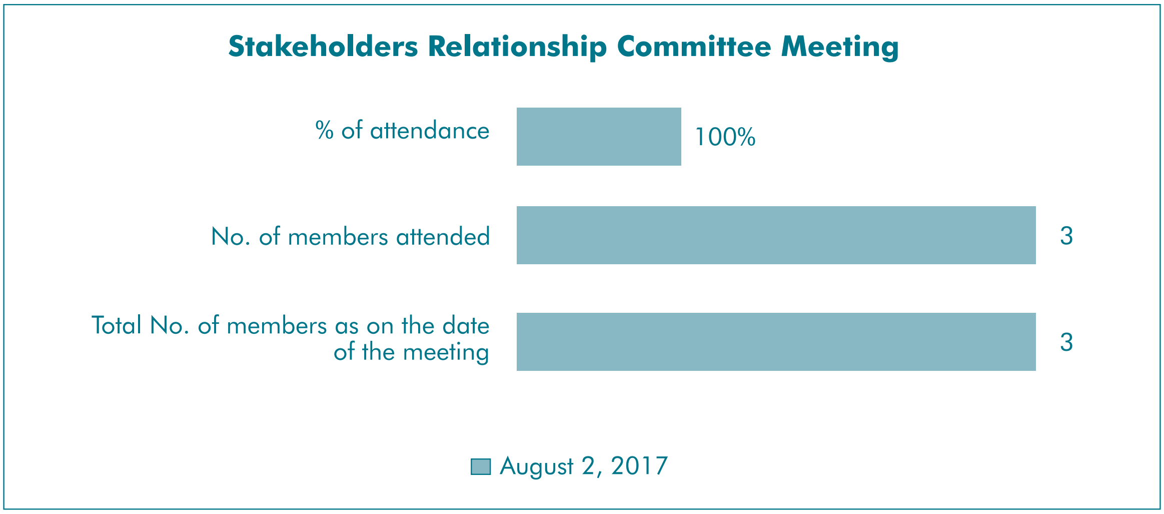
The following table presents the composition of the Stakeholders Relationship Committee as on March 31, 2018 and the details of attendance at the Committee meeting held during the year 2017-18.

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

[1] Ms. Farisa Zarin appointed as the Chairperson of the Stakeholders Relationship Committee with effect from November 2, 2017.

[2] Mr. Simon Richard Hastilow ceased to be the Chairman of the Stakeholders Relationship Committee with effect from November 1, 2017.

Corporate Governance Report



The necessary quorum was present for the meeting.

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

The Company Secretary of your Company is the Compliance Officer.

Your Company received 23 complaints from Shareholders/Investors during the financial year 2017-18. All 23 complaints were redressed to the satisfaction of the Shareholders/Investors and no complaint is pending as on March 31, 2018.

The details of the complaints received and resolved during the financial year 2017-18 are as follows:

S. No.	Complaint relating to/received from	Pending as on April 1, 2017	Received during the year	Resolved during the year	Pending as on March 31, 2018
1.	Transfer/Transmission/Split/Duplicate Share Certificates	Nil	Nil	Nil	Nil
2.	Non-receipt of Dividend	Nil	12	12	Nil
3.	Dematerialisation/Rematerialisation of Shares	Nil	Nil	Nil	Nil
4.	Complaint received from:				
	(a) Securities and Exchange Board of India/SCORES	Nil	Nil	Nil	Nil
	(b) Stock Exchanges:				
	(i) BSE Limited (BSE)				
	(ii) National Stock Exchange of India Limited (NSE)	Nil	1*	1*	Nil
	(c) Registrar of Companies (ROC)	Nil	Nil	Nil	Nil
5.	Legal	Nil	Nil	Nil	Nil
6.	Non-receipt of Refund Order	Nil	Nil	Nil	Nil
7.	Non-receipt of Electronic Credits	Nil	Nil	Nil	Nil
8.	Non-receipt of Annual Report	Nil	10	10	Nil
	Total	**Nil**	**23**	**23**	**Nil**

**non receipt of Annual Report by one of the shareholders.*

Your Company has registered itself on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit since the receipt of the complaint. During the year 2017-18, the Company received nil complaint through SCORES.

Corporate Governance Report

(viii) Strategy Committee

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

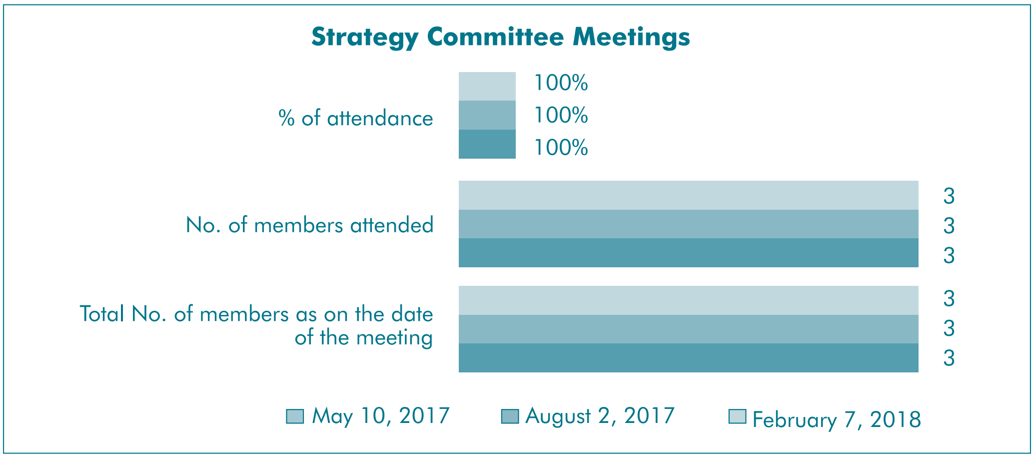
The Strategy Committee met thrice during the year 2017-18: on May 10, 2017, August 2, 2017 and February 7, 2018.

The following table presents the composition of the Strategy Committee as on March 31, 2018 and the details of attendance at the Committee meeting held during the year 2017-18.

Composition of Strategy Committee			Strategy Committee Meeting		
Name of the Director	**Category**	**Position**	**No. of meetings entitled to attend**	**No. of meetings attended**	**% of attendance**
Mr. Thomas John Keller Jr.	Non-Executive Non-Independent Director	Chairman	3	3	100
Dr. Min Ye	Non-Executive Non-Independent Director	Member	3	3	100
Mr. Simon Richard Hastilow[1]	Non-Executive Non-Independent Director	Member	2	2	100
Ms. Farisa Zarin[2]	Non-Executive Non-Independent Director	Member	1	1	100
Mr. Naresh Takkar	Executive Director	Member	3	3	100

[1]*Mr. Simon Richard Hastilow ceased to be a member of the Strategy Committee with effect from November 1, 2017.*

[2]*Ms. Farisa Zarin was appointed as a member of the Strategy Committee with effect from November 2, 2017.*



The necessary quorum was present for the meetings.

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

D. Subsidiary Companies Monitoring Framework

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

(a) Financial Statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.

Corporate Governance Report

(b) Minutes of all the Board meetings of the unlisted subsidiary companies are placed regularly before the Board of Directors at the Board Meetings of the Company.

(c) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed regularly before the Board of Directors at the Board Meetings of the Company.

E. General Body Meeting

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

Nature of Meeting	Date and Time	Venue	Special Resolution Passed by Members during the Annual General Meetings
Twenty-Fourth Annual General Meeting	August 13, 2015 at 11:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010	No Special Resolution was proposed and passed
Twenty-Fifth Annual General Meeting	August 11, 2016 at 15:30 hours		No Special Resolution was proposed and passed
Twenty-Sixth Annual General Meeting	August 3, 2017 at 15:00 hours		No Special Resolution was proposed and passed

Postal Ballot

During 2017-18, no Resolution was passed through Postal Ballot as defined under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

F. Disclosures

(i) Related-Party Transactions

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, the Management, subsidiary companies or related parties that may have a potential conflict with the interest of the Company. Other related-party transactions are disclosed in the financial statements for the year ended March 31, 2018. As required under Schedule V of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions, which has been uploaded on the website of the Company at:

https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/4.

(ii) Details of Non-Compliance

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

(iii) Whistle Blower Policy

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

https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/3

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(iv) Policy for determining "material" subsidiaries

As required under Regulation 16 (1) (c) of the Listing Regulations, the Company has formulated a Policy for determining "material" subsidiaries, which has been uploaded on the Company's website at:

https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/5.

(v) Materiality Policy

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

https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/8.

(vi) Record Retention and Archival Policy

As required under the Listing Regulations, the Company has formulated a Policy on preservation and archival of documents, which has been uploaded on the website of the Company at:

https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/9

(vii) Adoption of Mandatory and Discretionary Requirements

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

During the year 2017-18, your Company complied with all the mandatory requirements of the Listing Regulations. The Company has also complied with the following discretionary requirements under Regulation 27(1) of the Listing Regulations:

(i) Audit qualifications: Your Company's financial statements are unqualified.

(ii) Separate posts of Chairman and CEO: The Company has appointed separate persons to the posts of Chairman and Managing Director/CEO.

(iii) Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.

(viii) Management Discussion and Analysis Report

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

(ix) Separate meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, one separate meeting of the Independent Directors of the Company was held on February 7, 2018, without the attendance of the Executive Director, Non-Independent Directors and members of management. All the Independent Directors attended the said meeting.

(x) Policy on Board Diversity

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

(xi) Performance Evaluation

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

Corporate Governance Report

Means of Communication

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

G. Disclosure of Compliance with Corporate Governance

Particulars	Regulation	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of board of directors	17(2)	Yes
Review of compliance reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum information	17(7)	Yes
Compliance certificate	17(8)	Yes
Risk assessment & management	17(9)	Yes
Performance evaluation of independent directors	17(10)	Yes

Corporate Governance Report

Composition of audit committee	18(1)	Yes
Meeting of audit committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of stakeholder relationship committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	N.A.
Vigil mechanism	22	Yes
Policy for related party transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or omnibus approval of audit committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	N.A.
Composition of board of directors of unlisted material subsidiary	24(1)	N.A.
Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum directorship & tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarisation of independent directors	25(7)	Yes
Memberships in committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of board of directors and senior management personnel	26(3)	Yes
Disclosure of shareholding by non-executive directors	26(4)	Yes
Obligations of directors and senior management	26(2) & 26(5)	Yes

H. Auditors' Certificate on Corporate Governance

The Auditors' Certificate with respect to compliance with Schedule V (E) of the Listing Regulations, relating to Compliance Certificate on Corporate Governance, has been annexed to the Directors' Report and will be sent to the stock exchanges at the time of filing of the Annual Report.

I. CEO and CFO Certification

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

J. Reconciliation of Share Capital Audit

As stipulated by the Securities and Exchange Board of India (Depositories and Participants) Regulations 1996, a Reconciliation of Share Capital Audit is carried out by an independent practising Company Secretary on a quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode, and the status of the Register of Members.

K. General Members' Information

1.	**Annual General Meeting**	
	Date	August 9, 2018
	Time	3:00pm
	Venue	Air Force Auditorium, Subroto Park; New Delhi 110 010
2.	**Financial Year**	Financial Year is April 1, 2017 to March 31, 2018

Corporate Governance Report

	Quarterly results will be declared as per the following tentative schedule: • Financial reporting for the quarter ending June 30, 2018 • Financial reporting for the half year ending September 30, 2018 • Financial reporting for the quarter ending December 31, 2018 • Financial reporting for the year ending March 31, 2019	 First fortnight of August 2018 First fortnight of November 2018 First fortnight of February 2019 Second fortnight of May 2019
3.	**Dates of Book Closure**	August 7, 2018 to August 8, 2018
4.	**Proposed Dividend**	Rs. 30 per share
5.	**Dividend Payment Date**	August 17, 2018
6.	**Listing on Stock Exchanges**	The shares of your Company are listed on: • BSE Limited P.J. Towers, Dalal Street, Mumbai 400 001 • National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 Your Company has paid the annual listing fee for the financial year 2018-19 to both the Exchanges.
7.	**Stock Code**	BSE Limited: 532835 National Stock Exchange of India Limited: ICRA ISIN: INE725G01011 CIN: L74999DL1991PLC042749
8.	**Registrar and Share Transfer Agent**	M/s. Link Intime India Private Limited 44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi—110028 Tel: +91 11 4141 0592 Fax: +91 11 4141 0591 Email Id: delhi@linkintime.co.in
9.	**Share Transfer System**	The Board of Directors has delegated the power of share transfer to the Registrar and Share Transfer Agent, Link Intime India Private Limited (address mentioned above). A summary report on the transfer/ transmission of shares of the Company is placed at every meeting of the Board of Directors. Every half year, the Company obtains from a practising Company Secretary a certificate of compliance with the share transfer formalities as required under Regulation 7(3) of the Listing Regulations, and files a copy of the certificate with the Stock Exchanges.
10.	**Compliance Officer**	Mr. S. Shakeb Rahman Company Secretary & Compliance Officer ICRA Limited Building No. 8, 2nd Floor, Tower A DLF Cyber City, Phase–II Gurugram–122002, Haryana Tel: +91 124 4545300 Email: investors@icraindia.com

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11.	**Dematerialisation of Shares and Liquidity**	99.98% shares of your Company are held in the electronic mode.
12.	**Payment of Dividend**	Your Company provides Direct Credit (DC), Real Time Gross Settlement (RTGS), National Electronic Clearing Service (NECS) for payment of Dividend. Through DC/RTGS/NECS, Members can receive their Dividend electronically by way of direct credit to their bank accounts. This obviates problems like loss/fraudulent interception of Dividend warrants during postal transit while also expediting payment. It is strongly recommended that Members opt for DC/RTGS/NECS, if not done already. Members may kindly note that DC/RTGS/NECS details are accessed from the Depositories (for shares held in the electronic form) and from the Company's Registrar and Share Transfer Agent (for shares held in the physical form) and used for payment of Dividend.
13.	**Green Initiative**	Electronic copies of Annual Report, Notice of AGM, and other documents for the financial year ended March 31, 2018 are sent to such members whose email-ids are registered with the depository participants. For members whose email IDs the depository participants do not have and for members who request delivery of the said documents in the physical form, your Company will continue to send the said documents in the physical form to such Members.
14.	**Bank Details for Electronic Shareholding**	Members are requested to notify their Depository Participant (DP) about the changes in the bank details and furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.
15.	**Copies of Permanent Account Number (PAN)**	Members are requested to furnish their PAN to the Company in order to help strengthen compliance with KYC norms and provisions of Prevention of Money Laundering Act, 2002. For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
16.	**Investor Complaints to be addressed to**	Registrar and Share Transfer Agent, or to Mr. S. Shakeb Rahman, Compliance Officer, at the relevant address, as mentioned earlier.
17.	**Address for correspondence**	Registrar and Share Transfer Agent, or to Mr. S. Shakeb Rahman, Compliance Officer, at the relevant address, as mentioned earlier.

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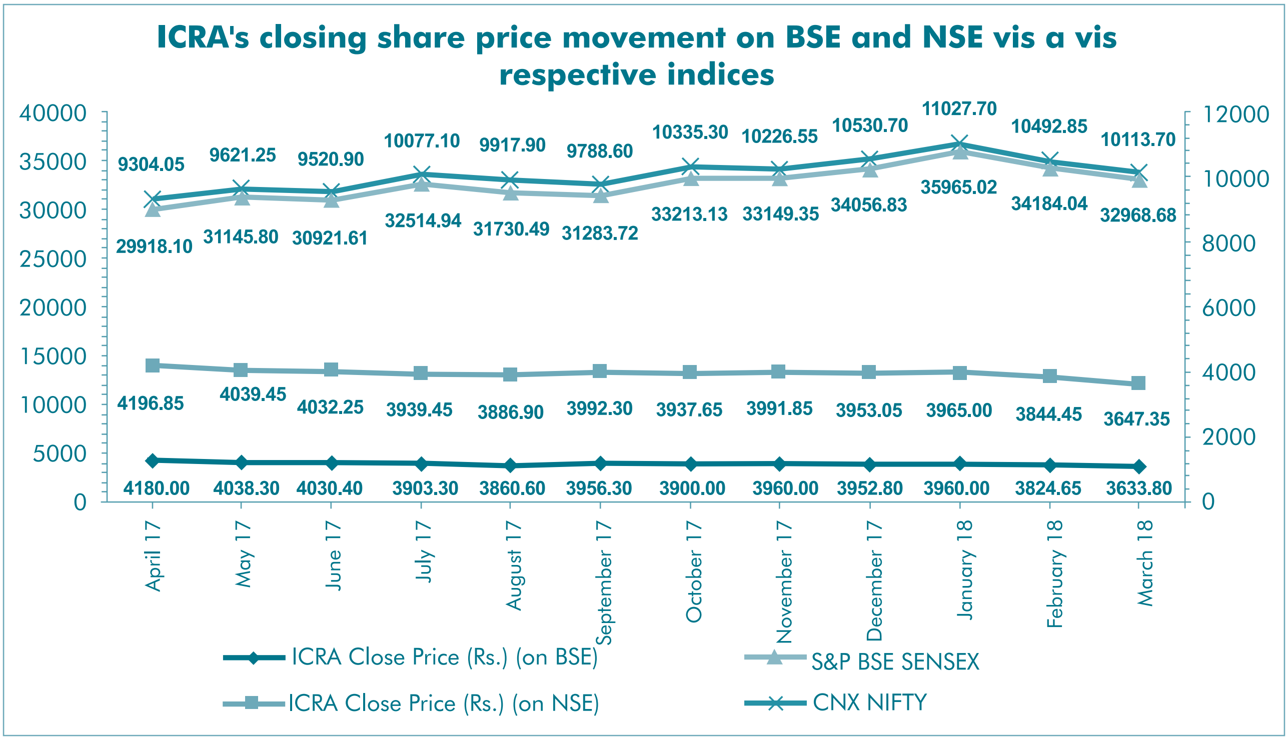
18. Market Price Data for the year 2017-18

High, Low (based on daily closing prices) and numbers of equity shares traded during each month in the year 2017-18 are presented in the following table.

Month	BSE			NSE			Total Volume on BSE and NSE
	Share Price (Rs.)		Volume	Share Price (Rs.)		Volume	
	High	Low		High	Low		
April 2017	4,223.15	4,097.55	12433	4,196.85	4,099.40	110926	123,359
May 2017	4,299.75	4,038.30	2146	4,305.70	4,039.30	103838	105,984
June 2017	4,150.00	3,940.00	46669	4,155.40	3,952.40	76545	123,214
July 2017	4,047.65	3,903.30	630	4,039.15	3,939.45	38164	38,794
August 2017	3,938.00	3,807.65	1684	3,952.20	3,817.30	53543	55,227
September 2017	3,972.60	3,785.20	9138	3,797.85	3,797.85	29091	38,229
October 2017	3,971.60	3,830.00	716	3,997.15	3,871.45	25326	26,042
November 2017	3,999.00	3,891.20	1380	3,997.70	3,894.10	56234	57,614
December 2017	3,967.00	3,860.90	51001	3,963.80	3,875.20	46650	97,651
January 2018	4,010.00	3902.00	14564	3,996.40	3,886.60	62691	77,255
February 2018	3,992.25	3,785.45	16420	3,974.25	3,772.00	33779	50,199
March 2018	3,786.00	3,594.15	7398	3,811.40	3,590.70	96802	104,200

19. Performance in Comparison with Broad-based Indices



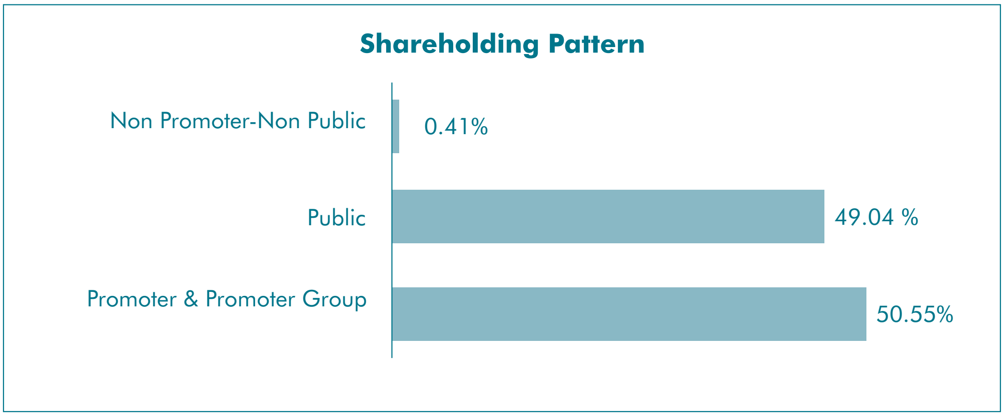
Corporate Governance Report

20. Distribution of Shareholding as on March 31, 2018

No. of Equity Shares	No. of Members*	% of Total Number of Members	No. of Shares				% of Total Number of Shares
			Physical	National Securities Depository Limited	Central Depository Services (India) Limited	Total	
Up to 500	13,536	98.67%	540	241585	78741	320,866	3.24%
501 - 1000	66	0.48%	1000	42578	7457	51,035	0.52%
1001 - 2000	34	0.25%	0	46278	5505	51,783	0.52%
2001 - 3000	18	0.13%	0	45362	2332	47,694	0.48%
3001 - 4000	10	0.07%	0	30473	4000	34,473	0.35%
4001 - 5000	3	0.02%	0	8705	4901	13,606	0.14%
5001 - 10000	15	0.11%	0	115151	0	115,151	1.16%
10001 & Above	36	0.26%	0	8535952	732720	9,268,672	93.59%
Total	**13,718**	**100%**	**1,540**	**9,066,084**	**835,656**	**9,903,280**	**100%**

**not clubbed based on permanent account number*

21. Shareholding Pattern as on March 31, 2018



Corporate Governance Report

Statement of Shareholding Pattern as on March 31, 2018

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	No. of shareholder	No. of fully paid of equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each				No. of shares Underlying Outstanding convertible securities (including Warrants)	No. of Warrants	No. of shares Underlying Outstanding convertible securities and No. of Warrants	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in		Number of Shares		Number of equity shares held in demateria-lised form
								No of Voting Rights			Total as a % of (A+B+C)					No. (a)	As a % of total share held(b)	No. (a)	As a % of total share held(b)	
								Class eg: X	Class eg: Y	Total										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+ (V)+ (VI)	(VIII) as a % of (A+B+C2)	(IX)				(X)	(XI)	(XI)(a)	(XII)=(VII)+ (X) As a % of (A+ B+ C2)	(XIII)		(XIV)		(XV)
(A)	Promoter & Promoter Group	2	5005622	0	0	5005622	50.5451	5005622	0	5005622	50.5451	0	0	0	50.5451	0	0.0000	0	0.0000	5005622
(B)	Public	12515	4856975	0	0	4856975	49.0441	4856975	0	4856975	49.0441	0	0	0	49.0441	0	0.0000	NA	NA	4855435
(C)	Non Promoter - Non Public																			
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0
(C2)	Shares Held By Employee Trust	1	40683	0	0	40683	0.4100	0	0	0	0.0000	0	0	0	0.4100	0	0.0000	NA	NA	40683
	TOTAL	12518	9903280	0	0	9903280	100.0000	9862597	0	9862597	100.0000	0	0	0	100.0000	0	0.0000	0	0.0000	9901740

Corporate Governance Report

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

	Category & Name of the Shareholders	Nos. Of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each				No. of Shares Underlying Outstanding convertible securities (including Warrants)	No. of Warrants	No. of shares Underlying Outstanding convertible securities and No. of Warrants	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in		Number of Shares		Number of equity shares held in demateria-lised form
								No of Voting Rights			Total as a % of (A+ B+ C)					No. (a)	As a % of total share held(b)	No. (a)	As a % of total share held(b)	
								Class eg: X	Class eg: Y	Total										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV) + (V) + (VI)	(VIII) As a % of (A+ B+C2)	(IX)				(X)	(XI)	(XI)(a)	(XI)=(vii)+(x) As a % of (A+B+C2)	(XIi)		(XIii)		(XIV)
(1)	**Indian**																			
(a)	Individuals/Hindu undivided Family	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(d)	Any Other (specify)	1	2850900	0	0	2850900	28.7874	2850900	0	2850900	28.7874	0	0	0	28.7874	0	0.0000	0	0.0000	2850900
	Bodies Corporate	1	2850900	0	0	2850900	28.7874	2850900	0	2850900	28.7874	0	0	0	28.7874	0	0.0000	0	0.0000	2850900
	(i) Moody's Investment Company India Private Limited	1	2850900	0	0	2850900	28.7874	2850900	0	2850900	28.7874	0	0	0	28.7874	0	0.0000	0	0.0000	2850900
	Sub Total (A)(1)	**1**	**2850900**	**0**	**0**	**2850900**	**28.7874**	**2850900**	**0**	**2850900**	**28.7874**	**0**	**0**	**0**	**28.7874**	**0**	**0.0000**	**0**	**0.0000**	**2850900**
(2)	**Foreign**																			
(a)	Individuals (NonResident Individuals/ Foreign Individuals)	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(b)	Government	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(c)	Institutions	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0
(e)	Any Other (specify)	1	2154722	0	0	2154722	21.7577	2154722	0	2154722	21.7577	0	0	0	21.7577	0	0.0000	0	0.0000	2154722
(I)	Bodies Corporate	1	2154722	0	0	2154722	21.7577	2154722	0	2154722	21.7577	0	0	0	21.7577	0	0.0000	0	0.0000	2154722
	(i) Moody's Singapore Pte Ltd	1	2154722	0	0	2154722	21.7577	2154722	0	2154722	21.7577	0	0	0	21.7577	0	0.0000	0	0.0000	2154722
	Sub-Total (A)(2)	**1**	**2154722**	**0**	**0**	**2154722**	**21.7577**	**2154722**	**0**	**2154722**	**21.7577**	**0**	0	0	**21.7577**	**0**	**0.0000**	**0**	**0.0000**	**2154722**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**2**	**5005622**	**0**	**0**	**5005622**	**50.5451**	**5005622**	**0**	**5005622**	**50.5451**	**0**	**0**	**0**	**50.5451**	**0**	**0.0000**	**0**	**0.0000**	**5005622**

Corporate Governance Report

Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the shareholder	No. of share holder	No. of fully paid of equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	Number of Voting Rights held in each				No. of shares Underlying Outstanding convertible securities (including Warrants)	No. of Warrants	No. of shares Underlying Outstanding convertible securities and No. of Warrants	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in		Number of Shares		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)					No. (a)	As a % of total share held(b)	No. (a)	As a % of total share held(b)	
								Class eg: X	Class eg: Y	Total										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+ (V)+ (VI)	(VIII) as a % of (A+B+C2)	(IX)				(X)	(XI)	(XI)(a)	(XII)=(VII)+ (X) As a % of (A+ B+ C2)	(XIII)		(XIV)		(XV)
1	**Institutions**																			
(a)	**Mutual Fund**	3	990063	0	0	990063	9.9973	990063	0	990063	9.9973	0	0	0	9.9973	0	0	NA	NA	990063
	(i) Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Mnc Fund	1	951928	0	0	951928	9.6122	951928	0	951928	9.6122	0	0	0	9.6122	0	0	NA	NA	951928
(b)	**Venture Capital Funds**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
(c)	**Alternate Investment Funds**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
(d)	**Foreign Venture Capital Investors**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
(e)	**Foreign Portfolio Investor**	16	1062664	0	0	1062664	10.7304	1062664	0	1026664	10.7304	0	0	0	10.7304	0	0	NA	NA	1062664
	(i) Franklin Templeton Investment Funds	1	300929	0	0	300929	3.0387	300929	0	300929	3.0387	0	0	0	3.0387	0	0	NA	NA	300929
	(ii) Smallcap World Fund, Inc	1	291264	0	0	291264	2.9411	291264	0	291264	2.9411	0	0	0	2.9411	0	0	NA	NA	291264
	(iii) Platinum Asia Fund	1	184851	0	0	184851	1.8666	184851	0	184851	1.8666	0	0	0	1.8666	0	0	NA	NA	184851
(f)	**Financial Institutions / Banks**	7	401912	0	0	401912	4.0584	401912	0	401912	4.0584	0	0	0	4.0584	0	0	NA	NA	401912
	(i) Punjab National Bank	1	340000	0	0	340000	3.4332	340000	0	340000	3.4332	0	0	0	3.4332	0	0	NA	NA	340000
(g)	**Insurance Companies**	2	1412005	0	0	1412005	14.2580	1412005	0	1412005	14.2580	0	0	0	14.2580	0	0	NA	NA	1412005
	(i) Life Insurance Corporation Of India	1	889006	0	0	889006	8.9769	889006	0	889006	8.9769	0	0	0	8.9769	0	0	NA	NA	889006
	(ii) General Insurance Corporation Of India	1	522999	0	0	522999	5.2811	522999	0	522999	5.2811	0	0	0	5.2811	0	0	NA	NA	522999
(h)	**Provident Funds/ Pension Funds**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
(i)	**Any Other (Specify)**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
	Sub Total (B)(1)	**28**	**3866644**	**0**	**0**	**3866644**	**39.0441**	**3866644**	**0**	**3866644**	**39.0441**	**0**	**0**	**0**	**39.0441**	**0**	**0**	**NA**	**NA**	**3866644**
2	Central Government/ State Government(s)/ President of India																			
	Sub Total (B)(2)	**0**	**0**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**0**	**0.0000**	**0**	**0**	**NA**	**NA**	**0**
3	**Non-Institutions**																			
(a)	**Individuals**															0	0	NA	NA	
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	11549	495749	0	0	495749	5.0059	495749	0	495749	5.0059	0	0	0	5.0059	0	0	NA	NA	494209

Corporate Governance Report

	Category & Name of the shareholder	No. of share holder	No. of fully paid of equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	Number of Voting Rights held in each				No. of shares Underlying Outstanding convertible securities (including Warrants)	No. of Warrants	No. of shares Underlying Outstanding convertible securities and No. of Warrants	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in		Number of Shares		Number of equity shares held in demateria-lised form
								No of Voting Rights			Total as a % of (A+B+C)					No. (a)	As a % of total share held(b)	No. (a)	As a % of total share held(b)	
								Class eg: X	Class eg: Y	Total										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV)+ (V)+ (VI)	(VIII) as a % of (A+B+C2)	(IX)				(X)	(XI)	(XI)(a)	(XII)=(VII)+ (X) As a % of (A+ B+ C2)	(XIII)		(XIV)		(XV)
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	3	112189	0	0	112189	1.1328	112189	0	112189	1.1328	0	0	0	1.1328	0	0	NA	NA	112189
(b)	**NBFCs registered with RBI**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
(c)	**Employee Trusts**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
(d)	**Overseas Depositories (holding DRs) (balancing figure)**	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0	NA	NA	0
(e)	**Any Other (Specify)**	935	382393	0	0	382393	3.8613	382393	0	382393	3.8613	0	0	0	3.8613	0	0	NA	NA	382393
(I)	IEPF	1	207	0	0	207	0.0021	207	0	207	0.0021	0	0	0	0.0021	0	0	NA	NA	207
(II)	Trusts	3	3003	0	0	3003	0.0303	3003	0	3003	0.0303	0	0	0	0.0303	0	0	NA	NA	3003
(III)	Hindu Undivided Family	508	21900	0	0	21900	0.2211	21900	0	21900	0.2211	0	0	0	0.2211	0	0	NA	NA	21900
(IV)	Non Resident Indians (Non Repat)	88	10477	0	0	10477	0.1058	10477	0	10477	0.1058	0	0	0	0.1058	0	0	NA	NA	10477
(V)	Non Resident Indians (Repat)	116	23164	0	0	23164	0.2339	23164	0	23164	0.2339	0	0	0	0.2339	0	0	NA	NA	23164
(VI)	Foreign Portfolio Investor (Individual)	1	20	0	0	20	0.0002	20	0	20	0.0002	0	0	0	0.0002	0	0	NA	NA	20
(VII)	Clearing Member	54	3717	0	0	3717	0.0375	3717	0	3717	0.0375	0	0	0	0.0375	0	0	NA	NA	3717
(VIII)	Bodies Corporate	164	319905	0	0	319905	3.2303	319905	0	319905	3.2303	0	0	0	3.2303	0	0	NA	NA	319905
	(i) Hdfc Standard Life Insurance Company Limited	1	146891	0	0	146891	1.4833	146891	0	146891	1.4833	0	0	0	1.4833	0	0	NA	NA	146891
	Sub Total (B)(3)	**12487**	**990331**	**0**	**0**	**990331**	**10.0000**	**990331**	**0**	**990331**	**10.0000**	**0**	**0**	**0**	**10.0000**	**0**	**0**	**NA**	**NA**	**988791**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**12515**	**4856975**	**0**	**0**	**4856975**	**49.0441**	**4856975**	**0**	**4856975**	**49.0441**	**0**	**0**	**0**	**49.0441**	**0**	**0**	**NA**	**NA**	**4855435**

Corporate Governance Report

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

	Category & Name of the Shareholders	Nos. Of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each				No. of Shares Underlying Outstanding convertible securities (including Warrants)	No. of Warrants	No. of shares Underlying Outstanding convertible securities and No. of Warrants	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in		Number of Shares		Number of equity shares held in demateria-lised form
								No of Voting Rights			Total as a % of (A+ B+ C)					No. (a)	As a % of total share held(b)	No. (a)	As a % of total share held(b)	
								Class eg: X	Class eg: Y	Total										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)= (IV) + (V) + (VI)	(VIII) As a % of (A+ B+C2)	(IX)				(X)	(XI)	(XI)(a)	(XI)=(vii)+(x) As a % of (A+B+C2)	(XIi)		(XIii)		(XIV)
1	Custodian/DR Holder	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	1	40683	0	0	40683	0.4108	40683	0	40683	0.4108	0	0	0	0.4108	0	0.0000	NA	NA	40683
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	**1**	**40683**	**0**	**0**	**40683**	**0.4108**	**40683**	**0**	**40683**	**0.4108**	**0**	**0**	**0**	**0.4108**	**0**	**0.0000**	**NA**	**NA**	**40683**

On behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

Place : Gurugram
Date : May 17, 2018

Corporate Governance Report

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

To the Members of ICRA Limited

1. This report is issued in accordance with the terms of our agreement dated 7 December 2017.
2. The accompanying Corporate Governance Report prepared by ICRA Limited ("the Company")contains details of compliance of conditions of corporate governance by the Company for the year ended 31 March 2018, as stipulated in Regulations 17-27, clauses (b)to (i) of the Regulation 46(2) and paragraphs C,D and E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") pursuant to the Listing Agreement of the Company with stock exchanges.

Managements' Responsibility

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

Auditor's Responsibility

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing regulations for the year ended 31 March 2018.
6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter stated in the above paragraph. The procedures selected, including procedures for assessment of the risk associated with the subject matter, depends on the auditor's judgment.
7. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit not an expression of opinion on the financial statements of the Company.
8. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, ("the Guidance Note"), issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by ICAI.

Opinion

10. In our opinion, and to the best of our information and according to the explanation and representations given to us, we are of the opinion that the Company has complied with the conditions of the Corporate Governance as stipulated in Listing Regulations, as applicable as at 31 March 2018, referred to in paragraph 2 above.
11. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

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

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

Shashank Agarwal
Partner
Membership No.: 095109

Place : Gurugram
Date : 17 May 2018

Certificate by Chief Executive Officer and Chief Financial Officer

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

We, Naresh Takkar, Managing Director & Group CEO, and Vipul Agarwal, Group Chief Financial Officer, of ICRA Limited, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There were, to the best of our knowledge and belief, no transactions entered into by the Company during the year which were fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated based on our most recent evaluation, wherever applicable, to the auditors and the Audit Committee:

- (i) significant changes, if any, in internal control over financial reporting during the year;
- (ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
- (iii) any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	(Naresh Takkar)	(Vipul Agarwal)
Place : Gurugram	Managing Director & Group CEO	Group Chief Financial Officer
Date : May 17, 2018	DIN: 00253288	

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

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

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

As provided under Regulation 26(3) of the Listing Regulations, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year 2017-18.

(Naresh Takkar)
Managing Director & Group CEO
DIN: 00253288

Place : Gurugram
Date : May 17, 2018

Annexure IV

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

A. Industry Structure and Developments

The credit market in FY2018 continued to be driven more by refinancing with cheaper bond market options than financing the capex as the investment activity did not show broad-based revival, particularly given the moderate capacity utilisation and continuing overhang of twin balance sheet issues. Additionally, rising yields weighed down the bond issuance volumes in H2 FY2018. However, bank credit growth revived modestly, led by the base effect and higher working capital demands.

The mandatory requirement for dual rating for commercial paper (CP) issuances beyond a certain threshold was a significant opportunity. Your Company succeeded in garnering a significant share of the incremental demand for CP rating and also added several large corporates to its client list. Your company continues to have a dominant presence in the bond rating segment while enhancing its positioning in the bank loan rating segment.

Likewise, the requirement of Independent Credit Evaluation (ICE) by Credit Rating Agencies (CRAs) for stressed assets that bring up a resolution plan, as required by the Reserve Bank of India (RBI) is a significant opportunity that also signifies the considerable emphasis placed by the regulators on CRAs' opinions.

These new regulations have enabled your Company to enhance its position in the corporate sector ratings while it maintains its strong position in the financial and structured finance rating segments. Constraints faced by banks are likely to provide significant growth opportunities for non-banking finance companies (NBFCs) and housing finance companies in the near term. The structured finance market, too, is likely to see a good pick in the non-priority sector loan segment as investors look for diversified investment opportunities at better yield.

The GDP growth is expected to rise to 7.1% in FY2019 from 6.7% (estimated) last year. Moreover, growth of gross value added (GVA) at basic prices is likely to improve to 7.0% in FY2019 from 6.5% (estimated) in FY2018. Consequently, the demand for working capital requirements as well as additional capacities can be expected. Bank credit is likely to show some modest growth and with increasing regulatory push for part financing incremental borrowing, in case of large exposures through capital market financing, including bonds, it augurs well for your Company.

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

B. Opportunities and Threats

Opportunities

Opportunities in the ratings business are a function of the interplay of several factors and developments, some of which arise from the initiatives taken by a rating agency and its strengths, while the others emanate from the environment that it operates in. Some of the environmental, or external, factors that ICRA sees as offering opportunities for growth of its business are a gradual pickup in the economy following increased governmental spending in certain infrastructure sectors (which should increase overall resource mobilisation); moderate expansion of bank credit subject to banks' own capital constraints and continued regulatory necessity for rating bank loans. The private investment cycle is also expected to pick up gradually, the pace depending inter alia on the revival in the global as well as the domestic economy. Regulatory support in terms of higher provisioning and capital requirements for banks with large exposures, tighter single party and group exposure norms and rating requirement for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (ReITs) are factors which are likely to deepen the domestic debt market.

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

Threats

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

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

C. Segment-wise or Product-wise Performance

Details on the performance of the Company's operating activities are presented in the section titled Review of Operations in the Directors' Report. Highlights of performance of subsidiaries and their contribution to the overall performance of the Company during 2017-18 are provided below.

I. ICRA Management Consulting Services Limited

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of the Company, is an Advisory and Analytics firm with a global operating footprint in 45 countries. IMaCS focuses on providing advisory and analytics services that enable financial flows and transactions by way of various avenues, including equity investments, debt financing, grant funding, spending under corporate social responsibility, development financing, and trade finance. IMaCS offers its services under four heads namely, (1) Risk Analytics (2) Financial Advisory (3) Outsourcing, and (4) Policy Advisory. IMaCS' clientele include banks and financial service companies, financial investors, corporates, governments, regulators, multilateral/bilateral development agencies, and not-for-profit organisations.

During the year under review, IMaCS recorded a total revenue of Rs. 23.63 crore (previous year Rs. 31.74) and posted an operating loss (without depreciation and other income) of Rs. 6.9 crore in the financial year 2017-18 (financial year 2016-17 Rs. 0.23 crore of operating profit) mainly due to (a) decline in revenues; (b) increase in provisions (including bad debts); and cost over-runs in projects, due to scope creep in customer requirements and execution delays because of operational challenges.

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

II. ICRA Online Limited

ICRA Online Limited (ICRON) is a wholly owned subsidiary of the Company. ICRON has three lines of businesses that offer outsourcing solutions in Data Services, Research & Content and Analytics to domestic and global clients. During the year under review, ICRON registered a 19.6% growth in operating revenue. While driven primarily by business growth in the segment of Outsourced Services, the Information Services segment also recorded good performance. ICRON was able to acquire new clients and cross-sales business in research & content in the domestic market by improving product portfolio and intensifying marketing efforts. ICRON continued to consistently meet the stringent delivery timelines and quality imperatives of Service Level Agreements for all projects. It has also recognised incentive as other operating income of Rs 6.08 crore under Service Exports from India scheme of the Government.

During the year under review, ICRON recorded total revenue of Rs. 62.03 crore (previous year Rs. 49.74 crore). The Board of Directors of ICRON has recommended a dividend of Rs. 6 per equity share for the financial year ended March 31, 2018 aggregating to Rs. 5.48 crore (previous year Rs. 5.37 crore).

III. ICRA Lanka Limited

ICRA Lanka Limited (ICRA Lanka) a wholly-owned subsidiary company of the Company, offers a wide range of rating services in the Sri Lankan market. During the year under review, ICRA Lanka was able to record a 12% growth in its operating revenue, driven primarily by business growth in surveillance which increased by 102%. Even though, ICRA Lanka was able to acquire new clients in the entity rating segment, it was lower compared to the previous year. As a result, the issuer and the issue rating revenue was relatively low.

During the year under review, ICRA Lanka recorded a total revenue of Rs. 1.29 crore (previous year Rs. 1.15 crore).

IV. ICRA Nepal Limited

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

During the year under review, ICRA Nepal registered a 71% growth in revenue from operations, driven primarily by business growth in the equity-related instrument segment. The debt market showed slight increment during the review period as banks met the requirement of increase in paid-up capital of the bank and financial institutions, increase in issuance of public offerings from the Hydropower sector and some high value further public offerings supported growth. Implementation of the already announced Borrower Rating Policy by the Central Bank, remains critical for ICRA Nepal's rating business to grow in the context of competition.

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

During the year under review, ICRA Nepal recorded a total revenue of INR 2.78 crore (previous year INR 1.58 crore). ICRA Nepal has declared a dividend and the amount towards dividend payable to the Company is INR 9.56 lakh (previous year INR 6.70 lakh).

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

D. Outlook

The long-term outlook for the ratings business remains positive, given the large funding requirements and the banks' inability to fund these given their capital constraints. The regulatory nudge to have a certain part of the financing come through the bond route is also a positive though this move requires sufficient investor appetite. Your Company continues to take initiatives to retain its strong market position and is confident of meeting the challenges posed inevitably by changing business requirements.

E. Risks and Concerns

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

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

Specifically, the bank loan rating business would get impacted if there is a credit slowdown or change in rating related regulation resulting in transition to internal rating models for providing capital. The domestic debt capital market, on the other hand, is skewed towards higher-category credit-ratings. This may continue to constrain the volume of issuance in the Indian debt market, despite the regulatory allowance of partially credit-enhanced bonds. Currently, accessing overseas debt markets by certain Indian borrowers/issuers is regulated, and any change in the prevailing regulatory regime, liberalising access to overseas markets for the raising of debt funds, may adversely impact the issuance of debt instruments in the domestic market.

Further, our market share or profitability may be affected by competition, which remains intense. In the event of our competitors coming up with newer products and services, better anticipating customer requirements using more sophisticated technology, and offering innovative solutions to our clients or offering more competitive prices, our market share is likely to be impacted, adversely affecting our results of operations and financial condition.

Additionally, our business is largely dependent on the recognition of our brand and our reputation. In this regard, prominent investment-grade defaults, multi-notch downgrades or failure to appropriately assess the creditworthiness of instruments rated by us could negatively affect our reputation and, our position as a quality credit rating agency. This, in turn, may adversely affect our business, operations, and financial condition.

Risk mitigation

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

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

(1) Liquidity Risk/Financial Risk

The extent of liquidity/financial risk is influenced by various factors such as maturity of liabilities and degree of reliance on secured sources of funding.

Risk mitigation

- The Company has remained debt-free ever since it was incorporated, and has always sought to finance all its expansion and diversification plans with internal accruals.
- A sound liquidity position makes it possible for the Company to discharge all its payables within the stipulated time.

(2) Investment Risk

The Company has made, and may continue to make investments in bonds, debentures, mutual funds, and other marketable securities, the returns on which would be impacted by changes in interest rates and volatility in the financial markets. Besides, the Company has made investments in subsidiaries, the return from which depend on their individual performance.

Risk mitigation

- The Company has set up an investment committee, which periodically reviews the performance of its investment portfolio.
- The Company makes provisions for diminution in the carrying value of investments if the diminution in the fair market value of any long-term investment is considered permanent, and regularly evaluates changes in the financial markets.

(3) Regulatory Non-Compliance Risk

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

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

Risk mitigation

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

(4) Operational Risk/Technology Related Risk

The Company has to rely on clients/third parties for the adequacy and accuracy of information (relating to such clients), which may not always be independently verifiable. While we do have a systematic feedback method of gathering this information, even so, we depend largely on clients and third-party sources to obtain information relating to them. We may also rely on representations as to the accuracy and adequacy of the information obtained. Inadequacy or inaccuracy of information may expose us to the risk of assigning an inappropriate rating or grading, which may in turn affect our business, reputation and operations.

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

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

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

Risk mitigation

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

(5) Policy Risk

Material changes in the regulations that govern us or our businesses could affect the results of our operations. Most of the revenues of the Company come from rating services, which are influenced by regulatory requirements. If there are changes in the regulatory requirements of compulsory rating for certain instruments or for certain investors to invest in rated instruments, or there are such changes in regulations that negatively impact the level of issuance of debt instruments in the domestic market, there may be a decrease in the demand for rating. This in turn may affect our business, revenues and financial condition.

(6) Political Risk

Political instability could adversely affect general economic conditions in India, which in turn could impact our financial results and prospects, as could adverse changes in specific laws and policies pertaining to banking and finance companies, foreign investment and other matters affecting investment in securities. Additionally, any adverse change in the economic liberalisation policies—a major factor encouraging private participation in infrastructure—could have a significant impact on infrastructure development, business and economic conditions in India, and this in turn may affect our financial results and prospects.

(7) Attrition Risk

Our performance and success depends largely on our ability to nurture and retain the continued service of our management team and skilled personnel. We also face a continuing challenge of recruiting and retaining suitably skilled people, as we continue to grow. There is significant competition for management and other skilled persons in the financial services industry with our competitors and other financial services entities offering better compensation and incentives. If we are unable to attract talented persons, experience high attrition or are unable to motivate our existing employees, our business and operations are likely to affected.

Risk mitigation

- We are committed to providing the best possible work environment and facilities to employees at all levels. The company believes in growing leadership and promoting talent internally. Deserving employees, those who demonstrate high performance and potential are awarded challenging assignments and higher responsibilities. To attract, motivate and retain our valuable talent we reward employees based on their performance and merit. Deserving employees are eligible to participate in the long term/ deferred incentive plan focused on retaining critical talent in the Company. We continually benchmark the compensation package we offer against those that the industry and competition offers. Our compensation package is so structured as to be stable while also providing incentives for continuous improvement in performance. Additionally, your Company provides learning opportunities to its employees across all levels. It invests in their training and development which also results in the overall improved performance of the Company, which focuses on identifying future leaders and developing them to address succession planning for critical positions.

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

F. Internal Control Systems and their Adequacy

The Management is responsible for establishing and maintaining controls and procedures for the Company, following the review by the Audit Committee and the Board of Directors. Accordingly, the Management has designed such controls and procedures, or caused such controls and procedures to be designed under its supervision, as to ensure that material information relating to your Company, including its subsidiaries, is made known to the Management by others within those entities. It has also and designed such internal control over financial reporting, or designed such internal control over financial reporting under its supervision, to provide reasonable assurance regarding the reliability of the financial statements.

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

G. Discussion on Financial Performance with respect to Operational Performance

The key features of the Company's financial performance for the year ended March 31, 2018 are presented in the accompanying financial statements, which have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015, and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and 2017 notified Section 133 of the Companies Act, 2013 (the **Act**). The financial statements have been prepared on a historical cost basis, except certain assets and liabilities measured at fair value. ICRA's Management accepts responsibility for the integrity and objectivity of these financial statements.

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

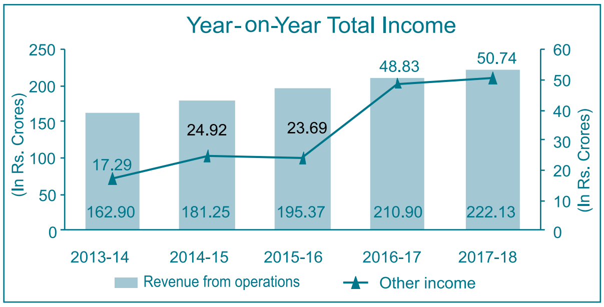
I. Results of operation

The financial performance of the Company is summarised as under:

(a) Incomes

(in Rs. crore)

Particulars	2016-17	2017-18	Growth (%)
Revenue from operations	210.90	222.13	5%
Other income	48.83	50.74	4%
Total Income	**259.73**	**272.87**	**5%**



In terms of business segments, the growth in operating revenue during 2017-18 was mainly due to growth in financial sector and structured finance related ratings. Bank loan ratings remained subdued during the period under review. Bank loan ratings accounted for 31% of the overall rating revenues for 2017-18 as compared to 35% for 2016-17. Other than rating of debt issuances and bank loans of existing issuers, the Company was able to add new issuers and borrowers to its list of rating clients during the year under review.

Other income

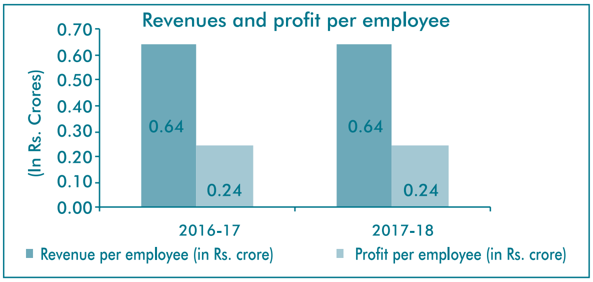
Other income primarily consists of dividend received from the subsidiary company, interest received on fixed deposits with banks and on debentures, gain on financial assets carried at fair value through profit or loss, profit on sale of assets, rental income and income tax refund. During the financial year 2017-18, the Company's other income increased by 4% over the previous fiscal, mainly due to interest income on fixed deposits and debentures, and profit on sale of real estate assets.

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

(b) Expenses

(in Rs. crore)

Particulars	2016-17	2017-18	Growth (%)
Employee benefits expense	90.80	95.33	5%
Finance costs	0.04	0.04	0%
Depreciation and amortization	3.20	2.66	-17%
Other expenses	38.43	29.00	-25%
Total expenses	**132.47**	**127.03**	**-4%**



Employee benefits expenses increased 5% to Rs. 95.33 crore in 2017-18 from Rs. 90.80 crore in 2016-17. The increase in employee benefit expenses was mainly due to the increase in salaries and incentives. There was no change in the employee benefits expenses as a percentage of revenue from operations during the period under review as compared with previous fiscal.

Your Company's revenues from operations and profit after tax per employee remained same during 2017-18 as compared to 2016-17.

Depreciation and amortisation expenses decreased 17% during 2017-18 over the previous fiscal.

Other expenses decreased 25% during 2017-18 over the previous fiscal, mainly because of lesser expenses towards legal and professional charges and lower bad debts & provisions. However, the Company's contribution towards Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013, for the financial year 2017-18 has increased from Rs 1.54 crore to Rs. 1.82 crore. Other expenses as a percentage of total income has decreased during the period under review as compared with previous fiscal year.

Total expenses decreased 4% to Rs. 127.03 crore in 2017-18 from Rs. 132.47 crore in 2016-17.

II. Property, plant and equipment

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

(in Rs. crore)

Particulars	As on March 31, 2017	As on March 31, 2018	Growth (%)
Buildings	7.63	7.22	-5%
Computers and data processing units	0.62	0.62	0%
Furniture and fittings	1.44	1.18	-18%
Office equipment	0.33	0.34	3%
Electrical installation and equipment	0.63	0.53	-16%
Vehicle	0.93	0.53	-43%
Leasehold improvements	1.21	1.68	39%
	12.79	**12.10**	**-5%**

Your Company during 2017-18, added Rs. 2.05 crore to gross block, comprising Rs. 0.46 crore in computers and data processing units, Rs.0.27 crore in furniture and fittings, Rs. 0.19 crore in office equipment, Rs. 0.09 crore in electrical installation and equipment, and Rs. 1.05 crore in leasehold improvements. During the period under review, your Company deducted Rs. 0.80 crore from the gross block on the disposal of various assets.

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

III. Intangible assets

(in Rs. crore)

Particulars	As on March 31, 2017	As on March 31, 2018	Growth (%)
Computer software	0.20	0.04	-80%
	0.20	**0.04**	

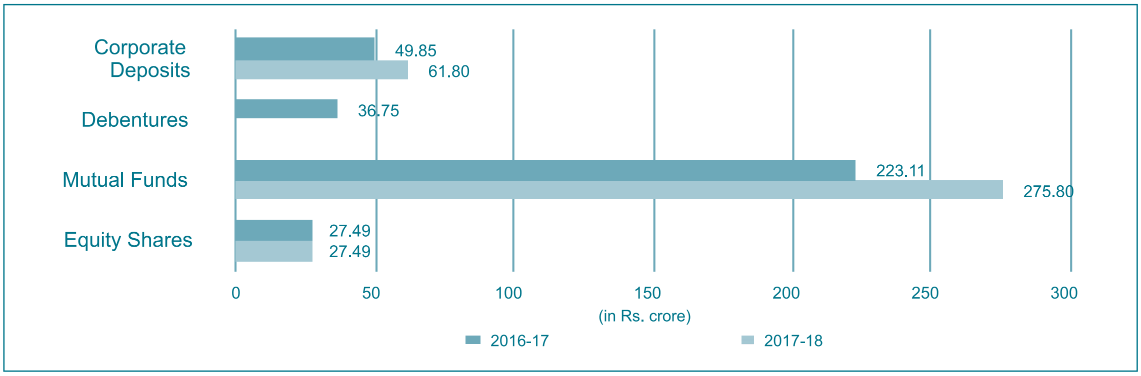
Your Company during 2017-18, amortised Rs. 0.16 crore to net block of intangible assets.

IV. Financial assets

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

(a) Investments (current and non-current)

Investment Profile



(in Rs. crore)

Particulars	As on March 31, 2017	% of Total	As on March 31, 2018	% of Total	Growth (%)
Non-Current Investments:					
(A) Investments in Equity Instruments					
In Equity Shares of Subsidiaries and Others	42.46	13%	**42.46**	11%	-
Less: Diminution due to change in carrying value of investments	(14.97)	5%	**(14.97)**	4%	-
Sub Total (A)	27.49	8%	**27.49**	7%	-
(B) Investments in Mutual Funds					
In Fixed Maturity Plans	34.60	10%	**-**	-	-100%
In Other Plans	98.12	27%	**238.88**	65%	143%
Sub Total (B)	132.72	39%	**238.88**	65%	80%
(C) Total Non-Current Investments (A+B)	160.21	48%	**266.37**	73%	66%
Current Investments:					
(D) Investments in Debentures	36.75	10%	**-**	-	-100%
(E) Investment in Corporate Deposits	49.85	15%	**61.80**	17%	24%
(F) Investments in Mutual Funds					
In Fixed Maturity Plans	52.03	15%	**36.92**	10%	-29%
In Other Plans	38.36	11%	**-**	-	-100%
Sub Total (F)	90.39	27%	**36.92**	10%	-59%
(G) Total Current Investments (D+E+F)	176.99	52%	**98.72**	27%	-44%
Total Investments (C+G)	**337.20**	**100%**	**365.09**	**100%**	8%

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

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

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

(in Rs. crore)

Particulars	As on March 31, 2017	As on March 31, 2018	Growth (%)
Non-current			
(a) Loans	1.40	1.42	1%
(b) Other financial assets	9.91	34.98	253%
Current			
(c) Loans	1.95	0.76	-61%
(d) Trade receivables			
Receivables	24.13	25.80	7%
Allowances for doubtful receivables	(5.57)	(4.07)	-27%
Net trade receivables	18.56	21.73	17%
Trade receivables as % of operating income	9%	10%	
(e) Cash & cash equivalents and bank balances	183.13	194.54	6%
(f) Other financial assets	10.52	15.17	44%

Loans declined at the end of fiscal year 2017-18 primarily because of repayment of loans by employees.

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

Net trade receivables were Rs. 21.73 crore as on March 31, 2018 as against Rs. 18.56 crore as on March 31, 2017. The increase in trade receivables was mainly due to lower recovery of debtors as compared to the previous year. Trade receivables as a percentage of operating income increased from 9% during 2016-17 to 10% during 2017-18.

Cash & cash equivalents and bank balances as on March 31, 2018 was Rs. 194.54 crore as against 183.13 crore as on March 31, 2017. The cash and cash equivalents consists of Rs. 16.33 crore in current accounts and Rs. 0.01 crore as cash on hand. The other bank balance consists of Rs. 177 crore in deposit accounts with original maturity for more than three months but less than 12 months from the reporting date, Rs. 0.07 crore in unpaid dividend account and Rs. 1.14 crore earmarked against bank guarantees.

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

V. Equity

(a) Equity share capital

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

(in Rs. crore)

Particulars	As on March 31, 2017	As on March 31, 2018
Authorised:		
1,50,00,000 Equity Shares of Rs. 10 each	15.00	15.00
Issued, subscribed and fully paid up:		
99,03,280 Equity Shares of Rs. 10 each (previous year 99,19,323 Equity Shares of Rs. 10 each)	9.92	9.90
Par value of shares bought back pending for extinguishment	(0.02)	-
	9.90	**9.90**

During 2017-18 the Company has extinguished the balance 16,043 equity shares out of 96,720 equity shares which were bought back during the previous financial year. Post extinguishment of all the equity shares under the buyback scheme, the issued, subscribed and paid-up capital stood at Rs. 9.90 crore divided into 99,03,280 equity shares of Rs. 10 each.

(b) Other equity

Other equity consists of capital redemption reserve, securities premium, share based payment reserve, general reserve and retained earnings. Other equity of the Company stood at Rs. 560.95 crore as on March 31, 2018 as against Rs. 491.94 crore as on March 31, 2017.

VI. Financial liabilities

(in Rs. crore)

Particulars	As on March 31, 2017	As on March 31, 2018	Growth (%)
Non-current			
(a) Other financial liabilities	0.34	2.19	544%
Current			
(a) Trade payables	5.35	3.39	-37%
(b) Other financial liabilities	9.95	6.55	-34%

Trade payables were lower as on March 31, 2018 as compared to previous year due to higher provision of expenses relating to sale of subsidiary in the previous financial year.

Other financial liabilities declined 34% at the end of fiscal year 2017-18, primarily because of lower amount of incentive payable under long term incentive plan to employees as at year end as against higher amount of deferred incentive in previous year and movement of some part of the incentive payable under the long-term incentive plan to current portion.

VII. Other liabilities

(in Rs. crore)

Particulars	As on March 31, 2017	As on March 31, 2018	Growth (%)
Other non-current liabilities	0.07	0.03	-57%
Other current liabilities	54.51	58.82	8%

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

Other non-current liabilities consist deferred finance income, which decreased by 57% as on March 31, 2018 as against March 31, 2017.

Other current liabilities mainly consist of unearned revenue and advances received from customers. Other current liabilities increased by 8% as on March 31, 2018 as against March 31, 2017.

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

The Company, with total employee strength of 427 as of year-end 2017-18, continues to accord high priority to human resource development, with emphasis on improving skill, competence and knowledge through regular training and in-house/ external professional development programmes. Besides, the Company has a consultative and participative management style, and is committed to providing the best possible work environment and facilities to employees at all levels. As a result, the relation between the employees and the Management of your Company has remained harmonious till date. Besides, performance incentives and short-term and long-term incentives are provided to eligible employees of the Company to encourage and reward superior performance. Further, the Company continually benchmarks the compensation package it offers to employees against those that the industry and competition offer. The compensation package is so structured so as to be stable while also providing incentives for continuous improvement in performance.

On behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

Place : Gurugram
Date : May 17, 2018

Forward-Looking Statements May Prove Inaccurate

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

Annexure V

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To
The Members,
ICRA Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit period covering the Quarter ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2018 according to the provisions of:-

i) The Companies Act, 2013 and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

   b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   c) The SEBI (Prohibition of Insider Trading) Regulations, 2015;

   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit period)**

   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit period)**

   g) 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 clients;

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period);** and

   i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

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

i) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

Secretarial Audit Report

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the period under review except that Mr. Simon Richard Hastilow, Non Executive, Non Independent Director, resigned from the Board of the Company, effective from November 1, 2017 and Mr. Navneet Agarwal, who was appointed as an Additional Director with effect from November 2, 2017.

Adequate notice has been given to all Directors of the scheduled Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

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

We further report that during the period under review the Company has extinguished balance 16,043 equity shares out of 96,720 equity shares which were bought back during the previous financial year. The buyback commenced on March 2, 2017 and closed on April 3, 2017.

For Y. J. Basrar & Associates
Company Secretaries

Y. J. Basrar
Proprietor
FCS No. 2754
C.P. No. 3528

Date : May 17, 2018
Place : New Delhi

Secretarial Audit Report

ANNEXURE 'A'

To
The Members,
ICRA Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Y. J. Basrar & Associates
Company Secretaries

Y. J. Basrar
Proprietor
FCS No. 2754
C.P. No. 3528

Date : May 17, 2018
Place : New Delhi

Annexure VI

Dividend Distribution Policy

OBJECTIVE OF THE POLICY

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

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

BACKGROUND

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

CIRCUMSTANCES UNDER WHICH THE MEMBERS MAY OR MAY NOT EXPECT DIVIDEND

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

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

PARAMETERS FOR DECLARATION OF DIVIDEND

I. Financial parameters and Internal factors for determining dividend

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

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

II. External factors for determining dividend

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

1. Prevailing legal requirements, tax rules, Government policies, statutory conditions or restrictions as may be provided under applicable laws.;

2. State of the economy of the country;
3. Favourable state of the capital markets;

POLICY ON UTILIZATION OF RETAINED EARNINGS

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

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

PARAMETERS ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

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

PROCEDURE FOR DECLARATION OF DIVIDEND

(a) Give prior intimation to the stock exchanges about the Board Meeting at which proposal for declaration/recommendation of dividend or the passing over of dividend is due to be considered at least 2 working days in advance.

(b) Recommend or declare all dividend at least five days before the commencement of the closure of its transfer books or the record date fixed for the purpose.

(c) Immediately, on the date of the meeting of its Board of Directors, intimate to the Exchange within 30 minutes of the closure of the Board Meetings by Letter/fax, all dividends recommended or declared or the decision to pass any dividend as well as amounts appropriated from reserves, capital profits, accumulated profits of past years or other special source to provide wholly or partly for the dividend.

(d) Declare or disclose dividend on a per share basis.

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

AMENDMENTS/MODIFICATIONS

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

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

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

Annexure VII

Corporate Social Responsibility

Annual Report on Corporate Social Responsibility Activities

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

I. ICRA's Corporate Social Responsibility

We, at ICRA, firmly believe that inclusive development is the key to building a healthy society and it is the hallmark of any prosperous country. Our vision is primarily to be the catalyst for ecosystems, which enable sustainable development. To this end, we have been consistently devoting our efforts and resources over the years to empower communities through our ongoing corporate social responsibility initiatives. At ICRA we see responsibility as a combination of ethics, integrity and transparency values that are deeply ingrained in us and follow the guidelines set forth in the Schedule VII of the Companies Act, 2013. Creating a positive impact in the lives of people through education, skill development and mental health initiatives has been our objectives. Our CSR policy acts as a guiding principle for executing these projects with maximum success and the highest level of integrity. The CSR Committee ensures the seamless execution of the policy through various initiatives. The plan of action of these initiatives, containing the detailed information on the purpose and scope, along with the execution strategy, is drafted at the beginning of the year by CSR Committee. The plan is then evaluated by the Board of Directors and released for execution.

Our conscious effort has been to maximise the impact of the work done under these initiatives. Hence, we have collaborated with multiple stakeholders to enable us to achieve those outcomes. However, in selecting our partners, we take a cautious and scientific approach and always look for three parameters "credibility, integrity and passion" that ensure that the process is transparent and the outcomes are metrics driven. Compliance is a significant aspect of the process and the required documentation and regular audits are followed stringently.

Our initiatives aim to provide 'Learning for All' and also equal opportunities of growth even to the most marginalised sections of society. We see education and skills training as effective tools to tackle widespread poverty and other social concerns. This holistic development of an individual can then help him/her face the challenging life situations with utmost dignity and confidence.

As a nation, India has progressed in various fields; however, there are still certain areas on which there is a lot yet to be achieved. Mental illness is one such area and we believe that the biggest reason is lack of awareness among educators, caregivers and society at large. To address this, we have recently initiated a project that would address environmental and social causes resulting in delayed treatment (or no treatment) of mental health issues among children, thus hampering their mental wellbeing. As a part of this programme, we plan to empower teachers through education and access to knowledge, to work as change agents.

As responsible citizens, we have also pledged our support to certain key activities managed by the Government of India. To this end, we have also contributed a part of our CSR budget to the Prime Minister's National Relief Fund.

CSR initiatives, as we see it, must be a part of our DNA. We sensitise our employees about social concerns and incentivise them to serve society better by providing them an opportunity to work on some of these programmes. For effective employee-volunteering programmes, we are also engaging employees at the strategy and decision-making levels. ICRA also contributes to other humanitarian activities, like conducting fundraising campaigns in the event of any natural calamity/disaster. Our vision is to serve the society in the best possible way.

The CSR Policy has been uploaded on the website of the Company at https://www.icra.in/Home/CSR?tab=policy.

II. Composition of CSR Committee

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

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

Corporate Social Responsibility

III. Average net profit of the Company for last three financial years (2014-15; 2015-16; 2016-17): Rs. 9109.82 lakhs.

IV. Prescribed CSR expenditure (two per cent of the amount as in item 3 above): Rs. 182.19 lakhs.

V. Details of CSR spend during the financial year:

(a) Total amount to be spent for the financial year: Rs. 182.19 lakhs

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

1.	2.	3.	4.	5.	6.		7.	8.
S. No.	CSR Project or Activity	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs.)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period	Amount spent: Directly or Through Implementing Agency
					Direct expenditure on programmes or projects (Rs.)	Overhead (Rs.)		
1.	Residential learning camp	CI (ii) Promoting education	Rajasthan: District Udaipur – Kaya village, block Girwa.	3,140,000	3,140,000	-	3,140,000	Implementing agency- Seva Mandir
2	Digital Inclusion for Young Aspirants (DIYA)	CI (ii) employment enhancing vocational skills especially children, women, elderly	West Bengal: District- South 24 Pragnas-Diamond Harbour, Mograhat	2,264,700	2,264,700	-	2,264,700	Implementing agency – Anudip Foundation for Social Welfare
3	i) Inclusive Education ii) Computer education	CI (ii) Promoting education, including special education and the differently abled	New Delhi; Karkardooma	3,694,000	3,694,000	-	3,694,000	Implementing agency- Amar Jyoti Charitable Trust
4	Sponsorship towards education of underprivileged children	CI (ii) Promoting education	Haryana: District- Gurgaon	1,625,000	1,625,000	-	1,625,000	Implementing agency- Vidya Integrated Development for Youths and Adults (VIDYA)
5	Make My Mark	CI (ii) Promoting special education and employment enhancing vocational skills	Bangalore: Doddugubbi	1,080,000	1,080,000	-	1,080,000	Implementing agency- Biswa Gauri Charitable Trust
6	Empowering and Educating Underprivileged Children	CI (ii) Promoting special education and employment enhancing vocational skills	Tauru, District Mewat, Haryana	1,032,000	1,032,000	-	1,032,000	Implementing agency- Deepalaya
7	School Mental Health Education Project	CI (ii) Promoting education, special education	Bengaluru, Karnataka	500,000	500,000	-	500,000	Implementing agency- White Swan Foundation
8	PMNRF	CI (viii) contribution to PMNRF	-	4,883,945	-	-	4,883,945	N.A

Corporate Social Responsibility

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

N.A

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

For ICRA Limited

(Naresh Takkar)
Managing Director & Group CEO

For CSR Committee of ICRA Limited

(Ranjana Agarwal)
Chairperson of the CSR Committee

Place: Gurugram
Date: May 17, 2018

Annexure VIII

Business Responsibility Report 2017-18

Section A: General Information about the company

1.	Corporate Identity Number (CIN) of the company	:	L74999DL1991PLC042749
2.	Name of the company	:	ICRA Limited
3.	Registered address	:	1105 Kailash Building, 11th Floor 26, Kasturba Gandhi Marg, New Delhi-110001
4.	Website	:	www.icra.in
5.	E-mail id	:	investors@icraindia.com
6.	Financial Year reported	:	2017-18
7.	Sector(s) that the company is engaged in (industrial activity code-wise)	:	Credit rating and research services, Code-66190

8. List three key products/services that the company manufactures/provides (as balance sheet) Rating, research and other services
9. Total number of locations where business activity is undertaken by the company National locations: ICRA Limited (***"the Company"***) conducts its operations through nine locations International locations: Sri Lanka and Nepal
10. Markets served by the company-Local/State/National/International
    ICRA serves the Indian markets, along with the international customers through its subsidiary companies.

Section B: Financial Details of the company

1.	Paid up Capital (INR)	:	990.33 lakhs
2.	Total Turnover (INR)	:	22,011.46 lakhs
3.	Total profit after taxes (INR)	:	10,032.19 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	Rs. 182.19 lakhs, 2% of net profit of the Company

5. List of activities in which expenditure in 4 above has been incurred: -
   Please refer to Principle 8 and Annual Report on Corporate Social Responsibilities activities.

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

   Yes

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies).

   Yes, subsidiary companies are guided by the Company and undertake initiatives as per statutory requirements.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]

   No

Section D: BR Information

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

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b) Details of the BR head

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

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

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

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

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

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3. Governance related BR

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

  Annually

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

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

Section E: Principle–wise performance

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

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

   ICRA requires its employees and directors to conduct themselves according to the highest standards of integrity and ethics in all of their business activities. We firmly believe that ethical conduct is good business practice because it is essential for maintaining a relationship of trust with our customers. Our business conduct is also regulated by many laws relating to fraud, deceptive acts, bribery and corruption, consumer protection, competition, unfair trade practices, and property, including intellectual property such as patents, trademarks and copyrights. With this conviction, the Company has a Code of Business Conduct which is adopted by all its subsidiaries as well. The Code details ICRA and its subsidiaries' commitment regarding maintaining a high standard of integrity, and considers ethics and values as an integral part of the way the business is conducted. The Company has zero tolerance for bribery and corruption, therefore, it has adopted Anti Bribery & Anti Corruption Policy ("ABAC Policy") which is also applicable to its subsidiaries. The ABAC Policy sets forth an obligation that every employee needs to abide with and encourages employees to take necessary steps to report any act of suspicion to the compliance department.

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

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

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

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

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

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

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

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

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

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

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

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   i. Has reduction during sourcing/production/distribution been achieved since the previous year throughout the value chain?

   ii. Has reduction during usage by consumers (energy, water) been achieved since the previous year?

      N.A

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

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

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

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

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

   Please refer Principle 6

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

ICRA recruits, hires, employs, trains, promotes and compensates individuals based on job-related qualifications and abilities. ICRA also has a longstanding policy of providing a work environment that respects the dignity and worth of each individual and is free from all forms of unlawful employment discrimination, including harassment because of race, color, gender, age, religion, national origin, citizenship, marital status, sexual orientation, gender identity, genetic information, disability or any other characteristic protected by law.

To attract, motivate and retain our valuable talent we reward employees based on performance and merit. Deserving employees are eligible to participate in the long term/ deferred incentive plan focused on retaining critical talent in the Company. We continually benchmark the compensation package we offer against those that the industry and competition offer. Our compensation package is so structured as to be stable while also providing incentives for continuous improvement in performance. Additionally, the Company provides learning opportunities to its employees across levels. It invests in their training and development which also results in the overall improved performance of the Company. New joiners go through a systematic on-boarding programme to equip them adequately with information and skills required to be purposeful at work.

We are committed to providing the best possible work environment and facilities to employees at all levels. Periodic connect sessions with employees are conducted to address concerns in a systematic manner. This encompasses Face Time with the Group CEO, Face Time with the Group HR Head and Connect Meetings with the HR Leads to strengthen communication and address queries. We actively promote a culture of celebration at work and mark employees' birthdays and service anniversaries. To ensure that new employees feel welcomed at the workplace we have a focused intervention called Fresh Eyes session, which is an engagement programme with new hires to gather their feedback as well as best practices from their experience to recommend action to the Management. The Company also considers feedback from employees who have resigned or serving their notice period and uses their feedback to improve the work environment. We have constituted a Talent Advisory Group with representation from employees to propel a two-way communication and enhance participation from employees in designing and executing key initiatives impacting employees. We publish a monthly employee newsletter named Employee Wall - News and Views for periodic communication and engagement.

We have a structured rewards and recognition programme to appreciate and thank all performance enthusiasts who continually strive to make a difference in the Company. Recognition in the Company is not confined to a top-down phenomenon and employees are encouraged to appreciate subordinates, peers and seniors. Appreciation notes are made available to all employees, appropriate cards can be used to commend colleagues, seniors or subordinates.

We help employees accommodate personal needs with business responsibilities. Our policies towards leave and attendance management support a culture that promotes work-life balance and at the same time ensure that business disruption is minimised.

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

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

1. Please indicate the total number of employees.

   427 employees

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

   38

3. Please indicate the number of permanent women employees.

   135

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4. Please indicate the number of permanent employees with disabilities.

   N.A

5. Do you have an employee association that is recognised by the management?

   No

6. What percentage of your permanent employees consist of the members of this recognised employee association?

   N.A

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

   Employees' safety is of prime importance to us. The Company conducts periodic basic fire safety training, evacuation drills for employees across all branches. Employees are sensitised about the safety norms and they are also educated and demonstrations are held on the use of fire-fighting equipment. Nearly 99% of the employees have received safety training.

   ICRA continues to focus on equipping employees with the requisite knowledge and skill. The Company provides various trainings like orientation sessions with the new employees, skill enhancing sessions and other leadership mentoring programmes etc. Almost 87% of the permanent employees and 83% of the permanent women employees were given skill upgradation training in this financial year.

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

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

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

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

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

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2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

   N.A.

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

   Please refer Principle 8

Principle 5: Businesses should respect and promote human rights

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

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

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

   Please refer to Principle 1 & 3

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

1. Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/suppliers/ contractors/NGOs/Others.

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

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

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

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

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

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The Company also demonstrates its commitment to paper recycling through our partnership with Via. Greenobin Recycling Private Limited, a Government of India (DIPP) approved CSR agency. In this financial year, we have exchanged 16,001.14 kg paper with office stationery and saved 410 trees.

Energy efficiency is not just an isolated effort by companies to be cost-efficient and ready to compete on a global market. Energy efficiency is also a core target of sustainable economical, ecological and social management which reflects the responsibility of a company towards the society. For us, Green IT has become a key business strategy to help in energy conservation & efficiencies. We have pledged to conserve energy by an initiative towards paperless online HR system. This would help us reduce the paper footprint, reduce manual intervention, manual documentation of HR records and would help us contribute to our employees, organisation and society.

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

3. Does the company identify and assess potential environmental risks? Y/N

   N.A

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   N.A

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   N.A

6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   N.A

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   N.A

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

1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

   The Company is a member of various industry associations such as AACRA, ASSOCHAM, FICCI and CII etc.

2. Have you advocated/ lobbied through the above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   No.

Principle 8: Businesses should support inclusive growth and equitable development

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

   Yes, the Company and its group companies have been undertaking various activities under Corporate Social Responsibility ("CSR"), in compliance with Section 135 of the Companies Act, 2013 (the "Act") read with Schedule VII of the Act. The policy has been laid down and the annual plan is prepared and implemented under the guidance of the

Business Responsibility Report 2017-18

CSR Committee of the Company. We aim to impact the lives of people through various education, skill development and mental health projects. Each programme has its own monitoring checks and a mechanism that ensures transparency and quality in delivery. To create a much larger impact, the Company provides ICRA employees a platform to contribute and engage in the CSR activities. Under volunteering initiative, we conduct various activities that help in strengthening the projects. Through this medium we also ensure that each employee is deeply aware of the social concerns and their duties towards the society. It helps in embedding social responsibility into the system and hence making the idea of CSR sustainable.

The brief about the projects is as follows:

a) Digital Inclusion for Young Aspirants (DIYA): It is a result oriented skill training project to cater to beneficiary's job skill needs and employers' requirements. It provides in-depth training in IT skills, English language skills, workplace readiness and mock interviews. The graduating students get an access to job placement services across the industry sectors. This project is being implemented by Anudip Foundation for Social Welfare in West Bengal.

b) The Residential Camp: The camp is a collaborative effort of the Company and Seva Mandir to provide an accelerated and customised education programme in Udaipur. The objective is to bring out-of-school children together and bridge their learning gap and further induct them into the mainstream formal education system.

c) Inclusive Education: The Company strives hard to nurture ecosystems that enable Learning for all. With this vision in mind we are currently involved in such initiative to provide equal opportunity and participation of children with special needs. The Company is implementing this project in partnership with the Amar Jyoti Charitable Trust in Delhi.

d) Sponsorship Project: This is the other notable project, being run along with Vidya Integrated Development for Youths and Adults (VIDYA), Gurgaon and Deepalaya, Mewat, that provides education support to underprivileged children. Under this project, students are encouraged to achieve their full potential in the academic, creative, physical, emotional, spiritual and moral sphere.

e) Make my Mark: This project is a joint effort of the Company and the Biswa Gauri Charitable Trust. The project aims to create a simulated workplace i.e. a vocational printing centre to train children with autism/ASD and other intellectual disorders about various printing techniques. This will eventually grow into a sheltered workplace for these individuals to enable them to lead a productive life. This project is being implemented in Bengaluru.

f) School Mental Health Programme: The project aims to address environmental and social causes that result in delayed treatment (or no treatment) of mental health issues among children and hamper their mental well-being by empowering teachers as catalyst through education and access to right knowledge. The primary beneficiaries would be teachers and adolescent students of government schools. With the series of educational and experiential intervention, teachers get acquainted to the subject of a child's mental health, mental illness and mental wellbeing. Teachers would be able to identify psychosocial issues faced by the adolescent children and will provide first aid to the diagnosed ones and empower them with the knowledge of right service providers and resources so that children may receive timely help.

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

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

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

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

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

   The total expenditure in the financial year 2017-18 was Rs. 182.19 lakh. Please refer CSR Annual Report for more details.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Business Responsibility Report 2017-18

Please explain in 50 words, or so

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

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

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

   No case is pending.

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

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

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

   N.A

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

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

Annexure 1

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

Principle 1	:	Businesses should conduct and govern themselves with ethics, transparency and accountability
Principle 2	:	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
Principle 3	:	Businesses should promote the well-being of all employees
Principle 4	:	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	:	Businesses should respect and promote human rights
Principle 6	:	Businesses should respect, protect, and make efforts to restore the environment
Principle 7	:	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	:	Businesses should support inclusive growth and equitable development
Principle 9	:	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Annexure IX

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
	Nil					

For and on behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

Place : Gurugram
Date : May 17, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of ICRA Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **ICRA Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended,and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in

INDEPENDENT AUDITOR'S REPORT

conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; - Refer Note 28(b) to the standalone Ind AS financial statements.

      ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 17 May 2018

INDEPENDENT AUDITOR'S REPORT

Annexure A of the Independent Auditor's Report to the Members of ICRA Limited on the standalone financial statements for the year ended 31 March 2018.

We report that:

(i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. Accordingly, the Company has carried out physical verification of its fixed assets at certain locations during the year ended 31 March 2018. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanations given to us, the Company is a service company, primarily rendering rating, research and other services to corporate and non-corporate customers. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies or other parties covered in the register maintained under Section 189 of the Act. Further, there are no firms and limited liability partnerships covered in the register required under Section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans, investments, guarantees, and security where provisions of Section 185 and 186 of the Act are required to be complied with. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits covered under Section 73 to 76 of the Act.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records by the Company under sub-section (1) of Section 148 of the Act for any of the activities carried out by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales tax, Value Added Tax, Goods and Service tax, Service tax, Cess and other material statutory dues as applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Duty of customs and Duty of excise.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales tax, Value Added Tax, Goods and Service tax, Service tax, Cess and other material statutory dues as a applicable to it, were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

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

INDEPENDENT AUDITOR'S REPORT

Name of the statute	Nature of dues	Amount in (Rupees in lakhs)*	Payment under protest in (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	18.10	Nil	F.Y 2000-01	The Assessing Officer
		0.44	Nil	F.Y 2002-03	
		2.00	Nil	F.Y 2003-04	
		37.86	Nil	F.Y 2003-04	
		181.90	11.00	F.Y 2005-06	The Commissioner of Income Tax (Appeals)
		262.15	Nil	F.Y 2012-13	
		401.55	Nil	F.Y 2013-14	
		262.24	Nil	F.Y 2013-14	
		221.56	Nil	F.Y 2014-15	
Finance Act, 1994	Service Tax	1.99	Nil	F.Y. 2001-2002	Assistant. Commissioner of Central Excise
		8.60	8.60	F.Y. 1998-1999 to 2001-2002	Appellate Tribunal (Customs, Excise and Service Tax)
		11.40	11.40	F.Y 2001-2002 to 2004-2005	The Commissioner (Appeals) of Central Excise

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

(viii) According to the information and explanations given to us, the Company did not have any outstanding dues to any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid/ provided by the Company in accordance with provisions of Section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required, by the applicable accounting standards.

(xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 17 May 2018

INDEPENDENT AUDITOR'S REPORT

Annexure B to the Independent Auditor's Report to the Members of ICRA Limited on the standalone financial statements for the year ended 31 March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **ICRA Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 17 May 2018

Balance Sheet as at March 31, 2018

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

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4	**1,209.57**	1,278.95	1,522.86
(b) Intangible assets	5	**4.07**	20.07	26.35
(c) Financial assets				
(i) Investments	6.1	**26,636.92**	16,021.60	28,323.99
(ii) Loans	7.1	**142.15**	140.25	331.85
(iii) Other financial assets	8.1	**3,498.27**	991.49	1,675.11
(d) Deferred tax assets (net)	9	**385.05**	248.77	377.22
(e) Non current tax asset (net)	10	**987.90**	1,312.58	1,283.72
(f) Other non-current assets	11.1	**133.89**	45.05	83.57
Total non-current assets		**32,997.82**	20,058.76	33,624.67
(2) Current assets				
(a) Financial assets				
(i) Investments	6.2	**9,871.60**	17,698.75	2,103.36
(ii) Trade receivables	12	**2,173.40**	1,855.76	1,648.57
(iii) Cash and cash equivalents	13	**1,633.86**	188.76	96.12
(iv) Bank balances other than (iii) above	14	**17,820.23**	18,123.91	18,012.48
(v) Loans	7.2	**75.94**	195.32	71.96
(vi) Other financial assets	8.2	**1,516.70**	1,051.95	822.68
(b) Other current assets	11.2	**338.53**	262.76	263.42
(c) Assets held for sale		**6.58**	70.42	-
Total current assets		**33,436.84**	39,447.63	23,018.59
Total assets		**66,434.66**	59,506.39	56,643.26
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	15	**990.33**	990.33	1,000.00
(b) Other equity	16	**56,095.43**	49,194.11	46,247.36
Total equity		**57,085.76**	50,184.44	47,247.36
Liabilities				
(2) Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	17.1	**218.79**	33.55	20.22
(b) Provisions	18.1	**125.96**	102.42	725.54
(c) Other non-current liabilities	19.1	**3.10**	6.84	4.72
Total non-current liabilities		**347.85**	142.81	750.48
(3) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	20	**339.41**	535.19	346.38
(ii) Other financial liabilities	17.2	**655.32**	994.65	1,107.32
(b) Provisions	18.2	**2,050.31**	2,095.37	1,871.74
(c) Current tax liabilities (net)	21	**73.69**	103.40	107.56
(d) Other current liabilities	19.2	**5,882.32**	5,450.53	5,212.42
Total current liabilities		**9,001.05**	9,179.14	8,645.42
Total liabilities		**9,348.90**	9,321.95	9,395.90
Total equity and liabilities		**66,434.66**	59,506.39	56,643.26
Significant accounting policies	3			

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

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2018

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

	Particulars	**Note No.**	**For the year ended March 31, 2018**	For the year ended March 31, 2017
I	Revenue from operations	22	**22,212.56**	21,090.00
II	Other income	23	**5,074.27**	4,882.74
III	**Total income (I+II)**		**27,286.83**	25,972.74
IV	**Expenses**			
	Employee benefits expense	24	**9,533.13**	9,080.22
	Finance costs	25	**3.46**	3.89
	Depreciation and amortisation expense	26	**265.78**	320.27
	Other expenses	27	**2,900.33**	3,843.10
	Total expenses		**12,702.70**	13,247.48
V	**Profit before exceptional items and tax (III-IV)**		**14,584.13**	12,725.26
VI	Exceptional items	38	**-**	681.29
VII	**Profit before tax (V+VI)**		**14,584.13**	13,406.55
VIII	**Tax expense:**	9		
	Current tax		**4,679.20**	3,455.39
	Deferred tax		**(127.26)**	153.83
	Total tax expense		**4,551.94**	3,609.22
IX	**Profit for the year (VII-VIII)**		**10,032.19**	9,797.33
X	**Other comprehensive income**			
	(i) Items that will not to be reclassified to profit or (loss)	32	**(31.01)**	(73.33)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	9	**9.03**	25.38
	Total other comprehensive income, net of tax		**(21.98)**	(47.95)
XI	**Total comprehensive income for the year (IX+X)**		**10,010.21**	9,749.38
	Earnings per share (Rs.)	30		
	(face value of Rs. 10 per share):			
	1) Basic		**102.01**	99.50
	2) Diluted		**101.87**	99.21
	Significant accounting policies	3		

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

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

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

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(DIN: 00253288)

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(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Cash Flow Statement for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	**14,584.13**	13,406.55
Adjustments for:		
Depreciation and amortisation expense	**265.78**	320.27
Bad debts/ advances written off (net of provisions)	**78.91**	561.13
Loss on sale/ write off of fixed assets (net)	**-**	9.05
Interest expense	**3.46**	3.89
Exceptional items	**-**	(681.29)
Interest income on fixed deposits	**(1,849.84)**	(1,656.05)
Interest income on investments	**(459.81)**	(283.18)
Dividend from subsidiary companies	**(547.15)**	(1,165.19)
Gain on financial assets carried at fair value through profit or loss (net)	**(1,297.04)**	(1,702.63)
Profit on sale of assets (net)	**(729.75)**	-
Advances received from customers written back	**(173.84)**	(144.65)
Operating cash flow before working capital changes	**9,874.85**	8,667.90
Adjustments for		
(Increase)/ decrease in trade receivables	**(395.20)**	(822.56)
(Increase)/ decrease in loans	**117.48**	68.24
(Increase)/ decrease in other financial assets	**(52.71)**	7.14
(Increase)/ decrease in other assets	**(108.93)**	38.34
Increase/ (decrease) in trade payables	**(195.78)**	188.81
Increase/ (decrease) in other financial liabilities	**(180.23)**	(87.14)
Increase/ (decrease) in other liabilities	**601.90**	438.15
Increase/ (decrease) in provisions	**(52.53)**	(472.82)
Cash generated from operations before tax	**9,608.85**	8,026.06
Taxes paid, net of refund	**(4,384.23)**	(3,488.41)
Net cash generated from operating activities (A)	**5,224.62**	4,537.65
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets including capital advances	**(237.59)**	(173.24)
Sale proceeds from property, plant and equipment and intangible assets	**453.25**	8.28
Investment in mutual funds	**(13,825.00)**	-
Sale proceeds from redemption/ disposal of mutual funds	**9,853.61**	1,053.02
Sale of investment in subsidiaries (net of expenses of Rs. 177.10 lakh) (Refer note 38)	**-**	3,022.90
Redemption of debentures	**3,675.00**	-
Investment (made in)/ redemption in corporate deposits (net)	**(1,194.75)**	(4,985.00)
(Increase)/ decrease in fixed deposits (having maturity of more than three months), (net)	**(2,181.32)**	572.87
Dividend received from subsidiary companies	**544.29**	1,158.49
Interest received on fixed deposits	**1,687.75**	1,681.89
Interest received on investments	**554.42**	28.32
Net cash generated/ (used) in investing activities (B)	**(670.34)**	2,367.53

Cash Flow Statement for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash flow from financing activities		
Payment towards buy back of shares (Refer note 40)	**-**	(3,999.89)
Dividend paid	**(2,673.89)**	(2,500.00)
Dividend distribution tax paid	**(435.00)**	(312.41)
(Decrease)/ increase in unclaimed dividend	**(0.29)**	(0.24)
Net cash used in financing activities (C)	**(3,109.18)**	(6,812.54)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**1,445.10**	92.64
Add: Cash and cash equivalents at the beginning of year	**188.76**	96.12
Cash and cash equivalents at the end of the year	**1,633.86**	188.76
Components of cash and cash equivalents (Refer note 13)		
Cash on hand	**1.09**	7.92
Balances with banks		
In current accounts	**1,632.77**	77.14
In deposit accounts (with original maturity of three months or less)	**-**	3.70
Earmarked balances with banks		
Escrow account	**-**	100.00
Cash and cash equivalents at the end of the year	**1,633.86**	188.76

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

Significant accounting policies (Refer note 3)

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

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2018

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

Particulars	Attributable to equity shreholders						Total equity
	Equity share capital	Other equity					
		Capital redemption reserve	Security Premium Account	Share based payment reserve	General reserve	Retained earnings	
Balance as at April 01, 2016	1,000.00	-	8,703.56	478.07	11,160.58	25,905.15	47,247.36
Profit after tax						9,797.33	9,797.33
Other comprehensive income, net of tax						(47.95)	(47.95)
Total comprehensive income for the year						9,749.38	9,749.38
Equity shares extinguished due to buy back of equity shares (Refer note 40)	(8.07)						(8.07)
Par value of shares bought back pending for extinguishment (Refer note 40)	(1.60)						(1.60)
Transfer to capital redemption reserve on buy back of equity shares (Refer note 40)		9.67	(9.67)				-
Utilized towards buyback of equity shares (Refer note 40)			(3,990.22)				(3,990.22)
Options exercised			263.31	(263.31)			-
Options lapsed				(3.16)	3.16		-
Dividend on equity shares (Refer note 31)						(2,500.00)	(2,500.00)
Corporate dividend tax (Refer note 31)						(508.94)	(508.94)
Reversal of corporate dividend tax for earlier year						196.53	196.53
Balance as at March 31, 2017	990.33	9.67	4,966.98	211.60	11,163.74	32,842.12	50,184.44
Balance as at April 01, 2017	**990.33**	**9.67**	**4,966.98**	**211.60**	**11,163.74**	**32,842.12**	**50,184.44**
Profit after tax						**10,032.19**	**10,032.19**
Other comprehensive income, net of tax						**(21.98)**	**(21.98)**
Total comprehensive income for the year						**10,010.21**	**10,010.21**
Options exercised			**111.31**	**(111.31)**			**-**
Options lapsed				**(2.38)**	**2.38**		**-**
Dividend on equity shares (Refer note 31)						**(2,673.89)**	**(2,673.89)**
Corporate dividend tax (Refer note 31)						**(435.00)**	**(435.00)**
Balance as at March 31, 2018	**990.33**	**9.67**	**5,078.29**	**97.91**	**11,166.12**	**39,743.44**	**57,085.76**

Significant accounting policies (Refer note 3)

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

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Notes to the financial statements for the year ended March 31, 2018

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

1 Corporate information

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

2 Basis of preparation

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

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 1, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Company prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read with relevant rules of the Companies (Accounts) Rules, 2014 ('Indian GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 1, 2016, the date of transition to Ind AS. In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained in note 43 . The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Note 43 explains the adjustments made by the Company in restating its financial statements prepared under Indian GAAP, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

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

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

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

The financial statements were authorised for issue by the Company's Board of Directors on May 17, 2018.

2.1 Use of estimates, judgments and assumptions

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

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

The Company has identified the following areas where significant judgements, estimates and assumptions are required.

Notes to the financial statements for the year ended March 31, 2018

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

Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

Judgements

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

a) Contingencies

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

b) Revenue recognition

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

Assumptions and estimation uncertainties

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

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

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

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

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

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

ii) Impairment of financial assets

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

iii) Defined benefit plans

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

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based

Notes to the financial statements for the year ended March 31, 2018

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

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

v) Recognition of deferred tax assets

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

2.2 Fair value measurement

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

- In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

3 Significant accounting policies

3.1 Current versus non-current classification

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

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

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

Notes to the financial statements for the year ended March 31, 2018

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

3.2 Revenue recognition

The Company provides rating/ grading services to its customers wherein the first year rating/ grading fees includes free surveillance for first twelve months/ or the period of instrument, whichever is shorter, from the date of rating/ grading. A portion of the fee is allocated towards this free surveillance based on management's estimate. The fee relating to rating/ grading is recognised in the month of assigning the rating/ grading by the rating/ grading committee of the Company. Surveillance fee for first year and subsequent period, to the extent of reasonable certainty of collection, is recognised based on time elapsed (ignoring fractions of months).

Revenue from other service arrangements is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the specific contracts.

Unearned revenue represents fees received in advance or advance billing for which services have not been rendered.

Unbilled revenue represents services rendered for which the invoicing is not done.

Out of pocket expenses invoiced to the customer are excluded from revenue and routed through recoverable account.

3.3 Other income

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

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

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

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Trade receivable and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company became party to the contractual provision of the instrument.

A financial asset or financial liability is initially recognised at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, financial asset is classified as measured at:

- Amortised cost

- Fair value through other comprehensive income (FVTOCI) – debt investments

- FVTOCI – equity investments or

- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for mapping of financial assets.

A financial asset is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL

- the asset is held within a business model whose objective is to hold assets and collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A 'debt investment' is measured at FVTOCI if both of the following conditions are met and is not designated as at FVTPL:

Notes to the financial statements for the year ended March 31, 2018

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

- the assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual term of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income under effective interest method and impairment are recognised in profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI reclassified to profit and loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividend are recognised as income in profit and loss unless the dividend clearly represents recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit and loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are measured at amortised cost using effective interest method. Interest expense and foreign exchange gains or losses (if any) are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

Derecognition

Financial assets

The Company derecognises a financial asset when:

- the rights to receive cash flows from the asset have expired, or

- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement- and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

The Company derecognises a financial liability when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Notes to the financial statements for the year ended March 31, 2018

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.5 Property, plant and equipment

Recognition and measurement

Property, plant and equipment and capital work in progress are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprise of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other cost directly attributable to bring the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate item of property, plant and equipment.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Transition to Ind AS

Under the previous GAAP, property, plant and equipment were carried in the balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any. On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at March 31, 2016 as deemed cost at the date of the transition to Ind AS, i.e. April 1, 2016.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit of associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on cost of item of property, plant and equipment less their estimated residual value over their estimate useful lives using written down value method and is recognised in the Statement of Profit and Loss. Assets acquired under leasehold improvements are depreciated using straight line method over the primary period of the lease or useful life of the assets whichever is shorter. The primary lease period for this purpose includes any lease period extendable at the discretion of the lessee.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life as per schedule II (in years)
Buildings	60
Computers and data processing units (including Servers, Network)	3-6
Furniture and fittings	10
Office equipment	5
Electrical installation and equipment	10
Vehicles	8

Notes to the financial statements for the year ended March 31, 2018

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

Depreciation method, useful lives and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Depreciation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

Assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.

3.6 Intangible assets

Recognition and measurement

Intangible assets acquired separately are initial measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss.

Amortisation

Amortisation is calculated to write off the cost of the intangible assets over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

The estimated useful lives of items of intangible assets is as follows:

Asset	Useful life (in years)
Computer softwares	10

Amortisation method, rate and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Amortisation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

3.7 Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment as per Ind AS 27 Consolidated and Separate Financial Statements. On disposal of investment in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

3.8 Impairment

Impairment of financial instruments

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For other financial assets, ECL are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as expense or income in the Statement of Profit and Loss.

Impairment of non-financial assets and investment in subsidiaries

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-

Notes to the financial statements for the year ended March 31, 2018

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

generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGU's.

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment loss is recognised in the Statement of Profit and Loss.

An impairment loss in respect of assets, which has been recognised in prior years, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

3.9 Non-current assets held for sale

Non-current assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value. Any resultant loss on a disposal group is allocated first goodwill (if any), and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Company's other accounting policy. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit and Loss.

Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

If the criteria for classifying assets in to held for sale are no longer met, the Company cease to classify the assets as held for sale.

The Company measure a non-current asset that ceases to be classified as held for sale at the lower of:

- its carrying amount before the assets were classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with bank, Short-term deposits and investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalent consists of cash on hand, balances with bank, Short-term deposits and investments as stated above, net of outstanding bank overdrafts (if any).

3.11 Foreign currencies

The Company's financial statements are presented in Indian rupee, which is also its functional currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction or an average rate if the average rate approximate the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

3.12 Employee benefits

Short term employee benefit

All employee benefits which are expected to be settled wholly before twelve months after the end of annual reporting period in which the employees render the related service are short term employee benefits. Short term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

Provident fund is a defined contribution plan. The Company makes specified monthly contributions towards government administered provident fund scheme. Obligation for contributions to defined contribution plan is recognised as an employee benefit expense in profit and loss in the period during which the related services are rendered by employees. The Company has no obligation, other than the contribution payable in the scheme.

Defined benefit plan

The Company's gratuity benefit plan is a defined benefit plan. The gratuity liability for employees of the Company is funded through gratuity fund established as a Trust. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value of economic benefits and the fair value of any plan assets is deducted.

The calculation of defined benefit obligation is performed as at the Balance Sheet date and determined based on actuarial valuation using the Projected Unit Credit Method by a qualified actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the Balance Sheet date.

Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of annual period to the then-net defined benefit liability (asset), taking in to account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

Other long-term employee benefits

Long term incentive plan (LTIP) and compensated absences are other long-term benefits provided by the Company.

The Company's net obligation in respect of LTIP is the amount of benefit that employees have earned in return for their services in the current and prior periods and discounted to determine its present value.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by a qualified actuary as at the Balance Sheet date using Projected Unit Credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense for non-accumulated compensated absences is recognised in the period in which absences occur.

3.13 Share based payments

The Company recognise compensation expense relating to share-based payments using fair value in accordance with Ind AS 102 'Share based payments'. The estimated fair value of awards is charged to income on a straight line basis over the service period for each separating vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Notes to the financial statements for the year ended March 31, 2018

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

On transition to Ind AS, the Company has elected to use the exemption to apply Ind AS 102 to equity instruments that vested before date of transition to Ind AS.

3.14 Leases

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.15 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cashflows (representing the best estimate of the expenditure require to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

3.16 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.17 Income tax

Income tax comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to an item recognised directly in equity or other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous year. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intention to realize the asset and settle the liability on a net basis, or simultaneously.

Deferred tax

Deferred tax is recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Deferred tax assets and liabilities are measured using tax rate and tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of change in tax rate on deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the financial statements for the year ended March 31, 2018

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

3.18 Earnings per share

The basic earnings per share are calculated by dividing the net profit attributable to equity by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit attributable to equity during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored in the calculation of diluted earnings per share.

3.19 Corporate social responsibility (CSR) expenditure

The Company charges its CSR expenditure during the year to the Statement of Profit and Loss.

3.20 Recent accounting pronouncements

Ind AS 115, *Revenue from Contracts with Customers*: On March 28, 2018 the MCA has notified the Ind AS 115. The core principle of new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cashflows arising from the entity's contracts with customers.

The standard permit two possible methods of transition:

- Retrospective approach–Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors.

- Retrospectively with cumulative effect of initially applying the standard is recognised at the date of initial application (Cumulative catch-up approach).

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

Appendix B to Ind AS 21, *Foreign currency transactions and advance consideration*: On March 28, 2018, the Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing appendix B to Ind AS 21 which clarifies that the date of the transactions for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will be effective from April 1, 2018.

The Company is under the process of evaluation of the possible impact of these recent accounting pronouncements.

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4	**Property, plant and equipment**			
a)	**The details of property, plant and equipment (net) is as follows:**			
	Buildings	**722.47**	762.79	879.74
	Computers and data processing units	**62.45**	61.76	66.94
	Furniture and fittings	**117.96**	143.66	190.75
	Office equipment	**33.67**	32.97	32.97
	Electrical installation and equipment	**52.59**	62.94	78.26
	Vehicles	**52.84**	93.24	91.45
	Leasehold improvements	**167.59**	121.59	182.75
	Total property, plant and equipment	**1,209.57**	1,278.95	1,522.86

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	Buildings	Computers and data processing units	Furniture and fittings	Office equipment	Electrical installation and equipment	Vehicles	Leasehold improvements	Total
b) Disclosures regarding gross block of assets, depreciation and net block are as given below:								
Gross carrying value (cost or deemed cost)								
As at April 1, 2016	879.74	66.94	190.75	32.97	78.26	91.45	182.75	1,522.86
Additions	-	56.87	9.70	26.86	9.46	49.21	-	152.10
Reclassification to Assets held for sale	(74.37)	-	-	-	-	-	-	(74.37)
Disposals/adjustments	-	(5.26)	(2.55)	(5.59)	(2.03)	(4.71)	-	(20.14)
As at March 31, 2017	805.37	118.55	197.90	54.24	85.69	135.95	182.75	1,580.45
Additions	**-**	**45.51**	**26.94**	**18.67**	**8.62**	**-**	**105.14**	**204.88**
Disposals/adjustments	**-**	**(7.01)**	**(18.57)**	**(1.24)**	**(1.51)**	**(21.26)**	**(30.18)**	**(79.77)**
As at March 31, 2018	**805.37**	**157.05**	**206.27**	**71.67**	**92.80**	**114.69**	**257.71**	**1,705.56**
Depreciation								
As at April 1, 2016	-	-	-	-	-	-	-	-
For the year	46.53	57.99	54.79	22.47	23.09	43.17	61.16	309.20
Reclassification to Assets held for sale	(3.95)	-	-	-	-	-	-	(3.95)
Disposals/adjustments	-	(1.20)	(0.55)	(1.20)	(0.34)	(0.46)	-	(3.75)
As at March 31, 2017	42.58	56.79	54.24	21.27	22.75	42.71	61.16	301.50
For the year	**40.32**	**42.44**	**43.18**	**17.61**	**18.12**	**28.97**	**59.14**	**249.78**
Disposals/adjustments	**-**	**(4.63)**	**(9.11)**	**(0.88)**	**(0.66)**	**(9.83)**	**(30.18)**	**(55.29)**
As at March 31, 2018	**82.90**	**94.60**	**88.31**	**38.00**	**40.21**	**61.85**	**90.12**	**495.99**
Net block								
As at March 31, 2018	**722.47**	**62.45**	**117.96**	**33.67**	**52.59**	**52.84**	**167.59**	**1,209.57**
As at March 31, 2017	762.79	61.76	143.66	32.97	62.94	93.24	121.59	1,278.95
As at April 1, 2016	879.74	66.94	190.75	32.97	78.26	91.45	182.75	1,522.86

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5	**Intangible assets**			
a)	**The details of intangible assets (net) is as follows:**			
	Computer softwares	**4.07**	20.07	26.35
	Total intangible assets	**4.07**	20.07	26.35

	Particulars	Computer softwares
b)	**Disclosures regarding gross block of intangible assets, amortisation and net block are as given below:**	
	Gross carrying value (cost or deemed cost)	
	As at April 1, 2016	26.35
	Additions	5.73
	Disposals/adjustments	(1.16)
	As at March 31, 2017	30.92
	Additions	**-**
	Disposals/adjustments	**-**
	As at March 31, 2018	**30.92**
	Amortisation	
	As at April 1, 2016	-
	For the year	11.07
	Disposals/adjustments	(0.22)
	As at March 31, 2017	10.85
	For the year	**16.00**
	Disposals/adjustments	**-**
	As at March 31, 2018	**26.85**
	Net block	
	As at March 31, 2018	**4.07**
	As at March 31, 2017	20.07
	As at April 1, 2016	26.35

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
6	**Investments**			
6.1	**Non-current investments**			
I.	**Unquoted**			
	Investments carried at cost			
a)	**Investment in equity shares of subsidiaries (fully paid up)**			
	ICRA Online Limited	**871.76**	871.76	871.76
	8951458 equity shares [March 31, 2017 - 8951458 and April 1, 2016 - 8951458] of Rs. 10 each			
	ICRA Management Consulting Services Limited	**1,500.00**	1,500.00	1,500.00
	15000000 equity shares [March 31, 2017 - 15000000 and April 1, 2016 - 15000000] of Rs. 10 each			
	ICRA Techno Analytics Limited	**-**	-	6,016.61
	Nil equity shares [March 31, 2017 - Nil and April 1, 2016 -21453351] of Rs. 10 each			
	PT ICRA Indonesia	**1,497.47**	1,497.47	1,497.47
	2833125 equity shares [March 31, 2017 - 2833125 and April 1, 2016 - 2833125] of IDR 10000 each			
	ICRA Lanka Limited	**256.58**	256.58	256.58
	5948900 equity shares [March 31, 2017 - 5948900 and April 1, 2016 - 5948900] of LKR 10 each			
	ICRA Nepal Limited	**63.75**	63.75	63.75
	102000 equity shares [March 31, 2017 - 102000 and April 1, 2016 - 102000] of NPR 100 each			
		4,189.56	4,189.56	10,206.17
	Impairment in value of investments (Refer note 41)	**(1,497.47)**	(1,497.47)	(1,497.47)
	Total (I)	**2,692.09**	2,692.09	8,708.70
	Note:- IDR denotes Indonesian Rupiah, LKR denotes Sri Lankan Rupee and NPR denotes Nepalese Rupee			
II.	**Quoted**			
	Investments carried at fair value through profit or loss			
a)	**Investment in equity instruments (other than subsidiaries) (fully paid up)**			
	CRISIL Limited	**56.53**	57.14	53.97
	3000 equity shares [March 31, 2017 - 3000 and April 1, 2016 - 3000] of Re. 1 each			
	Total (II) (a)	**56.53**	57.14	53.97
b)	**Investment in mutual funds**			
(i)	**Fixed maturity plans**			
	DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan Growth	**-**	899.93	830.23
	Nil units [March 31, 2017 - 7000000 and April 1, 2016 - 7000000] of Rs. 10 each			

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Axis Fixed Term Plan - Series 52 - Direct Growth (XI-DG)	**-**	587.77	538.64
Nil units [March 31, 2017 - 4493937.678 and April 1, 2016 - 4493937.678] of Rs. 10 each			
DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth	**-**	1,972.31	1,805.51
Nil units [March 31, 2017 - 15000000 and April 1, 2016 - 15000000] of Rs. 10 each			
Principal PNB Fixed Maturity Plan - Series B-10- Direct Plan Growth	**-**	-	541.06
Nil units [March 31, 2017 - Nil and April 1, 2016 - 4444997.6] of Rs. 10 each			
Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	**-**	-	1,181.40
Nil units [March 31, 2017 - Nil and April 1, 2016 - 10000000] of Rs. 10 each			
Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	**-**	-	1,182.17
Nil units [March 31, 2017 - Nil and April 1, 2016 - 10000000] of Rs. 10 each			
Invesco India FMP-Ser. 23 Plan H (370 Days) - Direct Plan (Formerly known as Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth)	**-**	-	826.10
Nil units [March 31, 2017 - Nil and April 1, 2016 - 7000000] of Rs. 10 each			
Total (II) (b) (i)	**-**	3,460.01	6,905.11
(ii) Other plans			
Axis Liquid Fund - Direct Growth	**4,787.95**	-	-
248397.851 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 1000 each			
DSP BlackRock Banking and PSU Debt Fund - Dir - G	**3,191.65**	-	-
21418119.015 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
Kotak Floater Short Term - Direct Plan - Growth	**4,811.97**	-	-
168725.1203 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 1000 each			
Principal Short Term Income Fund - Direct Plan Growth	**1,941.13**	-	-
6126674.201 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
DHFL Pramerica Premier Bond Fund - Direct Plan - Growth	**1,327.99**	1,249.86	1,142.95
4607849.01 units [March 31, 2017 - 4607849.01 and April 1, 2016 - 4607849.01] of Rs. 10 each			
Edelweiss Banking and PSU Debt Fund - Direct Plan - Growth (Formerly known as JP Morgan India Banking & PSU Debt Fund - Direct Plan - Growth Option)	**1,996.52**	2,495.59	2,314.59
13698505.032 units [March 31, 2017 - 18264673.382 and April 1, 2016 - 18264673.382] of Rs. 10 each			

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	DHFL Pramerica Short Term Floating Rate Fund - Direct Plan - Growth	**2,041.10**	1,908.63	1,763.09
	10503245.503 units [March 31, 2017 - 10503245.503 and April 1, 2016 - 10503245.503] of Rs. 10 each			
	Sundaram Banking & PSU Debt Fund Direct Plan-GR (Formerly known as Sundaram Flexible Fund Short Term Plan - Direct Plan-Gr)	**3,789.99**	2,284.97	2,129.02
	13858902.305 units [March 31, 2017 - 8885904.98 and April 1, 2016 - 8885904.98] of Rs. 10 each			
	Principal Bank CD Fund - Direct Plan Growth	**-**	1,873.31	1,744.11
	Nil units [March 31, 2017 - 88664.294 and April 1, 2016 - 88664.294] of Rs. 1000 each			
	Reliance Yearly Interval Fund Series 9 - Direct Plan Growth Plan	**-**	-	1,270.71
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 10124718.119] of Rs. 10 each			
	Birla Sun Life Interval Income Fund - Annual Plan IX - Gr - Direct	**-**	-	2,291.74
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 18205319.594] of Rs. 10 each			
	Total (II) (b) (ii)	**23,888.30**	9,812.36	12,656.21
	Total mutual funds (II) (b)	**23,888.30**	13,272.37	19,561.32
	Total (II)	**23,944.83**	13,329.51	19,615.29
	Total non-current investments (I + II)	**26,636.92**	16,021.60	28,323.99
6.2	**Current investments**			
I.	**Unquoted**			
	Investments carried at amortised cost			
a)	**Investment in debentures**			
	10% Unsecured redeemable non convertible debentures of Nihilent Technologies Limited	**-**	3,675.00	-
	Nil units [March 31, 2017 - 36750 and April 1, 2016 - Nil] of Rs. 10000 each			
	Total (I) (a)	**-**	3,675.00	-
b)	**Investment in corporate deposits**			
	Housing Development Finance Corporation Limited	**6,179.75**	4,985.00	-
	Total (I) (b)	**6,179.75**	4,985.00	-
	Total (I)	**6,179.75**	8,660.00	-

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
II.	**Quoted**			
	Investments carried at fair value through profit or loss			
	Investment in mutual funds			
(i)	**Fixed maturity plans**			
	DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan - Growth	**949.62**	-	-
	7000000 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	Axis Fixed Term Plan - Series 52 - Direct Growth (XI-DG)	**629.19**	-	-
	4493937.678 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan - Growth	**2,113.04**	-	-
	15000000 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	Principal PNB Fixed Maturity Plan - Series B-10 - Direct Plan Growth	**-**	586.67	-
	Nil units [March 31, 2017 - 4444997.6 and April 1, 2016 - Nil] of Rs. 10 each			
	Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	**-**	1,278.27	-
	Nil units [March 31, 2017 - 10000000 and April 1, 2016 - Nil] of Rs. 10 each			
	Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	**-**	1,278.74	-
	Nil units [March 31, 2017 - 10000000 and April 1, 2016 - Nil] of Rs. 10 each			
	Invesco India FMP-Ser. 23 Plan H (370 Days) - Direct Plan (Formerly known as Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth)	**-**	892.65	-
	Nil units [March 31, 2017 - 7000000 and April 1, 2016 - Nil] of Rs. 10 each			
	Birla Sun Life Fixed Term Plan Series KD (1143 Days) - Gr. Direct (Formerly known as Birla Sun Life Fixed Term Plan Series KD (1099 Days) - Growth Direct)	**-**	1,166.21	1,082.78
	Nil units [March 31, 2017 - 9000000 and April 1, 2016 - 9000000] of Rs. 10 each			
	Birla Sun Life Fixed Term Plan-Series HM (1099 days) - Growth Direct	**-**	-	1,020.58
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 8000000] of Rs. 10 each			
	Total (II) (i)	**3,691.85**	5,202.54	2,103.36
(ii)	**Other plans**			
	Reliance Yearly Interval Fund Series 9 - Direct Plan Growth	**-**	1,370.33	-
	Nil units [March 31, 2017 - 10124718.119 and April 1, 2016 - Nil] of Rs. 10 each			

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Birla Sun Life Interval Income Fund - Annual Plan IX - Gr - Direct	**-**	2,465.88	-
Nil units [March 31, 2017 - 18205319.594 and April 1, 2016 - Nil] of Rs. 10 each			
Total (II) (ii)	**-**	3,836.21	-
Total (II)	**3,691.85**	9,038.75	2,103.36
Total current investments (I + II)	**9,871.60**	17,698.75	2,103.36
Total investments	**36,508.52**	33,720.35	30,427.35
Summary of investments (Non-current + Current)			
Aggregate value of unquoted investments	**10,369.31**	12,849.56	10,206.17
Aggregate value of quoted investments	**27,636.68**	22,368.26	21,718.65
Aggregate value of impairment in the value of investments	**(1,497.47)**	(1,497.47)	(1,497.47)
Investments carried at cost	**4,189.56**	4,189.56	10,206.17
Investments carried at amortised cost	**6,179.75**	8,660.00	-
Investments carried at fair value through profit or loss	**27,636.68**	22,368.26	21,718.65
Aggregate value of impairment in the value of investments	**(1,497.47)**	(1,497.47)	(1,497.47)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
7	**Loans**			
7.1	**Non-current**			
	Secured, considered good			
	Loans to staff			
	To related parties (Refer note 35)	**10.15**	11.80	13.29
	To parties other than related parties	**45.73**	61.13	105.41
	Unsecured, considered good			
	Security deposits	**86.27**	64.32	207.54
	Loans to staff			
	To parties other than related parties	**-**	3.00	5.61
	Total non-current loans	**142.15**	140.25	331.85
7.2	**Current**			
	Secured, considered good			
	Loans to staff			
	To related parties (Refer note 35)	**1.65**	1.50	1.36
	To parties other than related parties	**9.71**	12.51	19.80
	Unsecured, considered good			
	Security deposits	**64.38**	161.58	8.35
	Loans to staff			
	To parties other than related parties	**0.20**	19.73	42.45
	Total current loans	**75.94**	195.32	71.96
	Total loans	**218.09**	335.57	403.81

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8	**Other financial assets**			
8.1	**Non-current**			
	Unsecured, considered good			
	Bank deposits with maturity for more than twelve months from the reporting date	**3,475.05**	990.05	1,674.35
	Interest accrued on fixed deposits	**23.22**	1.44	0.76
	Total non-current other financial assets	**3,498.27**	991.49	1,675.11
8.2	**Current**			
	Unsecured, considered good			
	Unbilled revenue	**80.93**	-	4.05
	Interest accrued on fixed deposits	**850.22**	709.91	736.43
	Interest accrued on investments	**160.25**	254.86	-
	Earnest money deposits	**7.16**	14.20	1.20
	Advances recoverable			
	From parties other than related parties	**20.22**	11.16	3.59
	Others			
	Recoverable from related parties (Refer note 35)	**13.12**	19.93	42.16
	Recoverable from other than related parties	**384.80**	41.89	35.25
	Unsecured, considered doubtful			
	Recoverable from other than related parties	**8.91**	7.57	8.94
		1,525.61	1,059.52	831.62
	Less : Provision for doubtful other financial assets	**(8.91)**	(7.57)	(8.94)
	Total current other financial assets	**1,516.70**	1,051.95	822.68
	Total other financial assets	**5,014.97**	2,043.44	2,497.79

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
9	**Income tax**		
	The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
9.1	**Income tax recognised in Statement of profit or loss**		
	Current tax		
	Income tax for current year	**4,632.18**	3,399.57
	Income tax for earlier year	**47.02**	55.82
		4,679.20	3,455.39
	Deferred tax:		
	Attributable to-		
	Origination and reversal of temporary differences	**(198.13)**	153.83
	Reduction in tax rate#	**70.87**	-
		(127.26)	153.83
	Total tax expense recognised in the Statement of Profit or Loss	**4,551.94**	3,609.22

#As per Finance Act 2018, in case of Companies, where total turnover in the financial year 2016-17 does not exceed Rs. 25,000 lakh, rate of tax will be 25%, plus applicable surcharge and cess for financial year 2018-19. Therefore for financial year 2018-19, effective tax rate for the Company is 29.12% and same was considered while calculating deferred tax assets/ liabilities as at March 31, 2018.

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
9.2 Income tax recognised in Other comprehensive income		
Net loss/(gain) on remeasurements of defined benefit liability/ asset	**(9.03)**	(25.38)
Income tax charged to other comprehensive income	**(9.03)**	(25.38)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9.3 Aggregate current and deferred tax charge relating to items that are charged or credited directly to equity	**-**	-	41.09

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
9.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate.		
Accounting profit before tax	**14,584.13**	13,406.55
Tax using the Company's domestic tax rate 34.608% (March 31, 2017: 34.608%)	**5,047.28**	4,639.74
Effect of:		
Reduction in tax rate#	**70.87**	-
Non-deductible expenses	**59.28**	169.80
Adjustments in respect of current income tax of previous years	**47.02**	55.82
Exempt income	**(186.16)**	(637.00)
Effect of utilisation of carried forward tax losses on which deferred tax asset was not recognised in earlier years	**(444.91)**	(589.25)
Others	**(41.44)**	(29.89)
Total tax expense	**4,551.94**	3,609.22

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9.5 Deferred tax assets (net)			
Deferred tax assets			
Property, plant and equipment (including intangible assets)	**27.56**	-	-
Provision for employees benefits	**235.07**	81.91	303.39
Provision for doubtful receivables	**118.49**	174.40	115.41
Provision for doubtful financial assets	**2.59**	2.62	5.59
Tax losses carried forward	**229.67**	590.28	400.66
Others	**1.34**	0.25	(0.43)
Total	**614.72**	849.46	824.62

#As per Finance Act 2018, in case of Companies, where total turnover in the financial year 2016-17 does not exceed Rs. 25,000 lakh, rate of tax will be 25%, plus applicable surcharge and cess for financial year 2018-19. Therefore for financial year 2018-19, effective tax rate for the Company is 29.12% and same was considered while calculating deferred tax assets/ liabilities as at March 31, 2018.

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities			
Investments at fair value through profit or loss	**229.67**	590.28	400.66
Property, plant and equipment (including intangible assets)	**-**	10.41	46.74
Total	**229.67**	600.69	447.40
Total deferred tax assets (net)	**385.05**	248.77	377.22

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
9.6 Reconciliation of deferred tax assets/ (liabilities)		
Opening balance	**248.77**	377.22
Tax (expense)/ income during the period recognised in Statement of profit and loss	**127.26**	(153.83)
Tax (expense)/ income during the period recognised in other comprehensive income	**9.03**	25.38
Closing balance	**385.05**	248.77

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
9.7 Unrecognised deferred tax assets			
Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.			
Capital losses	**1,864.02**	2,557.54	707.56
Impairment loss on investments*	**1,497.47**	1,497.47	1,497.47
Total	**3,361.49**	4,055.01	2,205.03
Unrecognised tax effect	**783.09**	935.57	508.74
9.8 Expiry period of unutilised tax losses			
Financial Year 2021-22	**-**	-	660.68
Financial Year 2022-23	**-**	-	46.87
Financial Year 2024-25	**1,864.02**	2,557.54	-
Total	**1,864.02**	2,557.54	707.55

*The deductible temporary difference do not expire under current tax legislation

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
10	**Non-current tax asset**			
	Advance income tax (Net of provision of Rs. 25,808.84 lakh (March 31, 2017: Rs. 22,362.66 lakh, April 01, 2016: Rs. 18,955.45 lakh) (Refer note 28 b)	**987.90**	1,312.58	1,283.72
	Total	**987.90**	1,312.58	1,283.72
11	**Other assets**			
11.1	**Non-current**			
	Unsecured, considered good			
	Capital advances	**55.68**	-	0.44
	Prepayments	**78.21**	45.05	83.13
	Unsecured, considered doubtful			
	Capital advances	**-**	-	7.22
		133.89	45.05	90.79
	Less: Provisions for doubtful other non-current assets	**-**	-	(7.22)
	Total non-current other assets	**133.89**	45.05	83.57
11.2	**Current**			
	Prepayments	**329.30**	247.72	257.40
	Balance with government authorities	**9.23**	15.04	6.02
	Total current other assets	**338.53**	262.76	263.42
	Total other assets	**472.42**	307.81	346.99
12	**Trade receivables**			
	Unsecured, considered good@	**2,173.40**	1,855.76	1,648.57
	Unsecured, considered doubtful	**406.90**	557.22	333.50
		2,580.30	2,412.98	1,982.07
	Less: Allowances for doubtful receivables	**(406.90)**	(557.22)	(333.50)
	Total trade receivables	**2,173.40**	1,855.76	1,648.57
	@Includes dues from related parties (Refer note 35)			
13	**Cash and cash equivalents**			
	Cash on hand	**1.09**	7.92	7.16
	Balance with banks			
	In current accounts	**1,632.77**	77.14	80.78
	In deposit accounts (with original maturity of three months or less)	**-**	3.70	8.18
	Earmarked balances with bank			
	Escrow account**	**-**	100.00	-
	Total cash and cash equivalents	**1,633.86**	188.76	96.12

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

**Escrow account balance of Rs. Nil (March 31, 2017 - Rs. 100 lakh and April 1, 2016 - Nil) was issued as security for performance of Company's obligations under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14	**Other bank balances**			
	Balance with banks			
	In deposit accounts with original maturity for more than three months but less than twelve months from the reporting date*	**17,699.68**	17,103.91	18,005.08
	Earmarked balances with banks			
	In unpaid dividend account	**6.87**	7.16	7.40
	Deposits with maturity for more than three months and less than twelve months from the reporting date earmarked against bank guarantees#	**113.68**	1,012.84	-
	Total	**17,820.23**	18,123.91	18,012.48

*Net of book overdraft of Rs. Nil (March 31, 2017 Rs. 91.29 lakh and April 1, 2016 Rs. 84.73 lakh) for uncleared cheques issued in pursuance to sweep in facilities with various banks.

#Including deposits of Rs. Nil (March 31, 2017 - Rs. 1,000 lakh and April 1, 2016 - Nil) against bank guarantee issued as security for performance of Company's obligations under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15	**Equity share capital**			
	Authorised			
	15000000 (March 31, 2017 - 15000000 and April 1, 2016 - 15000000) equity shares of Rs. 10/- each	**1,500.00**	1,500.00	1,500.00
		1,500.00	1,500.00	1,500.00
	Issued, subscribed and fully paid up			
	9903280 equity shares of Rs. 10/- each fully paid up	**990.33**	991.93	1,000.00
	(March 31, 2017 - 9919323 and April 1, 2016 - 10000000 equity shares)			
	Par value of shares bought back pending for extinguishment (Refer note 40)	**-**	(1.60)	-
	Total	**990.33**	990.33	1,000.00

15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2018	
	No. of shares	Amount
Equity shares		
At the commencement and at the end of the year	**9,903,300**	**990.33**

Particulars	As at March 31, 2017	
	No. of shares	Amount
At the commencement of the year	10,000,000	1,000.00
Equity shares extinguished due to buy back of shares (Refer note 40)	(80,700)	(8.07)
Par value of shares bought back pending for extinguishment (Refer note 40)	(16,000)	(1.60)
At the end of the year	9,903,300	990.33

15.2 Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend, if any, recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15.3 Shares held by subsidiaries of the ultimate holding company			
(Equity shares of Rs. 10 each fully paid-up)			
Moody's Investment Company India Private Limited			
Number of shares	**2,850,900**	2,850,900	2,850,900
% of total shares	**28.79%**	28.74%	28.51%
Moody's Singapore Pte Limited			
Number of shares	**2,154,722**	2,154,722	2,154,722
% of total shares	**21.76%**	21.72%	21.55%
15.4 Details of shareholders holding more than 5% shares in the company			
(Equity shares of Rs. 10 each fully paid-up)			
Moody's Investment Company India Private Limited			
Number of shares	**2,850,900**	2,850,900	2,850,900
% of total shares	**28.79%**	28.74%	28.51%
Moody's Singapore Pte Limited			
Number of shares	**2,154,722**	2,154,722	2,154,722
% of total shares	**21.76%**	21.72%	21.55%
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life MNC Fund (formerly known as Birla Sun Life Trustee Company Private Limited A/c- Birla Sun Life MNC Fund)			
Number of shares	**951,928**	508,848	534,962
% of total shares	**9.61%**	5.13%	5.35%
Life Insurance Corporation of India			
Number of shares	**889,006**	668,086	668,086
% of total shares	**8.98%**	6.74%	6.68%
General Insurance Corporation of India			
Number of shares	**522,999**	522,999	522,999
% of total shares	**5.28%**	5.27%	5.23%
16 Other equity			
Capital redemption reserve	**9.67**	9.67	-
Securities premium account	**5,078.29**	4,966.98	8,703.56
Share based payment reserve	**97.91**	211.60	478.07
General reserve	**11,166.12**	11,163.74	11,160.58
Retained earnings	**39,743.44**	32,842.12	25,905.15
Total other equity	**56,095.43**	49,194.11	46,247.36

Notes to the financial statements for the year ended March 31, 2018

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

Nature of reserves

a) Capital redemption reserve

The Company has bought back equity shares, and as per the provisions of the Companies Act, 2013, is required to create capital redemption reserve.

b) Securities premium account

Securities premium account is used to record the premium on issue of shares. The security premium is utilised in accordance with the provisions of the Act.

c) Share based payment reserve

The share based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

d) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
17 Other financial liabilities			
17.1 Non-current			
Deposits for vehicles	**33.28**	33.55	20.22
Payable to employees	**185.51**	-	-
Total non-current other financial liabilities	**218.79**	33.55	20.22
17.2 Current			
Unpaid dividends	**6.87**	7.16	7.40
Creditors for capital supplies and services	**25.08**	2.11	17.96
Due to related parties (Refer note 35)	**39.21**	34.80	36.47
Payable to employees	**533.24**	899.85	986.68
Deposits for vehicles	**7.33**	14.23	17.79
Other liabilities	**43.59**	36.50	41.02
Total current other financial liabilities	**655.32**	994.65	1,107.32
Total other financial liabilities	**874.11**	1,028.20	1,127.54
18 Provisions			
18.1 Non-current			
Provision for employee benefits			
Provisions for gratuity (Refer note 32)	**-**	-	499.78
Provision for compensated absence	**125.96**	102.42	225.76
Total non-current provisions	**125.96**	102.42	725.54

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
18.2	**Current**			
	Provision for employee benefits			
	Provisions for gratuity (Refer note 32)	**87.21**	23.70	87.05
	Provision for compensated absence	**126.83**	110.56	64.07
	Other employee benefits	**1,814.64**	1,939.48	1,698.99
	Others			
	Provision for service tax	**21.63**	21.63	21.63
	Total current provisions	**2,050.31**	2,095.37	1,871.74
	Total provisions	**2,176.27**	2,197.79	2,597.28
19	**Other liabilities**			
19.1	**Non-current**			
	Deferred finance income	**3.10**	6.84	4.72
	Total non-current other liabilities	**3.10**	6.84	4.72
19.2	**Current**			
	Unearned revenue	**3,690.15**	4,191.41	4,049.00
	Advance from customers	**1,447.45**	956.84	922.80
	Statutory dues	**741.42**	298.71	237.99
	Deferred finance income	**3.30**	3.57	2.63
	Total current other liabilities	**5,882.32**	5,450.53	5,212.42
	Total other liabilities	**5,885.42**	5,457.37	5,217.14
20	**Trade payables**			
	Outstanding dues to micro and small enterprises as per Micro, Small & Medium Enterprises Development Act, 2006	**1.10**	2.62	2.17
	Outstanding dues to parties other than micro and small enterprises	**338.31**	532.57	344.21
	Total trade payables	**339.41**	535.19	346.38

20.1 Based on the information available with the Company, some suppliers have been identified who are registered under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED), to whom the Company owes dues, but the same are not outstanding for more than 45 days as at reporting date. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The amounts remaining unpaid to suppliers as at the end of the year			
The principal amount payable to suppliers at the year end	**1.10**	2.62	2.17
The amount of interest due on the remaining unpaid amount to the suppliers as at the year end	**-**	-	-

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	The amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-	-
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	**-**	-	-
	The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-	-
	The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED	**-**	-	-
21	**Current tax liabilities (net)**			
	Provision for income tax (Net of provision of Rs. 4,558.72 lakh (March 31, 2017 : Rs. 3,296.17 lakh, April 01, 2016: Rs. 3,241.38 lakh)	**73.69**	103.40	107.56
	Total	**73.69**	103.40	107.56

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
22	**Revenue from operations**		
	Sale of services		
	Rating, research and other services fees	**22,011.46**	20,921.82
	Total sale of services	**22,011.46**	20,921.82
	Other operating revenue		
	Advances received from customers written back	**173.84**	144.65
	Professional services	**7.26**	12.11
	Royalty	**19.40**	7.52
	Others	**0.60**	3.90
	Total other operating revenue	**201.10**	168.18
	Total revenue from operations	**22,212.56**	21,090.00

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
23	**Other income**		
	Interest income on fixed deposits	**1,849.84**	1,656.05
	Interest income on investments	**459.81**	283.18
	Other interest income	**33.28**	35.48
	Dividend from subsidiary companies	**547.15**	1,165.19
	Gain on financial assets carried at fair value through profit or loss (net)	**1,297.04**	1,702.63
	Rental income	**32.81**	34.91
	Profit on sale of assets (net)	**729.75**	-
	Interest on income tax refunds	**116.33**	-
	Miscellaneous income	**8.26**	5.30
	Total other income	**5,074.27**	4,882.74
24	**Employee benefits expense**		
	Salaries, wages and bonus	**8,949.19**	8,485.88
	Contribution to provident fund (Refer note 32)	**338.01**	320.08
	Staff welfare expense	**245.93**	274.26
	Total employee benefits expense	**9,533.13**	9,080.22
25	**Finance costs**		
	Interest expense	**3.46**	3.89
	Total finance costs	**3.46**	3.89
26	**Depreciation and amortisation expense**		
	Depreciation of tangible assets (Refer note 4)	**249.78**	309.20
	Depreciation of intangible assets (Refer note 5)	**16.00**	11.07
	Total depreciation and amortisation expense	**265.78**	320.27
27	**Other expenses**		
	Electricity and water	**87.73**	110.30
	Rent (Refer note 28)	**336.07**	364.81
	Repairs and maintenance	**469.85**	401.99
	Insurance	**1.27**	5.51
	Rates and taxes	**51.55**	39.40
	Communication	**147.67**	169.89
	Printing and stationery	**58.54**	59.34
	Books and periodicals	**82.39**	74.61
	Travelling and conveyance	**334.01**	293.16
	Directors' sitting fees	**16.50**	22.50

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Legal and professional charges	**679.27**	1,265.04
Conference and meeting	**63.03**	36.81
Advertisement	**9.14**	8.61
Auditors' remuneration and expenses (Refer note 34)	**45.80**	54.30
Technical services	**25.80**	19.53
Bad debts/ advances written off (net of provisions)	**78.91**	561.13
Corporate social responsibility	**182.20**	153.99
Fees and subscription	**10.89**	14.61
Remuneration to non executive directors	**56.00**	50.00
Recruitment	**55.96**	85.75
Loss on sale/ write off of fixed assets (net)	**-**	9.05
Miscellaneous	**107.75**	42.77
Total other expenses	**2,900.33**	3,843.10

28 Commitments and contingencies

a) Leases as lessee

The Company's significant operating lease arrangements are in respect of premises (offices, godown and residential etc.). The lease term for these leases ranges between 11 months and 9 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The lease rental charged during the year are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent*	**448.27**	402.33

Future minimum lease payable under non-cancellable operating lease are as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Not later than one year	**219.63**	-	13.83
Later than one year but not later than five years	**466.99**	-	-
Later than five years	**-**	-	-

*Includes rental for parking space, guest house, office premises etc. which has been accounted in the respective heads.

Leases as lessor

The Company has given a part of its premises under cancellable operating lease arrangement. Lease rentals amounting to Rs. 32.81 lakh (previous year Rs. 34.91 lakh) has been recognised in the Statement of Profit and Loss. As only a portion of these premises has been let out, the gross carrying amount, depreciation for the year and the accumulated depreciation of leased premises/ assets is not separately identifiable.

Notes to the financial statements for the year ended March 31, 2018

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

b) Contingent liabilities and commitments

(to the extent not provided)

i) Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax*	**986.25**	1,284.15	882.61
Other	**12.09**	12.09	15.37
Total	**998.34**	1,296.24	897.98

*The Company had deposited an amount of Rs. 11.00 lakh (Rs. 11.00 lakh as at March 31, 2017 and April 1, 2016) under protest against the above claims.

The Company is contesting the demand and the management including its tax advisors believe that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

ii) Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advances)	**43.72**	-	-

29 Corporate social responsibility expenditure

As per Section 135 of the Act, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The expenditure has been incurred on activities which are specified in Schedule VII to the Act.

a) Gross amount required to be spent by the Company during the year ended March 31, 2018 was Rs. 182.20 lakh (previous year Rs. 153.99 lakh).

b) Amount spent during the year ended:

Particulars	March 31, 2018			March 31, 2017		
	In cash	Yet to be paid cash	Total	In cash	Yet to be paid cash	Total
(i) Construction/acquisitions of any asset	**-**	**-**	**-**	-	-	-
(ii) On purposes other then (i) above	**182.20**	**-**	**182.20**	153.99	-	153.99

30 Earnings per share

a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding. The calculations of profit attributable to equity holders, weighted average number of equity shares outstanding during the year and basic earnings per share are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Profit attributable to the equity holders		
Profit for the year, attributable to the equity holders	**10,032.19**	9,797.33
(ii) Weighted average number of equity shares		
Opening balance	**9,919,323**	10,000,000
Shares held by ICRA Employees Welfare Trust	**(139,595)**	(163,667)

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Effect of buy back of shares	**(15,867)**	(1,127)
Effect of stock options exercised	**3,987**	11,619
Effect of shares sold by ICRA Employees Welfare Trust	**67,099**	-
Weighted average number of equity shares for the year	**9,834,947**	9,846,825
(iii) Basic earnings per share (face value Rs.10 per share) [(i) / (ii)]	**102.01**	99.50

b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders after adjustment for expense related to dilutive potential equity shares (if any) by the weighted average number of equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares. The calculations of profit attributable to equity holders, equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares and diluted earnings per share are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Profit attributable to the equity holders (diluted)		
Profit for the year, attributable to the equity holders (basic)	**10,032.19**	9,797.33
Share based payment to employees	**-**	-
Profit attributable to the equity holders (diluted)	**10,032.19**	9,797.33
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	**9,834,947**	9,846,825
Effect of dilution of share options	**12,948**	28,945
Weighted average number of equity shares (diluted)	**9,847,895**	9,875,770
(iii) Diluted earnings per share (face value Rs.10 per share) [(i) / (ii)]	**101.87**	99.21

31 Dividend on equity shares

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend on equity shares declared and paid during the year		
Final dividend of Rs. 27 per share for financial year 2016-17 (Rs. 25 per share for financial year 2015-16)	**2,673.89**	2,500.00
Dividend distribution tax on final dividend	**435.00**	508.94
	3,108.89	3,008.94
Proposed dividend on equity shares not recognised as liability		
Final dividend of Rs. 30 per share for financial year 2017-18 (Rs. 27 per share for financial year 2016-17)	**2,970.98**	2,673.89
Dividend distribution tax on final dividend (net)	**500.26**	435.00
	3,471.24	3,108.89

Dividend distribution tax (net), comprises the dividend distribution tax on proposed dividend and the credit in respect of dividend distribution tax under Section 115-O of the Income-tax Act, 1961 on dividend proposed/paid by the domestic subsidiary company.

Notes to the financial statements for the year ended March 31, 2018

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

32 Employee benefits

a) Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds aggregating to Rs. 338.01 lakh for year ended March 31, 2018 (previous year Rs. 320.08 lakh) and is included in "Employee benefits expense".

b) Defined benefit plans

The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Plan entitles an employee, who has rendered at least five years of services, to gratuity at the rate of fifteen days salary for every completed year of service or part thereof in excess of six months, based on the rate of salary last drawn by the employee concern.

The defined benefit plan for gratuity is administered by a single gratuity fund trust that is legally separate from the Company. The trustees of the gratuity fund comprises four employees. The trustees of the gratuity fund is required to act in the best interests of the members and/or their beneficiaries in accordance with the provisions of trust deed. This defined benefit plan expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(i) Reconciliation of the net defined benefit liability/ (asset)

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	**675.15**	586.83
Current service cost	**73.91**	77.05
Past service cost	**49.57**	-
Interest expense/ (income)	**44.12**	40.64
Benefits directly paid by the Company	**(4.56)**	(104.15)
Benefits paid from plan assets	**(28.61)**	-
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in financial assumptions	**(15.25)**	(10.69)
- experience adjustments	**39.96**	85.47
Defined benefit obligations at the end of the year	**834.29**	675.15
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	**651.45**	-
Contribution paid to the plan assets	**85.00**	650.00
Benefits paid	**(28.61)**	-
Interest income on plan assets	**45.54**	-
Actuarial gain/(loss) on plan assets	**(6.30)**	1.45
Fair value of plan assets at the end of the year	**747.08**	651.45
Net defined benefit liability/ (asset)	**87.21**	23.70
Non-current	**-**	-
Current	**87.21**	23.70

The Company expects to pay Rs. 87.21 lakh in contributions to its defined benefit plans in next financial year.

Notes to the financial statements for the year ended March 31, 2018

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

(ii) Expense recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expense recognised in profit and loss account		
Current service cost	**73.91**	77.05
Past service cost	**49.57**	-
Net interest expense/ (income)	**(1.42)**	40.64
	122.06	117.69
Remeasurements recognised in other comprehensive income:		
Actuarial (gain)/ loss on defined benefit obligations	**24.71**	74.78
Return on plan assets excluding interest income	**6.30**	(1.45)
	31.01	73.33

(iii) Plan assets comprise of the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Kotak Group Floating Rate Fund	**329.77**	325.46	-
Kotak Group Short Term Bond Fund	**332.08**	325.99	-
Kotak Secure Return Employee Benefit Plan	**85.23**	-	-
Total	**747.08**	651.45	-

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate	**7.20%**	6.70%	7.60%
Future salary escalation rate			
- For first five years	**10.00%**	10.00%	11.00%
- Thereafter	**7.00%**	7.00%	11.00%
Withdrawal rate	**20.00%**	20.00%	16.00%
Retirement age	**60**	60	60
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

As at March 31, 2018, the weighted-average duration of the defined benefit obligation was 5 years (March 31, 2017: 5 years).

Notes to the financial statements for the year ended March 31, 2018

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

(v) Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined obligation by the amounts shown below:

Particulars	Sensitivity level		Impact on Defined benefit obligation	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Assumptions				
Discount rate	**0.5% Increase**	0.5% Increase	**(16.31)**	(13.24)
	0.5% Decrease	0.5% Decrease	**17.01**	13.79
Future salary escalation rate	**0.5% Increase**	0.5% Increase	**13.10**	8.93
	0.5% Decrease	0.5% Decrease	**(12.89)**	(8.88)
Withdrawal rate	**5% Increase**	5% Increase	**(4.73)**	(1.40)
	5% Decrease	5% Decrease	**0.77**	(3.35)

The sensitivity results above determine their individual impact on defined benefit obligation at the end of year. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

The following payments are expected in future years:

Particulars	As at March 31, 2018
March 31, 2019	**172.90**
March 31, 2020	**159.06**
March 31, 2021	**160.78**
March 31, 2022	**156.52**
March 31, 2023	**156.49**
March 31, 2024 to March 31, 2028	**629.06**

33 Share based payment

A. Description of share based payment arrangement

The Company had a stock option plan in place namely Employees Stock Options Scheme ("ESOS"), 2006, administrated through ICRA Employees Welfare Trust. The Trust transfers shares to the eligible employees upon exercise of the options by such employees.

The detail of ESOS tranches granted under scheme is as under:

Type of arrangement	Employee stock option scheme 2006	
	Tranche 1	**Tranche 2**
Date of grant	March 24, 2007	Nov. 9, 2010
Number granted	615,763	272,500
Fair value of option	138	1,153
Exercise price per share	330	330
Contractual life from the date of vesting	5	5
Method used for valuation	Intrinsic value method	
Method of settlement	Equity shares	

Under ESOS 2006, each option, upon vesting, entitles the holder to acquire one equity share of Rs. 10 each.

Notes to the financial statements for the year ended March 31, 2018

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

Summary of vesting provisions

Vesting dates	% of options vested	Lock-in period
1 year from grant date	40	Nil
2 years from grant date	30	Nil
3 years from grant date	30	Nil

B. Reconciliation of outstanding share options

All the vested options against tranche-1 were exercised/ expired/ lapsed before April 1, 2016. Reconciliation of outstanding share options against tranche-2 is as under:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of options	Weighted Average Exercise Price (Rs)	Number of options	Weighted Average Exercise Price (Rs)
Options outstanding at the beginning of the year	**19,345**	**330**	43,706	330
Exercised during the year	**(10,176)**	**330**	(24,072)	330
Options expired during the year	**(218)**	**330**	(289)	330
Options outstanding at the end of the year	**8,951**	**330**	19,345	330
Options exercisable at the end of the year	**8,951**	**330**	19,345	330

C. Other information regarding employees share based payment plan

Particulars		March 31, 2018	March 31, 2017
Share based payment reserve as at year end		**97.91**	211.60
Weighted average share price during the year	*In Rupees*	**3,954.90**	4,030.97
Weighted average remaining contractual life	*In Years*	**0.61**	1.61

The unissued shares lying as at March 31, 2018 is 31,732 (March 31, 2017: 120,250; April 1, 2016: 119,961).

The ESOS, 2006 expired on June 27, 2016 and the eligible employees have the right to exercise the remaining 8,951 vested options by November 8, 2018.

34 Remuneration to Auditors (excluding goods and service tax/ service tax)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit fees	**20.65**	25.51
Limited review fees	**14.88**	14.45
Tax audit fees	**6.13**	5.62
Other certification services fees	**1.08**	4.99
Reimbursement of expenses	**3.06**	3.73
Total	**45.80**	54.30

Notes to the financial statements for the year ended March 31, 2018

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

35 Related party transactions

A. List of related parties

a) Related parties where control exists

Ultimate holding company

Moody's Corporation

Companies having substantial interest

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

b) Subsidiaries including step-down subsidiaries

ICRA Management Consulting Services Limited (IMaCS)

ICRA Online Limited

PT ICRA Indonesia

ICRA Nepal Limited

ICRA Lanka Limited

Pragati Development Consulting Services Limited

ICRA Techno Analytics Limited (now known as "Nihilent Analytics Limited")	(till October 7, 2016)
ICRA Sapphire Inc. (now known as "Nihilent Sapphire Inc.")	(till October 7, 2016)
ICRA Global Capital Inc. (now known as "Nihilent Global Capital Inc.")	(till October 7, 2016)
BPA Technologies Inc.	(till October 7, 2016)
BPA Technologies Private Limited	(till October 7, 2016)

c) Trusts

ICRA Employees Welfare Trust

ICRA Limited Employees Group Gratuity Scheme

d) Fellow subsidiaries

Moody's Investors Service India Private Limited

Moody's Investors Service Inc.

MIS Quality Management Corp.

Moody's Investors Service Singapore Pte Limited

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc

Moody's Investors Service Pty Limited

MA Knowledge Services Research (India) Private Limited (formerly known as "Copal Research India Private Limited")

e) Key management personnel

Mr. Naresh Takkar

Mr. Vipul Agarwal

Mr. Amit Kumar Gupta

Mr. S. Shakeb Rahman

Independent directors

Mr. Arun Duggal

Ms. Ranjana Agarwal

Ms. Radhika Vijay Haribhakti

Notes to the financial statements for the year ended March 31, 2018

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

B. Transactions and balances with related parties

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a)	**Related parties where control exists:**					
	Ultimate Holding Company					
1	**Moody's Corporation**					
	Technical services received	**12.09**	10.86	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**-**	19.06	9.88
	Companies having substantial interest					
1	**Moody's Investment Company India Private Limited**					
	Dividend paid	**769.74**	712.73	**-**	-	-
2	**Moody's Singapore Pte Limited**					
	Dividend paid	**581.77**	538.68	**-**	-	-
	Reimbursement of expenses paid/ payable	**-**	5.21	**-**	-	-
b)	**Subsidiaries including step-down subsidiaries**					
1	**ICRA Management Consulting Services Limited**					
	Professional services received	**125.33**	95.78	**-**	-	-
	Professional services provided	**-**	6.60	**-**	-	-
	Rental income	**14.48**	17.66	**-**	-	-
	Sale of fixed assets	**3.61**	-	**-**	-	-
	Purchase of fixed assets	**0.24**	-	**-**	-	-
	Reimbursement of expenses received/ receivable	**115.82**	125.99	**-**	-	-
	Reimbursement of expenses paid/ payable	**0.27**	-	**-**	-	-
	Amount received on behalf of IMaCS	**-**	10.95	**-**	-	-
	Other financial assets - other recoverables	**-**	-	**-**	-	27.97
	Other financial liabilities - due to related parties	**-**	-	**16.64**	2.24	-
	Other financial assets - accrued revenue	**-**	-	**-**	-	4.05
2	**ICRA Online Limited**					
	Professional services received	**30.76**	18.81	**-**	-	-
	Reimbursement of expenses received/ receivable	**0.91**	18.15	**-**	-	-
	Reimbursement of expenses paid/ payable	**-**	14.80	**-**	-	-
	Other financial assets - other recoverables	**-**	-	**-**	0.53	-
	Other financial liabilities - due to related parties	**-**	-	**11.47**	-	7.17
3	**ICRA Nepal Limited**					
	Royalty	**13.05**	7.52	**-**	-	-
	Dividend income	**9.56**	6.70	**-**	-	-

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Reimbursement of expenses received/ receivable	**3.22**	-	**-**	-	-
	Other financial assets - dividend receivable from subsidiary	**-**	-	**9.56**	6.70	-
	Trade receivables	**-**	-	**3.29**	2.65	4.51
	Other financial assets - other recoverables	**-**	-	**0.39**	0.02	0.71
4	**ICRA Lanka Limited**					
	Royalty	**6.34**	-	**-**	-	-
	Reimbursement of expenses received/ receivable	**-**	1.50	**-**	-	-
	Trade receivables	**-**	-	**6.34**	-	-
	Other financial assets - other recoverables	**-**	-	**-**	-	5.21
5	**ICRA Techno Analytics Limited**					
	(now known as “Nihilent Analytics Limited”)					
	Professional services received	**-**	11.31	**-**	-	-
	Dividend received	**-**	1,158.48	**-**	-	-
	Other financial liabilities - due to related parties	**-**	-	**-**	-	9.76
c)	**Trusts**					
1	**ICRA Limited Employees Group Gratuity Scheme**					
	Amount contributed during the year	**85.00**	650.00	**-**	-	-
	Amount settled by trust on behalf of the Company	**28.61**	-	**-**	-	-
d)	**Fellow subsidiaries**					
1	**Moody’s Investors Service India Private Limited**					
	Rental income	**18.33**	17.25	**-**	-	-
	Reimbursement of expenses received/ receivable	**3.82**	4.85	**-**	-	-
	Other financial assets - Other recoverables	**-**	-	**3.17**	12.05	7.64
2	**Moody’s Investors Service Inc.**					
	Other financial assets - other recoverables	**-**	-	**-**	0.63	0.63
3	**MIS Quality Management Corp.**					
	Trademark license fees	**10.42**	6.56	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**3.52**	6.53	6.81
4	**Moody’s Investors Service Singapore Pte Limited**					
	Other financial liabilities - Unearned revenue	**-**	-	**-**	-	24.32
5	**Moody’s Investors Service Hong Kong Limited**					
	Technical services received	**3.29**	0.81	**-**	-	-

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Professional services provided	**3.96**	-	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**0.72**	0.73	2.85
6	**Moody's Analytics Inc**					
	Professional services used	**-**	0.21	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**-**	0.19	-
7	**Moody's Investors Service Pty Limited**					
	Professional services provided	**0.20**	-	**-**	-	-
8	**MA Knowledge Services Research (India) Private Limited**					
	(formerly known as Copal Research India Private Limited)					
	Professional services used	**4.83**	6.72	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**6.86**	6.05	-
e)	**Key management personnel**					
1	**Mr. Naresh Takkar**					
	Managerial remuneration*, $	**412.20**	376.08	**-**	-	-
	Interest received by the Company	**0.59**	0.68	**-**	-	-
	Dividend paid by the Company	**11.07**	9.56	**-**	-	-
	Loan outstanding	**-**	-	**11.80**	13.30	14.65
	Provisions - other employee benefits	**-**	-	**141.59**	145.25	95.00
	Other financial liabilities - payable to employees	**-**	-	**64.19**	71.66	70.69
	Trade payable	**-**	-	**-**	0.01	-
2	**Mr. Vipul Agarwal**					
	Remuneration*	**183.91**	164.82	**-**	-	-
	Provisions - other employee benefits	**-**	-	**-**	-	-
	Other financial liabilities - payable to employees	**-**	-	**46.02**	35.27	44.78
	Trade payable	**-**	-	**0.03**	0.13	0.11
3	**Mr. Amit Kumar Gupta**					
	Remuneration*	**72.26**	61.62	**-**	-	-
	Other financial liabilities - payable to employees	**-**	-	**12.74**	6.72	11.12
	Trade payable	**-**	-	**0.24**	-	0.14
	Other financial assets - Advance recoverable	**-**	-	**-**	0.16	-
4	**Mr. S. Shakeb Rahman**					
	Remuneration*	**21.40**	18.87	**-**	-	-
	Dividend paid by the Company	**0.03**	-	**-**	-	-
	Other financial liabilities - payable to employees	**-**	-	**7.42**	9.11	1.26

Notes to the financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5	**Mr. Arun Duggal**					
	Sitting fees paid	**4.20**	5.10	**-**	-	-
	Remuneration to non executive directors	**22.00**	20.00	**-**	-	-
	Trade payable	**-**	-	**19.80**	18.00	18.00
6	**Ms. Ranjana Agarwal**					
	Sitting fees paid	**6.90**	9.90	**-**	-	-
	Remuneration to non executive directors	**17.00**	15.00	**-**	-	-
	Trade payable	**-**	-	**15.30**	13.50	13.50
7	**Ms. Radhika Vijay Haribhakti**					
	Sitting fees paid	**5.40**	7.50	**-**	-	-
	Remuneration to non executive directors	**17.00**	15.00	**-**	-	-
	Trade payable	**-**	-	**15.30**	13.50	13.50

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

$Employees Stock Options expense in Statement of Profit and Loss is Rs. Nil (previous year Rs. Nil).

C. Compensation of Key management personnel against following categories

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	**244.53**	188.60
Other long-term benefits	**42.94**	17.75

D. Director's interest in Share based payment

Share options held by executive members of the Board of Directors under ESOP to purchase equity shares have the following expiry dates and exercise prices:

Particulars	Tranche 2
Grant date	November 9, 2010
Expiry date	November 8, 2018 November 8, 2017 November 8, 2016
Exercise price	330
Number outstanding	
As at March 31,2018	-
As at March 31,2017	1,000
As at April 1, 2016	3,750

36 Segment information

The Company has presented segment information in the consolidated financial statements. Accordingly, in terms of Paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these standalone financial statements.

37 Financial instruments

37.1 Financial instuments by category

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016.

Notes to the financial statements for the year ended March 31, 2018

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

a) Fair value of financial assets

Particulars	Carrying values			Fair values		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Financial assets measured at fair value through profit or loss						
Investment in equity shares	**56.53**	57.14	53.97	**56.53**	57.14	53.97
Investment in mutual funds	**27,580.15**	22,311.12	21,664.68	**27,580.15**	22,311.12	21,664.68
Total (A)	**27,636.68**	22,368.26	21,718.65	**27,636.68**	22,368.26	21,718.65
Financial assets measured at amortised cost						
Investment in debentures	**-**	3,675.00	-	**-**	3,675.00	-
Investment in corporate deposits	**6,179.75**	4,985.00	-	**6,179.75**	4,985.00	-
Loans	**218.09**	335.57	403.81	**218.09**	335.57	403.81
Trade receivables	**2,173.40**	1,855.76	1,648.57	**2,173.40**	1,855.76	1,648.57
Cash and cash equivalents	**1,633.86**	188.76	96.12	**1,633.86**	188.76	96.12
Other Bank balances	**17,820.23**	18,123.91	18,012.48	**17,820.23**	18,123.91	18,012.48
Others	**5,014.97**	2,043.44	2,497.79	**5,014.97**	2,043.44	2,497.79
Total (B)	**33,040.30**	31,207.44	22,658.77	**33,040.30**	31,207.44	22,658.77
Financial assets measured at cost						
Investment in subsidiaries	**2,692.09**	2,692.09	8,708.70	**2,692.09**	2,692.09	8,708.70
Total (C)	**2,692.09**	2,692.09	8,708.70	**2,692.09**	2,692.09	8,708.70
Total (A+B+C)	**63,369.07**	56,267.79	53,086.12	**63,369.07**	56,267.79	53,086.12

b) Fair value of financial liabilities

Particulars	Carrying values			Fair values		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Financial liabilities measured at amortised cost						
Trade payables	**339.41**	535.19	346.38	**339.41**	535.19	346.38
Others financial liabilities	**874.11**	1,028.20	1,127.54	**874.11**	1,028.20	1,127.54
Total	**1,213.52**	1,563.39	1,473.92	**1,213.52**	1,563.39	1,473.92

The fair value of the financial assets and liabilities represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair values of the quoted investments in equity shares and mutual funds are based on market price and net asset value (NAV) at the reporting date.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Management has assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, investments, loans, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the financial statements for the year ended March 31, 2018

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

37.2 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2018

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	**56.53**	**-**	**-**	**56.53**
Investment in mutual funds	**27,580.15**	**-**	**-**	**27,580.15**
Total	**27,636.68**	**-**	**-**	**27,636.68**

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	57.14	-	-	57.14
Investment in mutual funds	22,311.12	-	-	22,311.12
Total	22,368.26	-	-	22,368.26

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at April 1, 2016

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	53.97	-	-	53.97
Investment in mutual funds	21,664.68	-	-	21,664.68
Total	21,718.65	-	-	21,718.65

37.3 Financial risk management objectives and policies

Risk management framework

The Board has overall responsibility for establishing and governing the Company's risk management framework. The

Notes to the financial statements for the year ended March 31, 2018

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

Board has delegated monitoring and reviewing of the risk management plan to the Audit Committee. The Company has constituted a Executive Risk Committee, a Risk management team and functional sub-committees which are responsible for identify, analyse, mitigate and monitor risks as per risk management framework. The key risks and mitigation actions are also placed before Audit Committee and Board.

The Company is exposed to various risks in relation to financial instruments. The Company financial assets and liabilities are summarise in note 37.1. The main types of financial risks are market risk (price risk), credit risk and liquidity risk.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes may result from changes in foreign currency rate, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to price risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has adopted disciplined practices including postion sizing, diversification, valuation, loss prevention, due diligence and exit strategies in order to mitigate losses as defined in Board approved investment policy.

The Company is exposed to price risk arising mainly from investment in equity shares and investment in mutual funds recognised at fair value through profit or loss. The detail of such investments are given in note 37.1. If the prices had been higher/ lower by 1% from the market prices exisiting as at the reporting date, profit would have been increased/ decreased by Rs. 276.37 lakh and Rs. 223.68 lakh for the year ended March 31, 2018 and March 31, 2017 respectively.

b) Credit risk

Credit risk is the risk of financial loss to the Company if customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customer and investment in mutual funds and deposits with banks.

To manage credit risk, the Company periodcially review its receivables from customer for any non-recoverability of the dues, taking in to account the inputs from business development team and ageing of trade receivables. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other financial assets. The management uses a simplified approach for the purpose of computation of expected credit loss. While computing expected credit loss, the Company consider historical credit loss experience adjusted with forward looking information.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2018 and March 31, 2017. The concentration of credit risk is limited due to the fact that the customer base is large.

Movement in the expected credit loss allowance is as follows:

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Loss allowance at the commencement of the year	**564.79**	342.44
Changes in loss allowance	**(148.98)**	222.35
Loss allowance at the end of the year	**415.81**	564.79

The Company only invests surplus funds as per the investment policy of the Company, which has been approved by the Board of Directors. Deposits are held with only high rated banks.

c) Liquidity risk

Liquidity risk is the risk that the Company's will encounter difficultly in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. For the Company, liquidity risk arises from obligations on account of financial liabilities - Trade payable and other financial liabilities.

Notes to the financial statements for the year ended March 31, 2018

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

Liquidity risk management

The Company continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company's finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities are as under:

As at March 31, 2018	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	**339.41**	**-**	**-**	**339.41**
Other financial liabilities	**655.32**	**218.79**	**-**	**874.11**
Total	**994.73**	**218.79**	**-**	**1,213.52**

As at March 31, 2017	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	535.19	-	-	535.19
Other financial liabilities	994.65	17.97	15.58	1,028.20
Total	1,529.84	17.97	15.58	1,563.39

As at April 1, 2016	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	346.38	-	-	346.38
Other financial liabilities	1,107.32	6.17	14.05	1,127.54
Total	1,453.70	6.17	14.05	1,473.92

37.4 Capital Management

The primary objective of the Company's capital management is to maximise the shareholder value. For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other reserves and surplus attributable to the equity share holders of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issues new shares and raises money through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

37.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cashflows often exposure will fluctuate because of change in foreign exchange rates. The Company's exposure to foreign currency changes is not material.

38 Exceptional items

The Board of Directors of the Company at its meeting held on August 5, 2016 and the Members of the Company through Postal Ballot, on September 17, 2016, approved sale of the entire shareholding held by the Company in ICRA Techno Analytics Limited ("ICTEAS") (now known as "Nihilent Analytics Limited") to Nihilent Technologies Limited, for a consideration of Rs. 6,875 lakh, comprising (i) payment of cash consideration of Rs. 3,200 lakh; and (ii) unsecured, unrated, 10% interest bearing and unlisted non-convertible debentures, issued for the balance amount, to be redeemed after one year and fifteen days from the date of allotment i.e. October 7, 2016. The transaction got consummated on October 7, 2016. As a result, ICTEAS along with its subsidiaries ceased as subsidiaries of the Company. The profit on sale of ICTEAS shares amounting to Rs. 681.29 lakh was classified under 'Exceptional items' in the financial year 2016-17.

39 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has maintained adequate documentation for the international transactions entered into with the associated enterprises during the financial year

Notes to the financial statements for the year ended March 31, 2018

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

and expect such records to be in existence in accordance with the requirements of the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

40 Buy back of shares

The Board of Directors of the Company in its meeting held on February 9, 2017 approved a proposal to buyback equity shares of the Company, for an aggregate amount not exceeding Rs 4,000 lakh (referred to as the "Maximum Buyback Size") from shareholders of the Company under the open market route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Companies Act, 2013 and rules made thereunder. The buyback process commenced on March 2, 2017 and closed on April 3, 2017. The Company utilised 99.997% of Maximum Buyback Size authorised for buyback and bought back 96,720 equity shares resulted in total cash outflow of Rs. 3,999.89 lakh. Out of 96,720 equity shares bought back, the Company extinguished 80,677 equity shares as at March 31, 2017 and the remaining 16,043 equity shares were extinguished in the month of April 2017 as per the records of the depositories. In line with the requirement of the Companies Act 2013, an amount of Rs 3,990.22 lakh was utilized from the securities premium account for the buyback. Further, capital redemption reserve of Rs 9.67 lakh (representing the nominal value of the shares bought back) was created as an apportionment from the securities premium account.

41 The Company's Management assesses the operations of the subsidiaries, including the future projections, to identify indications of diminution, other than temporary, in the value of the investments recorded in the financial statements and accordingly no additional provision is required to be made, other than the amounts provided for in the books of account.

42 The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018. Corresponding disclosure as appearing in the audited Standalone financial statements for the period ended March 31, 2017 have been disclosed below:

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1.04	1.11	2.15
Add: Permitted receipts	-	5.88	5.88
Less: Permitted payments	-	(4.82)	(4.82)
Less: Amount deposited in Banks	(1.04)	-	(1.04)
Closing cash in hand as on December 30, 2016	-	2.17	2.17

43 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

a) Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and

Notes to the financial statements for the year ended March 31, 2018

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

equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities (if any). This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets".

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii. Share - based payment transactions

The Company has elected not to apply Ind AS 102 to equity instruments that vested prior to the date of transition to Ind AS.

iii. Investment in subsidiaries

Ind AS 101 permits the first time adopter to measure investment in subsidiaries in accordance with Ind AS 27 at one of the following:

a) Cost determines in accordance with Ind AS 27 or

b) Deemed cost:

  i) Fair value at the date of transition

  ii) Previous GAAP carrying amount at that date

The Company has elected to consider previous GAAP carrying amount of its investment in subsidies on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of Ind AS 27 " Separate financial statements".

Ind AS mandatory exceptions

i. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively, except where the same is impracticable.

b) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to the financial statements for the year ended March 31, 2018

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

i. Reconciliation of equity as reported under previous GAAP to Ind AS

Particulars	Footnote No.	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment		1,278.95	-	1,278.95	1,522.86	-	1,522.86
(b) Intangible assets		20.07	-	20.07	26.35	-	26.35
(c) Financial assets							
(i) Investments	i	13,141.63	2,879.97	16,021.60	25,402.74	2,921.25	28,323.99
(ii) Loans	vi, vii	174.93	(34.68)	140.25	408.54	(76.69)	331.85
(iii) Other financial assets		991.49	-	991.49	1,674.35	-	1,674.35
(d) Deferred tax assets (net)	v	275.09	(26.32)	248.77	418.30	(41.09)	377.21
(e) Non current tax asset (net)		1,312.58	-	1,312.58	1,283.72	-	1,283.72
(f) Other non-current assets	vii	14.95	30.10	45.05	24.67	58.90	83.57
Total non-current assets		17,209.69	2,849.07	20,058.76	30,761.53	2,862.37	33,623.90
Current assets							
(a) Financial assets							
(i) Investments	i	15,804.50	1,894.25	17,698.75	1,700.00	403.36	2,103.36
(ii) Trade receivables		1,855.76	-	1,855.76	1,648.57	-	1,648.57
(iii) Cash and cash equivalents		188.76	-	188.76	96.12	-	96.12
(iv) Bank balances other than (iii) above		18,123.91	-	18,123.91	18,012.48	-	18,012.48
(v) Loans	vi, vii	213.54	(18.22)	195.32	79.20	(6.04)	73.16
(vi) Other financial assets		1,065.06	(13.11)	1,051.95	822.25	-	822.25
(b) Other current assets	vii	228.08	34.68	262.76	238.54	24.88	263.42
(c) Assets held for sale		70.42	-	70.42	-	-	-
Total current assets		37,550.03	1,897.60	39,447.63	22,597.16	422.20	23,019.36
Total assets		54,759.72	4,746.67	59,506.39	53,358.69	3,284.57	56,643.26
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		990.33	-	990.33	1,000.00	-	1,000.00
(b) Other equity		44,370.15	4,823.96	49,194.11	39,836.19	6,411.17	46,247.36
Total equity		45,360.48	4,823.96	50,184.44	40,836.19	6,411.17	47,247.36
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Other financial liabilities	iii, viii	44.40	(10.85)	33.55	27.24	(7.02)	20.22
(b) Provisions		102.42	-	102.42	725.54	-	725.54
(c) Other non-current liabilities	iii, vii	38.00	(31.16)	6.84	77.84	(73.12)	4.72
Total non-current liabilities		184.82	(42.01)	142.81	830.62	(80.14)	750.48

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	Footnote No.	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
Current liabilities							
(a) Financial liabilities							
(i) Trade payables		535.19	-	535.19	346.38	-	346.38
(ii) Other financial liabilities	iii, viii	994.71	(0.06)	994.65	1,107.87	(0.55)	1,107.32
(b) Provisions	ii	2,095.37	-	2,095.37	4,880.68	(3,008.94)	1,871.74
(c) Current tax liabilities (net)		103.40	-	103.40	107.56	-	107.56
(d) Other current liabilities	iii, vii	5,485.75	(35.22)	5,450.53	5,249.39	(36.97)	5,212.42
Total current liabilities		9,214.42	(35.28)	9,179.14	11,691.88	(3,046.46)	8,645.42
Total liabilities		9,399.24	(77.29)	9,321.95	12,522.50	(3,126.60)	9,395.90
Total equity and liabilities		54,759.72	4,746.67	59,506.39	53,358.69	3,284.57	56,643.26

c) Reconciliation of Statement of Profit and Loss as previously reported under previos GAAP to Ind AS

Particulars	Footnote No.	For the year ended March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS
Revenue from operations		21,090.00	-	21,090.00
Other income	i, vii	3,403.28	1,479.46	4,882.74
Total income		24,493.28	1,479.46	25,972.74
Expenses				
Employee benefits expense	iv, v, vi	9,145.43	(65.21)	9,080.22
Finance costs	vii	-	3.89	3.89
Depreciation and amortisation expense		320.27	-	320.27
Other expenses	iii, vii	3,782.62	60.48	3,843.10
Total expenses		13,248.32	(0.84)	13,247.48
Profit before exceptional items and tax		11,244.96	1,480.30	12,725.26
Exceptional items		681.29	-	681.29
Profit before tax		11,926.25	1,480.30	13,406.55
Tax expense:				
Current tax		3,455.39	-	3,455.39
Deferred tax	v	143.21	10.62	153.83
Total tax expense		3,598.60	10.62	3,609.22
Profit for the year		8,327.65	1,469.68	9,797.33
Other comprehensive income				
(i) Items that will not to be reclassified to profit or (loss)	iv, ix	-	(73.33)	(73.33)
(ii) Income tax relating to items that will not be reclassified to profit or loss	ix	-	25.38	25.38
Total other comprehensive income, net of tax		-	(47.95)	(47.95)
Total comprehensive income for the year		8,327.65	1,421.73	9,749.38

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements

Notes to the financial statements for the year ended March 31, 2018

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

d) Footnotes

i Fair valuation of investments

Under the previous GAAP, investment in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017. Accordingly, total equity increased by Rs. 4,774.21 lakh as March 31, 2017 and Rs. 3,324.60 lakh as at April 1, 2016 and profit for the year ended March 31, 2017 increased by Rs. 1,449.61 lakh.

ii Proposed dividend

Under the previous GAAP, till March 31, 2016 dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 3,008.94 lakh (including corporate dividend tax thereon) as at April 1, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings and recognised when the same is approved by shareholders in the general meeting.

iii Provision for straight lining of rental expenses

Under Previous GAAP, lease payments under an operating lease should be recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Under Ind AS 17, lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, other financial liabilities as at April 1, 2016 have been reduced by Rs. 117.44 lakh with the corresponding adjustment in the retained earnings. The other expenses for the year ended March 31, 2017 increased by Rs. 40.65 lakh.

iv Employee benefits

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised in Other comprehensive income instead of profit or loss. As a result of this change, the profit before tax for the year ended March 31, 2017 increased by 73.33 lakh. There is no impact on total equity as at March 31, 2017 and April 1, 2016.

v Deferred tax assets

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Also deferred tax have been recognised on the adjustment made on transition to Ind AS. On the date transition, the net impact on deferred tax assets is Rs. 41.09 lakh.

vi Loan to employees

Under Previous GAAP, the Company has recognised the loans granted to its employees (at concessional interest) at the transaction value. Under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the loan to employees is recognised as prepayments and is amortised over the period of the loan tenure (along with current and non- current classification). Further, interest is accreted on the present value of the loan amount paid (along with current and non- current classification).

vii Security deposits paid

Under Previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period.

Notes to the financial statements for the year ended March 31, 2018

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

Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognised as prepayments and is amortised over the period of the lease term (along with current and non- current classification). Further, interest is accreted on the present value of the security deposits paid for lease rent (along with current and non- current classification).

viii Deposits for vehicles

Under Previous GAAP, the security deposits received are shown at the transaction value. Under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits received is recognised as deferred finance income and is amortised over the period of the term (along with current and non- current classification). Further, interest is accreted on the present value of the Deposits for vehicles received (along with current and non- current classification).

ix Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes Remeasurements of defined benefit obligation. The concept of other comprehensive income did not exist under previous GAAP.

x Statement of cash flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented.

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of ICRA Limited

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **ICRA Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018,the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement,for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act,2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/financial information of four subsidiaries, whose financial statements reflect total assets of Rs. 4,617.12 lakh as at 31 March 2018, total revenues of Rs. 381.65 lakh and net cash outflows/(inflows) amounting to Rs. 35.47 lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries,is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 28(b) to the consolidated Ind AS financial statements.

      ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.

INDEPENDENT AUDITOR'S REPORT

iii. There were no delays in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2018.

There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, incorporated in India during the year ended 31 March 2018.

iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 17 May 2018

INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report to the Members of ICRA Limited on the consolidated Ind AS financial statements for the year ended 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31 March 2018 we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements

INDEPENDENT AUDITOR'S REPORT

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Date: 17 May 2018

Consolidated Balance Sheet as at March 31, 2018

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

Particulars	**Note No.**	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4	**3,462.07**	3,277.55	4,366.21
(b) Goodwill	42	**122.53**	122.53	4,308.37
(c) Other intangible assets	5.1	**63.90**	254.61	519.81
(d) Intangible assets under development	5.2	**19.70**	81.38	70.82
(e) Financial assets				
(i) Investments	6.1	**23,944.83**	13,329.51	19,658.60
(ii) Loans	7.1	**218.87**	210.58	465.30
(iii) Other financial assets	8.1	**6,988.51**	2,001.93	1,858.26
(f) Deferred tax assets (net)	9	**345.29**	402.65	534.09
(g) Non-current tax assets (net)	10.1	**1,540.80**	1,841.25	1,707.60
(h) Other non-current assets	11.1	**194.16**	106.52	153.03
Total non-current assets		**36,900.66**	21,628.51	33,642.09
(2) Current assets				
(a) Financial assets				
(i) Investments	6.2	**9,902.82**	17,729.97	2,134.58
(ii) Trade receivables	12	**4,060.48**	3,395.28	4,782.56
(iii) Cash and cash equivalents	13	**1,979.97**	752.50	2,453.80
(iv) Bank balances other than (iii) above	14	**21,078.84**	19,506.07	20,292.02
(v) Loans	7.2	**128.00**	268.71	184.14
(vi) Other financial assets	8.2	**2,342.02**	1,740.04	1,830.79
(b) Current tax assets	10.2	**-**	-	250.33
(c) Other current assets	11.2	**674.00**	540.59	550.97
(d) Assets held for sale		**6.58**	456.46	-
Total current assets		**40,172.71**	44,389.62	32,479.19
Total assets		**77,073.37**	66,018.13	66,121.28
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	15	**990.33**	990.33	1,000.00
(b) Other equity	16	**64,511.79**	53,908.69	53,139.13
Equity attributable to equity holders of parent		**65,502.12**	54,899.02	54,139.13
Non-controlling interests		**133.44**	94.65	80.19
Total equity		**65,635.56**	54,993.67	54,219.32
Liabilities				
(2) Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	17.1	**218.79**	33.55	20.22
(b) Provisions	18.1	**536.57**	502.63	1,221.19
(c) Other non-current liabilities	19.1	**3.10**	6.84	4.72
Total non-current liabilities		**758.46**	543.02	1,246.13
(3) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	20	**770.83**	839.29	914.43
(ii) Other financial liabilities	17.2	**680.02**	1,109.03	1,525.89
(b) Provisions	18.2	**2,526.94**	2,537.92	2,311.02
(c) Current tax liabilities (net)	21	**101.85**	106.15	166.45
(d) Other current liabilities	19.2	**6,599.71**	5,889.05	5,738.04
Total current liabilities		**10,679.35**	10,481.44	10,655.83
Total liabilities		**11,437.81**	11,024.46	11,901.96
Total equity and liabilities		**77,073.37**	66,018.13	66,121.28
Significant accounting policies	3			

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

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

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

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	22	**30,886.50**	33,303.44
II	Other income	23	**4,935.53**	3,959.20
III	**Total income (I+II)**		**35,822.03**	37,262.64
	Expenses			
IV	Employee benefits expense	24	**14,253.14**	15,641.47
V	Finance costs	25	**10.36**	3.89
VI	Depreciation and amortisation expense	26	**752.52**	853.82
VII	Other expenses	27	**5,125.58**	7,535.58
VIII	**Total expenses (IV to VII)**		**20,141.60**	24,034.76
IX	**Profit before tax (III-VIII)**		**15,680.43**	13,227.88
X	**Profit before tax from continuing operations**		**15,680.43**	12,935.39
	Tax expense:			
	Current tax		**5,398.02**	4,034.75
	Deferred tax		**164.16**	144.61
XI	**Total tax expense**	9	**5,562.18**	4,179.36
XII	**Profit after tax from continuing operations (X-XI)**		**10,118.25**	8,756.03
XIII	**Profit before tax from discontinued operations**	36	**-**	292.49
	Tax expense:			
	Current tax		**-**	231.13
	Deferred tax		**-**	(60.26)
XIV	**Total tax expense**	9	**-**	170.87
XV	**Profit after tax from discontinued operations (XIII-XIV)**		**-**	121.62
XVI	**Profit after tax (XII+XV)**		**10,118.25**	8,877.65
XVII	**Other comprehensive income**	41		
A.	(i) Items that will not be reclassified to profit or (loss)		**4.69**	(166.95)
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)		**(2.66)**	57.78
B.	(i) Items that will be reclassified to profit or (loss)		**(2.02)**	48.39
	(ii) Income tax relating to items that will be reclassified to profit or loss		**-**	-
XVIII	**Total other comprehensive income, net of tax (A+B)**		**0.01**	(60.78)
XIX	**Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (XVI + XVIII)**		**10,118.26**	8,816.87
XX	**Profit attributable to :**			
	Owners of the Company		**10,069.55**	8,856.75
	Non-controlling interests		**48.70**	20.90
XXI	**Other comprehensive income attributable to :**			
	Owners of the Company		**0.26**	(60.78)
	Non-controlling interests		**(0.25)**	-
XXII	**Total comprehensive income attributable to :**			
	Owners of the Company		**10,069.81**	8,795.97
	Non-controlling interests		**48.45**	20.90
XXIII	**Total comprehensive income attributable to owners arises from:**			
	Continuing operations		**10,069.81**	8,630.65
	Discontinued operations		**-**	165.32
XXIV	**Earnings per share (Rs.) from continuing operations (face value of Rs. 10 per share):**	30		
	Basic		**102.39**	88.71
	Diluted		**102.25**	88.45
XXV	**Earnings per share from discontinued operations (Rs.) (face value of Rs. 10 per share):**	30		
	Basic		**-**	1.24
	Diluted		**-**	1.23
XXVI	**Earnings per share (Rs.) from total operations (Rs.) (face value of Rs. 10 per share):**	30		
	Basic		**102.39**	89.95
	Diluted		**102.25**	89.68
	Significant accounting policies	3		

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

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	**15,680.43**	13,227.88
Adjustments for:		
Depreciation and amortisation expense	**752.52**	853.82
Bad debts/ advances written off (net of provisions)	**462.65**	856.23
Interest expense	**10.36**	3.89
Loss on sale/ write off of fixed assets (net)	**0.24**	6.50
Miscellaneous	**51.86**	-
Loss on sale of subsidiaries	**-**	99.40
Impairment loss on asset held for sale	**-**	58.77
Unrealised foreign exchange loss/ (gain) (net)	**-**	3.77
Interest income on fixed deposits	**(2,189.41)**	(1,833.68)
Interest income on investments	**(461.03)**	(284.40)
Net gain on financial assets carried at fair value through profit or loss	**(1,297.04)**	(1,708.31)
Profit on sale of assets (net)	**(729.75)**	-
Reversal of impairment loss	**(32.38)**	-
Advances received from customers written back	**(175.52)**	(154.65)
Operating cash flow before working capital changes	**12,072.93**	11,129.22
Adjustments for:		
(Increase)/ decrease in trade receivables	**(955.28)**	(1,131.49)
(Increase)/ decrease in loans	**132.42**	79.43
(Increase)/ decrease in other financial assets	**(344.99)**	24.07
(Increase)/ decrease in other assets	**(165.37)**	(67.26)
Increase/ (decrease) in trade payables	**(68.46)**	441.49
Increase/ (decrease) in other financial liabilities	**(289.48)**	35.68
Increase/ (decrease) in other liabilities	**882.44**	465.58
Increase/ (decrease) in provisions	**27.65**	(366.17)
Cash generated from operations before tax	**11,291.86**	10,610.55
Taxes paid, net of refund	**(5,101.87)**	(4,270.69)
Net cash generated from operating activities (A)	**6,189.99**	6,339.86
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets including capital advances	**(366.77)**	(537.33)
Sale proceeds from property, plant and equipment and intangible assets	**457.16**	209.92
Investment in mutual funds	**(13,825.00)**	-
Sale proceeds from redemption/ disposal of mutual funds	**9,853.61**	1,102.01
Sale of investment in subsidiaries (net of expenses of Rs. 177.10 lakh) (Refer note 36)	**-**	3,022.90
Redemption of debentures	**3,675.00**	-
Investments (made in)/ redemption in corporate deposits (net)	**(1,194.75)**	(4,985.00)
(Increase)/ decrease in fixed deposits (having maturity of more than three months), net	**(6,458.95)**	305.31
Interest received on fixed deposits	**1,927.54**	1,873.19
Interest received on investments	**555.64**	30.09
Net cash generated/ (used) in investing activities (B)	**(5,376.52)**	1,021.09

Consolidated Cash Flow Statement for the year ended March 31, 2018

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

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
C. Cash flow from financing activities		
Payment towards buy back of shares (Refer note 39)	**-**	(3,999.89)
Dividend paid	**(2,669.81)**	(2,459.21)
Dividend distribution tax paid	**(544.34)**	(508.94)
(Decrease)/ increase in unclaimed dividend	**(0.29)**	(0.24)
Net proceeds from sale of shares by Employees Welfare Trust (Refer note 40)	**3,594.86**	-
Proceeds from transfer of shares to employees under employee stock options scheme	**33.58**	79.44
Net cash used in financing activities (C)	**414.00**	(6,888.84)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**1,227.47**	472.11
Add: Cash and cash equivalents at the beginning of year	**752.50**	2,453.80
Less: Cash and cash equivalents transfer on deconsolidation of subsidiaries	**-**	(2,182.38)
Add: Effect of exchange gain/ (loss) on cash and cash equivalents	**-**	8.97
Cash and cash equivalents at the end of the year	**1,979.97**	752.50
	-	-
Components of cash and cash equivalents (Refer note 13)		
Cash on hand	**3.01**	9.23
Balances with banks		
In current accounts	**1,835.05**	438.37
In deposit accounts (with original maturity of three months or less)	**141.91**	204.90
Earmarked balances with banks		
Escrow account	**-**	100.00
Cash and cash equivalents at the end of the year	**1,979.97**	752.50

Note:

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

Significant accounting policies (Refer note 3)

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

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

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

Particulars	Equity share capital	Attributable to equity shareholders								Total equity
		Other Equity							Items of OCI	
		Capital reserve	Capital redemption reserve	Security Premium Account	Share based payment reserve	Treasury shares	General reserve	Retained earnings	Exchange difference on translation of Foreign operations	
Balance as at April 1, 2016	1,000.00	255.34	30.43	8,703.56	478.07	(540.10)	11,638.90	31,728.79	844.14	54,139.13
Profit after tax								8,856.75		8,856.75
Other comprehensive income, net of tax								(109.17)	48.39	(60.78)
Total comprehensive income for the year								8,747.58	48.39	8,795.97
Equity shares extinguished due to buy back of equity shares (Refer note 39)	(8.07)									(8.07)
Par value of shares bought back pending for extinguishment (Refer note 39)	(1.60)									(1.60)
Capital reserve released on sale of subsidiaries (Refer note 36)		(255.34)								(255.34)
Transfer to capital redemption reserve on buy back of equity shares (Refer note 39)			9.67	(9.67)						-
Utilized towards buy back of equity shares (Refer note 39)				(3,990.22)						(3,990.22)
Options exercised				263.31	(263.31)					-
Options lapsed					(3.16)		3.16			-
Issued of shares on exercise of options by employees						79.44				79.44
General reserve released on sale of subsidiaries (Refer note 36)							(0.16)			(0.16)
Foreign currency translation reserve released on sale of subsidiaries (Refer note 36)									(891.98)	(891.98)
Dividend on equity shares (Refer note 31)								(2,459.21)		(2,459.21)
Corporate dividend tax (Refer note 31)								(705.47)		(705.47)
Reversal of corporate dividend tax for earlier year								196.53		196.53
Balance as at March 31, 2017	990.33	-	40.10	4,966.98	211.60	(460.66)	11,641.90	37,508.22	0.55	54,899.02
Balance as at April 01, 2017	**990.33**	**-**	**40.10**	**4,966.98**	**211.60**	**(460.66)**	**11,641.90**	**37,508.22**	**0.55**	**54,899.02**
Profit after tax								**10,069.80**		**10,069.80**
Other comprehensive income, net of tax								**2.03**	**(2.02)**	**0.01**
Total comprehensive income for the year								**10,071.83**	**(2.02)**	**10,069.81**
Options exercised				**111.31**	**(111.31)**					**-**
Options lapsed					**(2.38)**		**2.38**			**-**
Issue of shares on exercise of options by employees						**33.58**				**33.58**
Sale of Company's shares by ICRA Employees Welfare Trust (Refer note 40)						**292.83**				**292.83**
Profit on sale of Company's shares by ICRA Employees Welfare Trust (Refer note 40)		**3,302.03**								**3,302.03**
Dividend on equity shares (Refer note 31)								**(2,660.15)**		**(2,660.15)**
Corporate dividend tax (Refer note 31)								**(435.00)**		**(435.00)**
Balance as at March 31, 2018	**990.33**	**3,302.03**	**40.10**	**5,078.29**	**97.91**	**(134.25)**	**11,644.28**	**44,484.90**	**(1.47)**	**65,502.12**

Significant accounting policies (Refer note 3)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Notes to the consolidated financial statements for the year ended March 31, 2018

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

1. Corporate information

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

It has various subsidiaries involved in rating, management consulting, software solutions and outsourcing and information services etc. These consolidated financial statements comprise the Company and its subsidiaries including step down subsidiaries (collectively known as 'the Group') as detailed below:

Name of the entities	Country of incorporation	Ownership in % either directly or through subsidiaries
ICRA Management Consulting Services Limited	India	100%
Pragati Development Consulting Services Limited	India	100%
ICRA Online Limited India	India	100%
ICRA Techno Analytics Limited ("ICTEAS") (now known as Nihilent Analytics Limited)^	India	100%
ICRA Sapphire Inc. (now known as Nihilent Sapphire Inc.)^	USA	100%
ICRA Global Capital Inc. (now known as Nihilent Global Capital, Inc.)^	USA	100%
BPA Technologies Inc.^	USA	100%
BPA Technologies Private Limited^	India	100%
ICRA Employees Welfare Trust	India	NA
PT. ICRA Indonesia*	Indonesia	99%
ICRA Lanka Limited	Sri Lanka	100%
ICRA Nepal Limited	Nepal	51%

^ Till October 7, 2016

* Under liquidation.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 1, 2016. These consolidated financial statements for the year ended March 31, 2018 are the first consolidated financial statements the Group prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read with relevant rules of the Companies (Accounts) Rules, 2014 ('Indian GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS consolidated financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Consolidated Balance Sheet as at April 1, 2016, the date of transition to Ind AS. In preparing these Ind AS consolidated financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind

Notes to the consolidated financial statements for the year ended March 31, 2018

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

AS 101, as explained in note 41 . The resulting difference between the carrying values of the assets and liabilities in the consolidated financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). Note 41 explains the adjustments made by the Group in restating its consolidated financial statements prepared under Indian GAAP, including the Consolidated Balance Sheet as at April 1, 2016 and the consolidated financial statements as at and for the year ended March 31, 2017.

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

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

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 17, 2018.

2.2 Basis of consolidation

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commence until the date on which control ceases.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other component of equity. An interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated profit or loss.

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. Accordingly, the Group has elected to apply Ind

Notes to the consolidated financial statements for the year ended March 31, 2018

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

AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (Rs.), which is also the Company's functional currency and reporting currency of the Group. All values are rounded to the nearest lakh, unless otherwise stated.

2.4 Use of estimates, judgements and assumptions

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

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

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

Judgements

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

a. Contingencies

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

b. Revenue recognition

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

Assumptions and estimation uncertainties

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

a. Impairment of non-financial assets and goodwill

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or Group of CGUs that are expected to benefit from the synergies of the combination.

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

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

Notes to the consolidated financial statements for the year ended March 31, 2018

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

b. Impairment of financial assets

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

c. Defined benefit plans

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

d. Fair value measurement of financial instruments

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

2.5 Fair value measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements for the year ended March 31, 2018

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

3. Significant accounting policies

3.1 Current versus non-current classification

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

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

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

3.2 Revenue recognition

i) The entities engaged in rating business provides rating/ grading services to its customers wherein the first year rating/ grading fees includes free surveillance for first twelve months/ or the period of instrument, whichever is shorter, from the date of rating/ grading. A portion of the fee is allocated towards this free surveillance based on management's estimate. The fee relating to rating/ grading is recognised in the month of assigning the rating/ grading by the rating/ grading committee of the respective entity. Surveillance fee for first year and subsequent period, to the extent of reasonable certainty of collection, is recognised based on time elapsed (ignoring fractions of months).

ii) In consulting, revenue from:

a. Contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

b. Time bound fixed price contracts are recognised over the life of the contract using the Proportionate Completion Method, with contract costs determining the degree of completion. When reliable estimates of revenue cannot be made or when revenue is contingent on events that are beyond the control of the entity, revenue is recognised under the Completed Contract Method. Foreseeable losses on contracts are recognised when probable.

When there is uncertainty with regards to ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

iii) Revenue earned from services performed for software development and consultancy, licensing and sub-licensing fee, annual maintenance charges for software support, web development and hosting which is recognised to the extent services are performed.

iv) Revenue related to subscription fees of data products, research reports and any other periodic charges are spread over the period of contract on straight line basis.

v) Revenue from outsourced services in respect of period based assignments of maintenance and management of data income is recognised "on raising of periodical invoices as per agreement with client". In respect of other assignments income is recognised on raising of invoices on completion or reaching milestones as per agreement with client. Unbilled revenue for the reporting period is recognised on the basis of stage of completion.

vi) Revenue from other service arrangements is recognised as and when services are rendered and related costs are incurred, in accordance with the terms of the specific contracts.

vii) Unearned revenue represents fees received in advance or advance billing for which services have not been rendered.

viii) Out of pocket expenses invoiced to the customer are excluded from revenue and routed through recoverable account.

3.3 Export incentive

Export benefits available under prevalent schemes are accrued in the year in which the services are exported and there is no uncertainty in receiving the same.

3.4 Government grants and subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants that compensate for expenses incurred are recognised in the Consolidated Statement of Profit and Loss, as other operating income on a systematic basis in the periods in which the expense are recognised.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

3.5 Other income

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

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

For accounting policy on income from other financial instruments refer para 3.6.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Trade receivable and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group became party to the contractual provision of the instrument.

A financial asset or financial liability is initially recognised at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, financial asset is classified as measured at:

- Amortised cost

- Fair value through other comprehensive income (FVTOCI) – debt investments

- FVTOCI – equity investments or

- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for mapping of financial assets.

A financial asset is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets and collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A 'debt investment' is measured at FVTOCI if both of the following conditions are met and is not designated as at FVTPL:

- the assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual term of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains or losses and impairment are recognised in profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI reclassified to profit and loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividend are recognised as income in profit and loss unless the dividend clearly represents recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit and loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is designated as such on initial recognition. Financial liabilities are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are measured at amortised cost using effective interest method. Interest expense and foreign exchange gains or losses (if any) are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

Derecognition

Financial assets

The Group derecognised a financial asset when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

The Group derecognise a financial liability when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.7 Property, plant and equipment

Recognition and measurement

Property, plant and equipment and capital work in progress are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprise of its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

The cost of self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other cost directly attributable to bring the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted for as separate item of property, plant and equipment.

An item of property, plant and equipment or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Transition to Ind AS

Under the previous GAAP, property, plant and equipment were carried in the consolidated balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any. On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at March 31, 2016 as deemed cost at the date of the transition to Ind AS, i.e. April 1, 2016.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit of associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated on cost of item of property, plant and equipment less their estimated residual value over their estimate useful lives using written down value method and is recognised in the Consolidated Statement of Profit and Loss. Assets acquired under leasehold improvements are depreciated using straight line method over the primary period of the lease or useful life of the assets whichever is shorter. The primary lease period for this purpose includes any lease period extendable at the discretion of the lessee.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life as per schedule II (in years)
Buildings	60
Computers and data processing units (including Servers and Network installation)	3-6
Furniture and fittings	10
Office equipment	5
Electrical installation and equipment	10
Vehicles	8

Depreciation method, useful lives and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Depreciation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

Assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for supply of services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

3.8 Goodwill and other intangible assets

Goodwill

For goodwill that arises on consolidation refer note 2.2. Subsequent measurement is at cost less any accumulated impairment losses.

Goodwill is not amortised and is tested for impairment annually.

Other Intangible assets

Recognition and measurement of purchased intangible assets

Intangible assets acquired separately are initial measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses (if any).

Recognition and measurement of Internally generated intangible assets

Internally generated goodwill is not recognised as an asset. Other internally generated intangible assets, expenditure on research activities undertaken for developing a new product, is recognised in the Consolidated Statement of Profit and Loss as incurred.

Development activities involve a plan or design for the new product. Development expenditure including regulatory cost and legal expenses, if any are capitalised only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Other development expenditure is recognised in the Consolidated Statement of Profit and Loss as incurred.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Consolidated Statement of Profit and Loss.

Amortisation

Amortisation is calculated to write off the cost of the intangible assets over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in Consolidated Statement of Profit and Loss.

The estimated useful lives of items of intangible assets for the current and comparative periods are as follows:

Asset	Useful life (in years)
Computer softwares	10
Internally generated intangible assets	3

Amortisation method, rate and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Amortisation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

3.9 Impairment

Goodwill

Goodwill is tested for impairment on an annual basis or whenever there is an indication that goodwill may be impaired. For goodwill impairment testing, the carrying amount of the CGUs (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Impairment of financial instruments

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost, e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For other financial assets, ECL are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as expense or income in the Consolidated Statement of Profit and Loss.

Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGU's.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment loss is recognised in the Consolidated Statement of Profit And Loss.

An impairment loss in respect of assets, other than goodwill, which has been recognised in prior years, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognised.

3.10 Non-current assets held for sale

Non-current assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value. Any resultant loss on a disposal group is allocated first goodwill (if any), and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group's other accounting policy. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Consolidated Statement of Profit and Loss.

Once classified as held for sale, property, plant and equipment and intangible assets are no longer depreciated or amortised.

If the criteria for classifying assets to held for sale are no longer met, the Group cease to classify the assets as held for sale.

The Group measure non-current assets that ceases to be classified as held for sale at the lower of:

- its carrying amount before the assets were classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets not been classified as held for sale, and
- its recoverable amount at the date of the subsequent decision not to sell.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with bank, short-term deposits and investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cashflows, cash and cash equivalent consists of cash on hand, balances with bank, Short-term deposits and investments as stated above, net of outstanding bank overdrafts (if any).

Notes to the consolidated financial statements for the year ended March 31, 2018

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

3.12 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction or an average rate if the average rate approximate the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Foreign currency operation

The assets and liabilities of foreign operations are translated in to Rs., the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated using an average exchange rate if the average rate approximates the actual rate at the date of transaction. All resulting exchange differences recognised in other comprehensive income.

The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly-owned, accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit and loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

The items of consolidated cash flow statement are translated at the respective average rates (yearly for profit and loss related items and annual for Balance Sheet related items) or the exchange rate that approximates the actual exchange rate on date of specific transaction. The effect of changes in exchange rates on cash and cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during the period.

3.13 Employee benefits

Short term employee benefit

All employee benefits which are expected to be settled wholly before twelve months after the end of annual reporting period in which the employees render the related service are short term employee benefits. Short term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

Provident fund is a defined contribution plan. The Indian entity of the Group makes specified monthly contributions towards government administered provident fund scheme. Obligation for contributions to defined contribution plan is recognised as an employee benefit expense in profit and loss in the period during which the related services are rendered by employees. The Group has no obligation, other than the contribution payable in the scheme.

Defined benefit plan

The Group's gratuity benefit plan is a defined benefit plan. The gratuity liability for employees of the Holding Company is funded through gratuity fund established as a Trust. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value of economic benefits and the fair value of any plan assets is deducted.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

The calculation of defined benefit obligation is performed as at the Balance Sheet date and determined based on actuarial valuation using the Projected Unit Credit Method by a qualified actuary. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirement.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the Balance Sheet date.

Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The respective entity of the Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of annual period to the then-net defined benefit liability (asset), taking in to account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

Other long-term employee benefits

Long term incentive plans (LTIP) and compensated absences are other long-term benefits provided by the Group.

The net obligation in respect of LTIP is the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by a qualified actuary as at the Balance Sheet date using Projected Unit Credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense for non-accumulated compensated absences is recognised in the period in which absences occur.

3.14 Share based payments

The Group recognise compensation expense relating to share-based payments using fair value in accordance with Ind AS 102 'Share based payments'. The estimated fair value of awards is charged to income on a straight line basis over the service period for each separating vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

On transition to Ind AS, the Group has elected to use the exemption to apply Ind AS 102 to equity instruments that vested before date of transition to Ind ASs.

3.15 Leases

Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cashflows (representing the best estimate of the expenditure require to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

3.17 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

3.18 Income tax

Income tax comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous year. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis, or simultaneously.

Deferred tax

Deferred tax is recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statement. Deferred tax assets is also recognised in respect of unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Deferred tax assets and liabilities are measured using tax rate and tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of change in tax rate on deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.19 Earnings per share

The basic earnings per share are calculated by dividing the net profit attributable to equity by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit attributable to equity during the year and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the year unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Anti dilutive effect of any potential equity shares is ignored in the calculation of diluted earnings per share.

3.20 Corporate social responsibility (CSR) expenditure

The Group charges its CSR expenditure during the year to the Consolidated Statement of Profit and Loss.

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director & Group C.E.O. of the Company has been identified as being the chief operating decision maker by the Management of the Company.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

3.22 Discontinuing operations

A discontinuing operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and is part of a single plan to disposing of substantially in its entirety or disposing of piecemeal or terminating through abandonment pursuant to an overall plan to discontinue the entire component.

Classification as a discontinuing operation occurs upon disposal of the component or when the component meets one of the below criteria whichever occur earlier:

- the Company enters in to a binding sale agreement for substantially all of the assets attributable to the discontinuing operation.
- the board of directors of the Company has approved a detailed, formal plan for the discontinuance and made an announcement of the plan.

3.23 Recent accounting pronouncements

Ind AS 115, Revenue from Contracts with Customers: On March 28, 2018 the MCA has notified the Ind AS 115. The core principle of new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cashflows arising from the entity's contracts with customers.

The standard permit two possible methods of transition:

Retrospective approach–Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Change in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard is recognised at the date of initial application (Cumulative catch-up approach).

The effective date for adoption of Ind AS 115 is financial period beginning on or after April 1, 2018.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, the Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing appendix B to Ind AS 21 which clarifies that the date of the transactions for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will be effective from April 1, 2018.

The Group is under the process of evaluation of the possible impact of these recent accounting pronouncements.

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4	**Property, plant and equipment**			
4.1	**The details of property, plant and equipment (net) is as follows:**			
	Buildings	**2,647.18**	2,374.24	2,927.33
	Computers and data processing units	**216.04**	230.51	371.19
	Furniture and fittings	**178.97**	222.19	338.10
	Office equipment	**82.59**	89.70	136.06
	Electrical installation and equipment	**108.15**	135.38	189.13
	Vehicles	**52.84**	93.24	98.27
	Leasehold improvements	**176.30**	132.29	306.13
	Total property, plant and equipment	**3,462.07**	3,277.55	4,366.21

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Particulars	Buildings	Computers and data processing units	Furniture and fittings	Office equipment	Electrical installation and equipments	Vehicles	Leasehold improvements	Total
4.2 Disclosures regarding gross block of assets, depreciation and net block are as given below:								
Gross carrying value (cost or deemed cost)								
As at April 1, 2016	2,927.33	371.19	338.10	136.06	189.13	98.27	306.13	4,366.21
Additions	116.57	131.97	20.39	36.67	11.49	49.21	-	366.30
Reclassification to Assets held for sale	(565.87)	(15.60)	(14.51)	(14.90)	(10.35)	-	-	(621.23)
Disposals/ adjustments *	(20.98)	(81.27)	(52.81)	(30.71)	(20.48)	(11.53)	(110.67)	(328.45)
As at March 31, 2017	**2,457.05**	**406.29**	**291.17**	**127.12**	**169.79**	**135.95**	**195.46**	**3,782.83**
Additions	**-**	**128.10**	**29.01**	**33.11**	**10.11**	**-**	**105.14**	**305.47**
Reclassification from Assets held for sale^	**404.55**	**2.52**	**4.67**	**3.32**	**3.36**	**-**	**-**	**418.42**
Disposals/ adjustments	**-**	**(7.65)**	**(21.25)**	**(1.81)**	**(2.63)**	**(21.26)**	**(30.18)**	**(84.78)**
As at March 31, 2018	**2,861.60**	**529.26**	**303.60**	**161.74**	**180.63**	**114.69**	**270.42**	**4,421.94**
Depreciation								
As at April 1, 2016	-	-	-	-	-	-	-	-
For the year	149.60	209.32	89.01	57.45	44.66	44.42	78.03	672.49
Reclassification to Assets held for sale	(45.81)	(11.49)	(8.25)	(10.01)	(5.84)	-	-	(81.40)
Disposals/ adjustments*	(20.98)	(22.05)	(11.78)	(10.02)	(4.41)	(1.71)	(14.86)	(85.81)
As at March 31, 2017	**82.81**	**175.78**	**68.98**	**37.42**	**34.41**	**42.71**	**63.17**	**505.28**
For the year	**131.61**	**142.33**	**65.05**	**42.63**	**38.93**	**28.97**	**61.13**	**510.65**
Disposals/ adjustments	**-**	**(4.89)**	**(9.40)**	**(0.90)**	**(0.86)**	**(9.83)**	**(30.18)**	**(56.06)**
As at March 31, 2018	**214.42**	**313.22**	**124.63**	**79.15**	**72.48**	**61.85**	**94.12**	**959.87**
Net block								
As at March 31, 2018	**2,647.18**	**216.04**	**178.97**	**82.59**	**108.15**	**52.84**	**176.30**	**3,462.07**
As at March 31, 2017	2,374.24	230.51	222.19	89.70	135.38	93.24	132.29	3,277.55
As at April 1, 2016	2,927.33	371.19	338.10	136.06	189.13	98.27	306.13	4,366.21

* Disposals/ adjustments includes disposal of gross block Rs. 495.55 lakh and accumulated depreciation Rs. 88.34 lakh on sale of ICTEAS along with its subsidiaries.

^ The assets cease to classify as held for sale as criteria is no longer met.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5	**Other intangible assets**			
5.1	**The details of Other intangible assets (net) is as follows:**			
	Computer softwares	**48.95**	179.08	388.42
	Internally generated intangible assets	**14.95**	75.53	131.39
	Total intangible assets	**63.90**	254.61	519.81
5.2	**The details of intangible assets under development (net) is as follows:**			
	Intangible assets under development	**19.70**	81.38	70.82
	Total	**19.70**	81.38	70.82

	Particulars	Computer softwares	Internally generated intangible assets	Total
5.3	**Disclosures regarding gross block of other intangible assets, amortisation and net block are as given below:**			
	Gross carrying value (cost or deemed cost)			
	As at April 1, 2016	388.42	131.39	519.81
	Additions	70.91	24.70	95.61
	Disposals/ adjustments	(208.80)	-	(208.80)
	As at March 31, 2017	**250.53**	**156.09**	**406.62**
	Additions	**19.34**	**31.74**	**51.08**
	Disposals/ adjustments	**-**	**-**	**-**
	As at March 31, 2018	**269.87**	**187.83**	**457.70**
	Amortisation			
	As at April 1, 2016			
	For the year	100.77	80.56	181.33
	Disposals/ adjustments	(29.32)	-	(29.32)
	As at March 31, 2017	**71.45**	**80.56**	**152.01**
	For the year	**149.46**	**92.41**	**241.87**
	Disposals/ adjustments	**0.01**	**(0.09)**	**(0.08)**
	As at March 31, 2018	**220.92**	**172.88**	**393.80**
	Net block			
	As at March 31, 2018	**48.95**	**14.95**	**63.90**
	As at March 31, 2017	179.08	75.53	254.61
	As at April 1, 2016	388.42	131.39	519.81

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
6	**Investments**			
6.1	**Non- current investments**			
I.	**Quoted**			
	Investments carried at fair value through profit or loss			
a)	**Investment in equity instruments (fully paid up)**			
	CRISIL Limited	**56.53**	57.14	53.97
	3000 equity shares [March 31, 2017 - 3000 and April 1, 2016 - 3000] of Re. 1 each			
	Total (a)	**56.53**	57.14	53.97
b)	**Investment in mutual funds**			
(i)	**Fixed maturity plans**			
	DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan Growth	**-**	899.93	830.23
	Nil units [March 31, 2017 - 7000000 and April 1, 2016 - 7000000] of Rs. 10 each			
	Axis Fixed Term Plan - Series 52 - Direct Growth (XI-DG)	**-**	587.77	538.64
	Nil units [March 31, 2017 - 4493937.678 and April 1, 2016 - 4493937.678] of Rs. 10 each			
	DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan Growth	**-**	1,972.31	1,805.51
	Nil units [March 31, 2017 - 15000000 and April 1, 2016 - 15000000] of Rs. 10 each			
	Principal PNB Fixed Maturity Plan - Series B-10- Direct Plan Growth	**-**	-	541.06
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 4444997.6] of Rs. 10 each			
	Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	**-**	-	1,181.40
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 10000000] of Rs. 10 each			
	Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	**-**	-	1,182.17
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 10000000] of Rs. 10 each			
	Invesco India FMP-Ser. 23 Plan H (370 Days) - Direct Plan (Formerly known as Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth)	**-**	-	826.10
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 7000000] of Rs. 10 each			
	Total (b) (i)	**-**	3,460.01	6,905.11

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(ii)	**Other plans**			
	Axis Liquid Fund - Direct Growth	**4,787.95**	-	-
	248397.851 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 1000 each			
	DSP BlackRock Banking and PSU Debt Fund - Dir - G	**3,191.65**	-	-
	21418119.015 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	Kotak Floater Short Term - Direct Plan - Growth	**4,811.97**	-	-
	168725.1203 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 1000 each			
	Principal Short Term Income Fund - Direct Plan Growth	**1,941.13**	-	-
	6126674.201 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	DHFL Pramerica Premier Bond Fund - Direct Plan - Growth	**1,327.99**	1,249.86	1,142.95
	4607849.01 units [March 31, 2017 - 4607849.01 and April 1, 2016 - 4607849.01] of Rs. 10 each			
	Edelweiss Banking and PSU Debt Fund - Direct Plan - Growth (Formerly known as JP Morgan India Banking & PSU Debt Fund - Direct Plan - Growth Option)	**1,996.52**	2,495.59	2,314.59
	13698505.032 units [March 31, 2017 - 18264673.382 and April 1, 2016 - 18264673.382] of Rs. 10 each			
	DHFL Pramerica Short Term Floating Rate Fund - Direct Plan - Growth	**2,041.10**	1,908.63	1,763.09
	10503245.503 units [March 31, 2017 - 10503245.503 and April 1, 2016 - 10503245.503] of Rs. 10 each			
	Sundaram Banking & PSU Debt Fund Direct Plan-GR (Formerly known as Sundaram Flexible Fund Short Term Plan - Direct Plan-Gr)	**3,789.99**	2,284.97	2,129.02
	13858902.305 units [March 31, 2017 - 8885904.98 and April 1, 2016 - 8885904.98] of Rs. 10 each			
	Principal Bank CD Fund - Direct Plan Growth	**-**	1,873.31	1,744.11
	Nil units [March 31, 2017 - 88664.294 and April 1, 2016 - 88664.294] of Rs. 1000 each			
	Reliance Yearly Interval Fund Series 9 - Direct Plan Growth Plan	**-**	-	1,270.71
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 10124718.119] of Rs. 10 each			
	Birla Sun Life Interval Income Fund - Annual Plan IX - Gr - Direct	**-**	-	2,291.74
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 18205319.594] of Rs. 10 each			

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	HDFC Prudence Fund - Dividend, Option : Payout	**-**	-	43.31
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 159632.21] of Rs. 10 each			
	Total (b) (ii)	**23,888.30**	9,812.36	12,699.52
	Total mutual funds (b)	**23,888.30**	13,272.37	19,604.63
	Total non-current investments (a+b)	**23,944.83**	13,329.51	19,658.60
6.2	**Current investments**			
I.	**Unquoted**			
	Investments carried at amortised cost			
(i)	**Investment in debentures**			
	10% Unsecured redeemable non convertible debentures of Nihilent Technologies Limited	**-**	3,675.00	-
	Nil units [March 31, 2017 - 36750 and April 1, 2016 - Nil] of Rs. 10000 each			
	Total (I) (i)	**-**	3,675.00	-
(ii)	**Investment in Government or trust securities**			
	Citizen Investment Trust	**31.22**	31.22	31.22
	Total (I) (ii)	**31.22**	31.22	31.22
(iii)	**Investment in corporate deposits**			
	Housing Development Finance Corporation Limited	**6,179.75**	4,985.00	-
	Total (I) (iii)	**6,179.75**	4,985.00	-
	Total (I)	**6,210.97**	8,691.22	31.22
II.	**Quoted**			
	Investment carried at fair value through profit or loss			
	Investment in mutual funds			
(i)	**Fixed maturity plans**			
	DHFL Pramerica Fixed Maturity Plan - Series - 62 - Direct Plan - Growth	**949.62**	-	-
	7000000 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	Axis Fixed Term Plan - Series 52 - Direct Growth (XI-DG)	**629.19**	-	-
	4493937.678 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	DHFL Pramerica Fixed Maturity Plan - Series 45 - Direct Plan - Growth	**2,113.04**	-	-
	15000000 units [March 31, 2017 - Nil and April 1, 2016 - Nil] of Rs. 10 each			
	Principal PNB Fixed Maturity Plan - Series B-10 - Direct Plan Growth	**-**	586.67	-
	Nil units [March 31, 2017 - 4444997.6 and April 1, 2016 - Nil] of Rs. 10 each			

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	Reliance Fixed Horizon Fund - XXVI- Series 17 - Direct Plan Growth Plan	-	1,278.27	-
	Nil units [March 31, 2017 - 10000000 and April 1, 2016 - Nil] of Rs. 10 each			
	Reliance Fixed Horizon Fund XXVI Series 9 - Direct Plan Growth Plan	-	1,278.74	-
	Nil units [March 31, 2017 - 10000000 and April 1, 2016 - Nil] of Rs. 10 each			
	Invesco India FMP-Ser. 23 Plan H (370 Days) - Direct Plan (Formerly known as Religare Invesco FMP-Ser. 23 Plan H (370 Days) - Direct Plan Growth)	-	892.65	-
	Nil units [March 31, 2017 - 7000000 and April 1, 2016 - Nil] of Rs. 10 each			
	Birla Sun Life Fixed Term Plan Series KD (1143 Days) - Gr. Direct (Formerly known as Birla Sun Life Fixed Term Plan Series KD (1099 Days) - Growth Direct)	-	1,166.21	1,082.78
	Nil units [March 31, 2017 - 9000000 and April 1, 2016 - 9000000] of Rs. 10 each			
	Birla Sun Life Fixed Term Plan-Series HM (1099 days) - Growth Direct	-	-	1,020.58
	Nil units [March 31, 2017 - Nil and April 1, 2016 - 8000000] of Rs. 10 each			
	Total (II) (i)	**3,691.85**	5,202.54	2,103.36
(ii)	**Other plans**			
	Reliance Yearly Interval Fund Series 9 - Direct Plan Growth Plan	-	1,370.33	-
	Nil units [March 31, 2017 - 10124718.119 and April 1, 2016 - Nil] of Rs. 10 each			
	Birla Sun Life Interval Income Fund - Annual Plan IX - Gr - Direct	-	2,465.88	-
	Nil units [March 31, 2017 - 18205319.594 and April 1, 2016 - Nil] of Rs. 10 each			
	Total (II) (ii)	**-**	3,836.21	-
	Total (II)	**3,691.85**	9,038.75	2,103.36
	Total current investments (I+ II)	**9,902.82**	17,729.97	2,134.58
	Total investments	**33,847.65**	31,059.48	21,793.18
	Summary of investments (Non-current + Current)			
	Aggregate value of unquoted investments	**6,210.97**	8,691.22	31.22
	Aggregate value of quoted investments	**27,636.68**	22,368.26	21,761.96
	Investments carried at amortised cost	**6,210.97**	8,691.22	31.22
	Investments carried at fair value through profit or loss	**27,636.68**	22,368.26	21,761.96

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
7	**Loans**			
7.1	**Non-current**			
	Secured, considered good			
	Loans to staff			
	To related parties (Refer note 35)	**10.15**	11.80	13.29
	To parties other than related parties	**51.11**	93.40	146.67
	Unsecured, considered good			
	Security deposits	**157.61**	102.38	274.54
	Loans to staff			
	To parties other than related parties	**-**	3.00	30.80
	Total non-current loans	**218.87**	210.58	465.30
7.2	**Current**			
	Secured, considered good			
	Loans to staff			
	To related parties (Refer note 35)	**1.65**	1.50	1.36
	To parties other than related parties	**28.24**	76.93	109.07
	Unsecured, considered good			
	Security deposits	**97.91**	170.55	29.46
	Loans to staff			
	To parties other than related parties	**0.20**	19.73	44.25
	Total current loans	**128.00**	268.71	184.14
	Total loans	**346.87**	479.29	649.44
8	**Other financial assets**			
8.1	**Non-current**			
	Unsecured, considered good			
	Bank deposits with maturity for more than twelve months from the reporting date	**6,886.58**	2,000.40	1,855.25
	Interest accrued on fixed deposits	**101.93**	1.53	0.76
	Earnest money deposits	**-**	-	2.25
	Total non-current other financial assets	**6,988.51**	2,001.93	1,858.26

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
8.2	**Current**			
	Unsecured, considered good			
	Unbilled revenue	**280.34**	495.42	868.46
	Interest accrued on fixed deposits	**919.70**	758.23	799.20
	Income accrued on investments	**161.47**	256.08	1.77
	Earnest money deposits	**45.89**	50.06	26.95
	Receivable against government grant	**316.96**	-	-
	Advances recoverable			
	From parties other than related parties	**228.64**	122.31	41.98
	Others			
	Recoverable from related parties (Refer note 35)	**3.17**	12.68	24.97
	Recoverable from other than related parties	**385.85**	45.26	67.46
	Unsecured, considered doubtful			
	Unbilled revenue	**201.19**	36.06	-
	Recoverable from other than related parties	**17.31**	7.74	14.44
		2,560.52	1,783.84	1,845.23
	Less : Provision for doubtful other financial assets	**(218.50)**	(43.80)	(14.44)
	Total current other financial assets	**2,342.02**	1,740.04	1,830.79
	Total other financial assets	**9,330.53**	3,741.97	3,689.05

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
9	**Income tax**		
	The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
9.1	**Income tax recognised in the Consolidated Statement of Profit or Loss**		
(i)	**Tax expense of continuing operations**		
	Current tax		
	Income tax for current year	**5,359.21**	3,976.04
	Income tax for earlier year	**38.81**	58.71
		5,398.02	4,034.75
	Deferred tax:		
	Attributable to-		
	Origination and reversal of temporary differences	**37.68**	144.61
	Reduction in tax rate#	**126.48**	-
		164.16	144.61
	Total tax expense of continuing operations	**5,562.18**	4,179.36

#As per Finance Act 2018, in case of Companies, where total turnover in the financial year 2016-17 does not exceed Rs. 25,000 lakh, rate of tax will be 25%, plus applicable surcharge and cess for financial year 2018-19. Therefore for financial year 2018-19, effective tax rate for the Holding Company is 29.12% and same was considered while calculating deferred tax assets/ liabilities as at March 31, 2018

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(ii) Tax expense of discontinued operations		
Current tax	-	231.13
Deferred tax	-	(60.26)
Tax expense of discontinued operations	-	170.87
Total tax expenses recognised in the Consolidated Statement of Profit and Loss	**5,562.18**	4,350.23
9.2 Income tax recognised in Other comprehensive income		
Net loss/(gain) on remeasurements of defined benefit liability/ asset	**(2.66)**	57.78
Income tax charged to other comprehensive income	**(2.66)**	57.78

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9.3 Aggregate current and deferred tax charge relating to items that are charged or credited directly to equity	-	-	80.70

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
9.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	**15,680.43**	13,227.88
Tax using the Company's domestic tax rate 34.608% (March 31, 2017: 34.608%)	**5,426.68**	4,577.90
Effect of:		
Adjustments in respect of current income tax of previous years	**38.81**	59.09
Reduction in tax rate#	**126.48**	-
Non-deductible expenses	**66.86**	271.48
Undistributed earnings of subsidiaries	**194.30**	68.86
Deferred tax not recognised on tax losses and temporary differences	**257.69**	-
Effect of utilisation of carried forward tax losses on which deferred tax asset was not recognised in earlier years	**(444.91)**	(589.25)
Effect of lower tax rate in subsidiaries	**(65.10)**	(5.82)
Others	**(38.63)**	32.03
Total tax expense	**5,562.18**	4,350.23

#As per Finance Act 2018, in case of Companies, where total turnover in the financial year 2016-17 does not exceed Rs. 25,000 lakh, rate of tax will be 25%, plus applicable surcharge and cess for financial year 2018-19. Therefore for financial year 2018-19, effective tax rate for the Holding Company is 29.12% and same was considered while calculating deferred tax assets/ liabilities as at March 31, 2018

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9.5 Deferred tax assets (net)			
Deferred tax assets			
Property, plant and equipment (including intangible assets)	**38.97**	0.78	-
Provision for employees benefits	**369.59**	261.29	545.38
Provision for doubtful receivables	**154.16**	293.10	177.83
Provision for doubtful financial assets	**4.78**	2.68	7.41
Tax losses carried forward	**229.67**	590.28	400.66
Others	**8.96**	14.78	3.69
Total	**806.13**	1,162.91	1,134.97
Deferred tax liabilities			
Investments at fair value through profit or loss	**229.67**	590.28	400.66
Property, plant and equipment (including intangible assets)	**35.85**	60.52	159.62
Undistributed earnings of subsidiaries	**194.30**	109.46	40.60
Others	**1.02**	-	-
Total	**460.84**	760.26	600.88
Total deferred tax assets (net)	**345.29**	402.65	534.09
9.6 Reconciliation of deferred tax assets/ (liabilities)			
Opening balance	**402.65**	534.09	
Tax (expense)/ income during the period recognised in Consolidated Statement of Profit and Loss	**(164.16)**	(84.35)	
Tax (expense)/ income during the period recognised in other comprehensive income	**(2.66)**	57.78	
Disposal of deferred tax assets on sale of subsidiaries	**-**	(104.87)	
Reduction in deferred tax liability on dividend payment by subsidiaries	**109.46**	-	
Closing balance	**345.29**	402.65	
9.7 Unrecognised deferred tax assets			
Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the respective entities can use the benefits therefrom.			
Capital losses	**1,864.02**	2,557.54	707.56
Business losses	**432.64**	-	-
Impairment loss on investments *	**1,497.47**	1,497.47	1,497.47
Deferred tax not recognised on temporary difference *	**568.12**	-	-
Total	**4,362.25**	4,055.01	2,205.03
Unrecognised tax effect	**1,040.79**	935.57	508.74

*The deductible temporary difference do not expire under current tax legislation.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
9.8 Expiry period of unutilised tax losses			
Financial Year 2021-22	**-**	-	660.68
Financial Year 2022-23	**-**	-	46.87
Financial Year 2024-25	**1,864.02**	2,557.54	-
Financial Year 2025-26	**432.64**	-	-
Total	**2,296.66**	2,557.54	707.55
10 Tax assets			
10.1 Non current tax assets			
Advance tax (net of provisions of respective tax jurisdiction to the extent permissible) (Refer note 28(b))	**1,540.80**	1,841.25	1,707.60
Total	**1,540.80**	1,841.25	1,707.60
10.2 Current tax assets			
Advance tax (net of provisions of respective tax jurisdiction to the extent permissible)	**-**	-	250.33
Total	**-**	-	250.33
Total tax assets	**1,540.80**	1,841.25	1,957.93
11 Other assets			
11.1 Non-current			
Unsecured, considered good			
Capital advances	**55.68**	-	0.44
Prepayments	**138.48**	106.52	152.59
Unsecured, considered doubtful			
Capital advances	**-**	-	7.22
	194.16	106.52	160.25
Less: Provisions for doubtful other non-current assets	**-**	-	(7.22)
Total non-current other assets	**194.16**	106.52	153.03
11.2 Current			
Prepayments	**614.03**	510.82	496.49
Balance with government authorities	**59.97**	29.77	54.48
Total current other assets	**674.00**	540.59	550.97
Total other assets	**868.16**	647.11	704.00

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
12	**Trade receivables**			
	Unsecured, considered good *	**4,060.48**	3,395.28	4,782.56
	Unsecured, considered doubtful	**820.05**	880.70	529.22
		4,880.53	4,275.98	5,311.78
	Less: Allowances for doubtful receivables	**(820.05)**	(880.70)	(529.22)
	Total trade receivables	**4,060.48**	3,395.28	4,782.56
	* Includes dues from related parties (Refer note 35)			
13	**Cash and cash equivalents**			
	Cash on hand	**3.01**	9.23	9.39
	Balance with banks			
	In current accounts	**1,835.05**	438.37	1,828.16
	In deposit accounts (with original maturity of three months or less)	**141.91**	204.90	616.25
	Earmarked balances with banks			
	Escrow account **	**-**	100.00	-
	Total cash and cash equivalents	**1,979.97**	752.50	2,453.80

**Escrow account balance of Rs. Nil (March 31, 2017 Rs. 100 lakh, April 1, 2016 Rs. Nil) was issued as security for performance of Company's obligations under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14	**Other bank balances**			
	Balance with banks			
	In deposit accounts with original maturity for more than three months but less than twelve months from the reporting date ^	**20,862.90**	18,396.07	20,121.76
	Earmarked balances with banks			
	In unpaid dividend account	**6.87**	7.16	7.40
	In margin money$	**95.39**	90.00	162.86
	Deposits with maturity for more than three months and less than twelve months from the reporting date earmarked against bank guarantees#	**113.68**	1,012.84	-
	Total	**21,078.84**	19,506.07	20,292.02

^Net of book overdraft of Rs. Nil (March 31, 2017 Rs. 177.64 lakh and April 1, 2016 Rs. 84.73 lakh) for uncleared cheques issued in pursuance to sweep in facilities with various banks.

#Including deposits of Rs. Nil (March 31, 2017 Rs. 1,000 lakh, April 1, 2016 Rs. Nil) against bank guarantee issued as security for performance of Company's obligations under the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

$Represents deposits against bank guarantees.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15	**Equity share capital**			
	Authorised			
	15,000,000 (March 31, 2017: 15,000,000, April 1, 2016: 15,000,000) equity shares of Rs. 10/- each	**1,500.00**	1,500.00	1,500.00
		1,500.00	1,500.00	1,500.00
	Issued, subscribed and fully paid up			
	9,903,280 equity shares of Rs. 10/- each fully paid up (March 31, 2017 - 9,919,323 and April 1, 2016 - 10,000,000 equity shares)	**990.33**	991.93	1,000.00
	Par value of shares bought back pending for extinguishment (Refer note 39)	**-**	(1.60)	-
	Total	**990.33**	990.33	1,000.00

15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2018	
	No. of shares	**Amount**
Equity shares		
At the commencement and at the end of the year	**9,903,300**	**990.33**

Particulars	As at March 31, 2017	
	No. of shares	Amount
At the commencement of the year	10,000,000	1,000.00
Less: Equity shares extinguished due to buy back of shares (Refer note 39)	(80,700)	(8.07)
Less: Par value of shares bought back pending for extinguishment (Refer note 39)	(16,000)	(1.60)
At the end of the year	9,903,300	990.33

15.2 Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend, if any, recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

15.3 Shares held by subsidiaries of the ultimate holding company

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Equity shares of Rs. 10 each fully paid-up)			
Moody's Investment Company India Private Limited			
Number of shares	**2,850,900**	2,850,900	2,850,900
% of total shares	**28.79%**	28.74%	28.51%
Moody's Singapore Pte Limited			
Number of shares	**2,154,722**	2,154,722	2,154,722
% of total shares	**21.76%**	21.72%	21.55%

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15.4 Details of shareholders holding more than 5% shares in the Company:			
(Equity shares of Rs. 10 each fully paid-up)			
Moody's Investment Company India Private Limited			
Number of shares	**2,850,900**	2,850,900	2,850,900
% of total shares	**28.79%**	28.74%	28.51%
Moody's Singapore Pte Limited			
Number of shares	**2,154,722**	2,154,722	2,154,722
% of total shares	**21.76%**	21.72%	21.55%
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life MNC Fund (formerly known as Birla Sun Life Trustee Company Private Limited A/c- Birla Sun Life MNC Fund)			
Number of shares	**951,928**	508,848	534,962
% of total shares	**9.61%**	5.13%	5.35%
Life Insurance Corporation of India			
Number of shares	**889,006**	668,086	668,086
% of total shares	**8.98%**	6.74%	6.68%
General Insurance Corporation of India			
Number of shares	**522,999**	522,999	522,999
% of total shares	**5.28%**	5.27%	5.23%
16 Other equity			
Capital reserve (Refer note 40)	**3,302.03**	0.00	255.34
Capital redemption reserve	**40.10**	40.10	30.43
Securities premium account	**5,078.29**	4,966.98	8,703.56
Share based payment reserve	**97.91**	211.60	478.07
Treasury shares (Refer note 40)	**(134.25)**	(460.66)	(540.10)
General reserve	**11,644.28**	11,641.90	11,638.90
Foreign currency translation reserve	**(1.47)**	0.55	844.14
Retained earnings	**44,484.90**	37,508.22	31,728.79
Total other equity	**64,511.79**	53,908.69	53,139.13

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Nature of reserves

a) Capital reserve

Capital reserve represents, (a) excess of share of equity in subsidiaries as on the date of investment over investments of the Holding Company. (b) Profit on sale of shares of the Company by ICRA Employees Welfare Trust.

b) Capital redemption reserve

The Company has bought back equity shares, and as per the provisions of the Companies Act, 2013, is required to create capital redemption reserve.

c) Securities premium account

Securities premium account is used to record the premium on issue of shares. The securities premium is utilised in accordance with the provisions of the Act.

d) Share based payment reserve

The share based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

e) Treasury shares

The treasury shares of the Company is used to settle share options exercised by the employees.

f) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Consolidated Statement of Profit and Loss.

g) Foreign Currency Translation Reserve

Exchange differences arising on translation of non integral operations and accumulated in separate reserve within equity. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit and loss.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
17 Other financial liabilities			
17.1 Non-current			
Deposits for vehicles	**33.28**	33.55	20.22
Payable to employees	**185.51**	-	-
Total non-current other financial liabilities	**218.79**	33.55	20.22
17.2 Current			
Unpaid dividends	**6.87**	7.16	7.40
Creditors for capital supplies and services	**52.33**	16.69	32.83
Book overdraft	**-**	-	28.64
Due to related parties (Refer note 35)	**11.15**	32.56	19.54
Payable to employees	**557.89**	995.98	1,130.43
Deposits for vehicles	**7.33**	14.23	17.79
Other liabilities	**44.45**	42.41	289.26
Total current other financial liabilities	**680.02**	1,109.03	1,525.89
Total other financial liabilities	**898.81**	1,142.58	1,546.11

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
18 Provisions			
18.1 Non-current			
Provision for employee benefits			
Provisions for gratuity (Refer note 32)	**326.05**	317.00	837.29
Provision for compensated absence	**210.52**	185.63	383.90
Total non-current provisions	**536.57**	502.63	1,221.19
18.2 Current			
Provision for employee benefits			
Provisions for gratuity (Refer note 32)	**153.35**	84.55	174.96
Provision for compensated absence	**167.66**	141.14	128.48
Other employee benefits	**2,184.30**	2,257.42	1,959.65
Others			
Provision for Service Tax	**21.63**	21.63	21.63
Provision for Value Added Tax	**-**	33.18	26.30
Total current provisions	**2,526.94**	2,537.92	2,311.02
Total provisions	**3,063.51**	3,040.55	3,532.21
19 Other liabilities			
19.1 Non-current			
Deferred finance income	**3.10**	6.84	4.72
Total non-current other liabilities	**3.10**	6.84	4.72
19.2 Current			
Unearned revenue	**4,001.33**	4,443.63	4,379.10
Advance from customers	**1,660.48**	1,039.18	990.94
Statutory dues	**934.60**	399.59	353.54
Deferred finance income	**3.30**	3.55	2.63
Other liabilities	**-**	3.10	11.83
Total current other liabilities	**6,599.71**	5,889.05	5,738.04
Total other liabilities	**6,602.81**	5,895.89	5,742.76

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
20	**Trade payables**			
	Outstanding dues to micro and small enterprises as per Micro, Small & Medium Enterprises Development Act, 2006	**1.10**	2.68	2.17
	Outstanding dues to parties other than micro and small enterprises	**769.73**	836.61	912.26
	Total trade payables	**770.83**	839.29	914.43

20.1 Based on the information available with the Group, some suppliers have been identified who are registered under Micro, Small & Medium Enterprises Development Act, 2006 (MSMED), to whom the Company owes dues, but the same are not outstanding for more than 45 days as at reporting date. The information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The amounts remaining unpaid to suppliers as at the end of the year			
The principal amount payable to suppliers at the year end	**1.10**	2.68	2.17
The amount of interest due on the remaining unpaid amount to the suppliers as at the year end	**-**	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	**-**	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED	**-**	-	-

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
21	**Current tax liabilities (net)**			
	Provision for income tax (net of provisions of respective tax jurisdiction to the extent permissible)	**101.85**	106.15	166.45
	Total	**101.85**	106.15	166.45

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
22	**Revenue from operations**		
	Sale of services		
	Rating, research and other services fees	**22,393.11**	21,189.08
	Consulting fees	**2,227.62**	2,972.05
	Outsourced and information services	**5,195.79**	4,831.22
	Professional and I.T. services	**35.03**	4,141.13
	Total sale of services	**29,851.55**	33,133.48
	Other operating revenue		
	Export incentive	**607.96**	-
	Government grant*	**238.66**	-
	Advances received from customers written back	**175.52**	154.65
	Professional services	**7.26**	5.51
	Total other operating revenue	**1,034.95**	169.96
	Total revenue from operations	**30,886.50**	33,303.44

* Represents government grant for 'employment generation' and 'interest on borrowing' under West Bengal ICT incentive scheme 2012.

23	**Other income**		
	Interest income on fixed deposits	**2,189.41**	1,833.68
	Interest income on investments	**461.03**	284.40
	Other interest income	**37.44**	42.27
	Net gain on financial assets carried at fair value through profit or loss (net)	**1,297.04**	1,708.31
	Rental income	**18.33**	33.22
	Profit on sale of assets (net)	**729.75**	-
	Interest on income tax refunds	**157.66**	33.32
	Reversal of impairment loss	**32.38**	-
	Miscellaneous income	**12.49**	24.00
	Total other income	**4,935.53**	3,959.20
24	**Employee benefits expense**		
	Salaries, wages and bonus	**13,138.41**	14,514.93
	Contribution to provident fund (Refer note 32)	**534.69**	550.06
	Staff welfare expense	**580.04**	576.48
	Total employee benefits expense	**14,253.14**	15,641.47
25	**Finance costs**		
	Interest expenses	**10.36**	3.89
	Total finance costs	**10.36**	3.89

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
26	**Depreciation and amortisation expense**		
	Depreciation of tangible assets (Refer note 4)	**510.65**	672.49
	Depreciation of intangible assets (Refer note 5)	**241.87**	181.33
	Total depreciation and amortisation expense	**752.52**	853.82
27	**Other expenses**		
	Electricity and water	**217.95**	254.98
	Rent (Refer note 28)	**573.45**	679.68
	Repairs and maintenance	**741.49**	733.45
	Insurance	**23.60**	39.16
	Rates and taxes	**83.73**	152.61
	Communication	**300.12**	327.93
	Printing and stationery	**78.94**	87.16
	Books and periodicals	**83.18**	75.76
	Travelling and conveyance	**731.21**	751.62
	Directors' sitting fees	**21.66**	32.29
	Legal and professional charges	**732.52**	1,330.02
	Conference and meeting	**74.89**	45.36
	Sub- contracting	**318.30**	1,399.20
	Advertisement	**10.34**	14.90
	Auditors' remuneration and expenses (Refer note 34)	**73.89**	86.85
	Technical services	**25.80**	19.53
	Bad debts/ advances written off (net of provisions)	**462.65**	856.23
	Corporate social responsibility (Refer note 29)	**203.20**	170.59
	Fees and subscription	**34.91**	57.96
	Remuneration to non executive directors	**56.00**	50.00
	Recruitment	**86.64**	97.04
	Loss on sale of subsidiaries	**-**	99.40
	Impairment loss on asset held for sale	**-**	58.77
	Loss on foreign exchange fluctuations	**3.52**	17.10
	Loss on sale/ write off of fixed assets (net)	**0.24**	6.50
	Miscellaneous	**187.35**	91.49
	Total other expenses	**5,125.58**	7,535.58

Notes to the consolidated financial statements for the year ended March 31, 2018

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

28 Commitments and contingencies

a) Leases as lessee

The Group's significant operating lease arrangements are in respect of premises (offices, godown and residential etc.). The lease term for these leases ranges between 11 months and 9 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. Lease payments under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

The lease rental charged during the year are as follows:

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Rent *	**685.65**	716.45

Future minimum lease payable under non-cancellable operating lease is as follows:

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Not later than one year	**360.15**	-	13.83
Later than one year but not later than five years	**724.61**	-	-
Later than five years	**-**	-	-

* Includes rental for parking space, guest house, office premises etc. which has been accounted in the respective heads.

Leases as lessor

The Group has given a part of its premises under cancellable operating lease arrangement. Lease rentals amounting to Rs. 18.33 lakh (previous year Rs. 33.22 lakh) has been recognised in the Consolidated Statement of Profit and Loss. As only a portion of these premises has been let out, the gross carrying amount, depreciation for the year and the accumulated depreciation of leased premises/ assets is not separately identifiable.

b) Contingent liabilities and commitments (to the extent not provided for):

i) Contingent liabilities

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Income tax #	**986.25**	1,284.15	882.61
Service tax	**1,433.16**	1,045.85	342.59
Offer	**12.09**	12.09	15.37
Total	**2,431.50**	2,342.09	1,240.57

Amount deposited under protest Rs. 12.08 lakh (Rs. 11.00 lakh as at March 31, 2017 and April 1, 2016).

The Group is contesting the demand and the management including its tax advisors believe that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

ii) Commitments

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advances)	**112.99**	35.96	17.46

Notes to the consolidated financial statements for the year ended March 31, 2018

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

29 Corporate Social Responsibility expenditure

In ICRA Limited and ICRA Online Limited has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act, which requires a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The expenditure incurred on activities which are specified in Schedule VII to the Act is as under:

a) Gross amount required to be spent during the year ended March 31, 2018 was Rs. 203.20 lakh (previous year Rs. 185.09 lakh).

b) Amount spent during the year ended:

Particulars	**March 31, 2018**			March 31, 2017		
	In cash	**Yet to be paid cash**	**Total**	In cash	Yet to be paid cash	Total
(i) Construction/acquisitions of any asset	**-**	**-**	**-**	-	-	-
(ii) On purposes other then (i) above	**203.20**	**-**	**203.20**	170.59	-	170.59

Difference in the amount to be spent and actual spent in the pervious year was on account of ICTEAS, as the entity including step down subsidiaries was sold on October 7, 2016 and had not incurred total expenditure on CSR till the date of sale.

30 Earnings per share

a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding. The calculations of profit attributable to equity holders, weighted average number of equity shares outstanding during the year and basic earnings per share are as follows:

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
(i) Profit attributable to the equity holders		
Profit from continuing operations	**10,069.55**	8,735.13
Profit from discontinued operations	**-**	121.62
Profit for the year, attributable to the equity holders	**10,069.55**	8,856.75
(ii) Weighted average number of equity shares		
Opening balance	**9,919,323**	10,000,000
Shares held by ICRA Employees Welfare Trust	**(139,595)**	(163,667)
Effect of buy back of shares	**(15,867)**	(1,127)
Effect of stock options exercised	**3,987**	11,619
Effect of shares sold by ICRA Employees Welfare Trust	**67,099**	-
Weighted average number of equity shares for the year	**9,834,947**	9,846,825
(iii) Basic earnings per share (face value Rs. 10 per share) [(i) / (ii)]		
From continuing operations	**102.39**	88.71
From discontinued operations	**-**	1.24
From total operations	**102.39**	89.95

Notes to the consolidated financial statements for the year ended March 31, 2018

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

b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders after adjustment for expense related to dilutive potential equity shares (if any) by the weighted average number of equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares. The calculations of profit attributable to equity holders, equity shares outstanding during the year after adjustment for the effect of all the dilutive potential equity shares into equity shares and diluted earnings per share are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Profit attributable to the equity holders (diluted)		
Profit for the year, attributable to the equity holders (basic)		
Profit from continuing operations	**10,069.55**	8,735.13
Profit from discontinued operations	**-**	121.62
Share based payment to employees	**-**	-
Profit attributable to the equity holders (diluted)	**10,069.55**	8,856.75
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	**9,834,947**	9,846,825
Effect of dilution of share options	**12,948**	28,945
Weighted average number of equity shares (diluted)	**9,847,895**	9,875,770
(iii) Diluted earnings per share (face value INR 10 per share) [(i) / (ii)]		
From continuing operations	**102.25**	88.45
From discontinued operations	**-**	1.23
From total operations	**102.25**	89.68

31 Dividend on equity shares

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend on equity shares declared and paid during the year		
Final dividend of Rs. 27 per share for financial year 2016-17 (Rs. 25 per share for financial year 2015-16)	**2,673.89**	2,500.00
Dividend distribution tax on final dividend *	**435.00**	508.94
	3,108.89	3,008.94
Proposed dividend on equity shares not recognised as liability		
Final dividend of Rs. 30 per share for finanial year 2017-18 (Rs. 27 per share for financial year 2016-17)	**2,970.98**	2,673.89
Dividend distribution tax on final dividend *	**500.26**	435.00
	3,471.24	3,108.89

* Dividend distribution tax (net), comprises the dividend distribution tax on proposed dividend and the credit in respect of dividend distribution tax under Section 115-O of the Income-tax Act, 1961 on dividend paid/ proposed by the domestic subsidiary company.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

32 Employee benefits

a) Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employees State Insurance Fund which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds aggregating to Rs. 534.69 lakh for the year ended March 31, 2018 (previous year Rs. 550.06 lakh) and is included in "Employee benefits expense".

b) Defined benefit plans

The Group has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. Plan entitles an employee, who has rendered at least five years of services, to gratuity at the rate of fifteen days salary for every completed year of service or part thereof in excess of six months, based on the rate of salary last drawn by the employee concern.

For Holding Company, the defined benefit plan for gratuity is administered by a single gratuity Trust fund that is legally separate from the Company. The trustees of the gratuity fund comprises four employees. The trustees of the gratuity fund is required to act in the best interests of the members and/or their beneficiaries in accordance with the provisions of trust deed.

This defined benefit plan expose the group to actuarial risks, such as interest rate risk and market (investment) risk.

(i) Reconciliation of the net defined benefit (asset) liability

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	**1,053.00**	1,012.25
Current service cost	**126.81**	131.01
Past service cost	**53.48**	-
Interest expense/ (income)	**68.66**	66.47
Benefits directly paid by the Group	**(35.87)**	(130.59)
Benefits paid from plan assets	**(28.61)**	-
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in financial assumptions	**(56.44)**	79.00
- experience adjustments	**45.45**	89.40
Adjustment on account of sale of subsidiaries	**-**	(194.54)
Defined benefit obligations at the end of the year	**1,226.48**	1,053.00
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	**651.45**	-
Contribution paid to the plan assets	**85.00**	650.00
Benefits paid	**(28.61)**	-
Interest income on plan assets	**45.54**	-
Actuarial gain/ (loss) on plan assets	**(6.30)**	1.45
Fair value of plan assets at the end of the year	**747.08**	651.45
Net defined benefit liability/ (asset)	**479.40**	401.55
Non-current	**326.05**	317.00
Current	**153.35**	84.55

The Group expects to pay Rs. 87.21 lakh in contributions to its defined benefit plans in next financial year.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

(ii) Expense recognised in the Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Expense recognised in Consolidated Profit and Loss		
Current service cost	**126.81**	131.01
Past service cost	**53.48**	-
Net interest expense/ (income)	**23.12**	66.47
	203.41	197.48
Remeasurements recognised in Other Comprehensive Income		
Actuarial (gain)/ loss on defined benefit obligations	**(10.99)**	168.40
Return on plan assets excluding interest income	**6.30**	(1.45)
	(4.69)	166.95

(iii) Plan assets comprise of the following

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Kotak Group Floating Rate Fund	**329.77**	325.46	-
Kotak Group Short Term Bond Fund	**332.08**	325.99	-
Kotak Secure Return Employee Benefit Plan	**85.23**	-	-
Total	**747.08**	651.45	-

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate	**7.00% - 7.60%**	6.50% - 7.10%	7.40% - 8.00%
Future salary escalation rate			
- For first five years	**6.50% - 10.00%**	8.00% - 10.00%	6.00% - 11.00%
- Thereafter	**7.00% - 10.00%**	7.00% - 10.00%	6.00% - 11.00%
Withdrawal rate	**9.00% - 30.00%**	9.00% - 30.00%	1.00% - 30.00%
Retirement age	**58 - 60**	58 - 60	58 - 60
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

As at March 31, 2018, the weighted-average duration of the defined benefit obligation was 5 years (March 31, 2017: 5 years).

Notes to the consolidated financial statements for the year ended March 31, 2018

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

(v) Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumption constant, would have affected the defined obligation by the amounts shown below:

Particulars	Sensitivity level		Impact on Defined benefit obligation	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Assumptions				
Discount rate				
Increase	**0.50%**	0.50%	**(27.18)**	(24.81)
Decrease	**0.50%**	0.50%	**28.49**	26.19
Future salary escalation rate				
Increase	**0.50% - 1.00%**	0.50% - 1.00%	**33.72**	29.70
Decrease	**0.50% - 1.00%**	0.50% - 1.00%	**(31.26)**	(27.90)
Withdrawal rate				
Increase	**0.50% - 5.00%**	0.50% - 5.00%	**(3.77)**	(3.22)
Decrease	**0.50% - 5.00%**	0.50% - 5.00%	**(0.37)**	(1.38)

The sensitivity results above determine their individual impact on defined benefit obligation at the end of year. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

The following payments are expected in future years

Particulars	As at March 31, 2018
March 31, 2019	241.33
March 31, 2020	221.02
March 31, 2021	221.91
March 31, 2022	217.05
March 31, 2023	216.18
March 31, 2024 to March 31, 2028	1,105.15

33 Share based payment

A. Description of share based payment arrangement

The Group had a stock option plan in place namely Employees Stock Options Scheme ("ESOS") , 2006, administrated through ICRA Employees Welfare Trust ('Trust'). The Trust transfers shares to the eligible employees upon exercise of the options by such employees.

The detail of ESOS tranches granted under scheme is as under:

Type of arrangement	Employee stock option scheme 2006	
	Tranche 1	**Tranche 2**
Date of grant	March 24, 2007	November 9, 2010
Number granted	615,763	272,500
Fair value of option	138	1,153
Exercise price per share	330	330
Contractual life from the date of vesting	5	5
Method used for valuation	Intrinsic value method	
Method of settlement	Equity shares	

Under ESOS 2006, each option, upon vesting, entitles the holder to acquire one equity share of Rs. 10 each.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

Summary of vesting provisions

Vesting dates	% of options vested	Lock-in period
1 year from grant date	40	Nil
2 years from grant date	30	Nil
3 years from grant date	30	Nil

B. Reconciliation of outstanding share options

All the vested options against tranche-1 were exercised/ expired/ lapsed on or before April 1, 2016. Reconciliation of outstanding share options against tranche-2 is as under:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of options	Weighted Average Exercise Price (Rs)	Number of options	Weighted Average Exercise Price (Rs)
Options outstanding at the beginning of the year	**19,345**	**330**	43,706	330
Exercised during the year	**(10,176)**	**330**	(24,072)	330
Options expired during the year	**(218)**	**330**	(289)	330
Options outstanding at the end of the year	**8,951**	**330**	19,345	330
Options exercisable at the end of the year	**8,951**	**330**	19,345	330

C. Other information regarding employee share based payment plans

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Share based payment reserve as at year end		**97.91**	211.60
Weighted average share price during the year	*In Rupees*	**3,954.90**	4,030.97
Weighted average remaining contractual life	*In Years*	**0.61**	1.61

The unissued shares lying as at March 31, 2018 is 31,732 (March 31, 2017: 120,250; April 1, 2016: 119,961).

The ESOS, 2006 expired on June 27, 2016 and the eligible employees have the right to exercise the remaining 8,951 vested options by November 8, 2018.

34 Remuneration to Auditors (excluding goods and service tax/ service tax)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit fees	**43.74**	50.91
Limited review fees	**14.88**	14.45
Tax audit fees	**10.21**	10.35
Other certification services fees	**1.08**	5.31
Reimbursement of expenses	**3.98**	5.83
Total	**73.89**	86.85

Notes to the consolidated financial statements for the year ended March 31, 2018

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

35 Related party transactions

A. List of related parties

a) Related parties where control exists

Ultimate holding company

Moody's Corporation

Companies having substantial interest

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

b) Trusts

ICRA Limited Employees Group Gratuity Scheme

c) Follow subsidiaries

Moody's Investors Service India Private Limited

Moody's Investors Service Inc.

MIS Quality Management Corp.

Moody's Investors Service Singapore Pte Limited

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc.

Moody's Investors Service Pty Limited

MA Knowledge Services Research (India) Private Limited (formally known as "Copal Research India Private Limited")

Moody's Analytics UK Limited

d) Key management personnel

Mr. Naresh Takkar

Mr. Vipul Agarwal

Mr. Amit Kumar Gupta

Mr. S. Shakeb Rahman

Independent directors

Mr. Arun Duggal

Ms. Ranjana Agarwal

Ms. Radhika Vijay Haribhakti

B. Transactions and balances with related parties

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a)	**Related parties where control exists:**					
	Ultimate Holding Company					
1	**Moody's Corporation**					
	Technical services received	**12.09**	10.86	**-**	-	-
	Other financial liabilities - Due to related parties			**-**	19.06	9.88
	Companies having substantial interest					
1	**Moody's Investment Company India Private Limited**					
	Dividend paid	**769.74**	712.73	**-**	-	-
2	**Moody's Singapore Pte Limited**					
	Dividend paid	**581.77**	538.68	**-**	-	-
	Reimbursement of expenses paid/ payable	**-**	5.21	**-**	-	-

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
c)	**Fellow subsidiaries**					
1	**Moody's Investors Service India Private Limited**					
	Rental income	**18.33**	17.25	**-**	-	-
	Reimbursement of expenses received/ receivable	**3.82**	4.85	**-**	-	-
	Other financial assets - Other recoverables	**-**	-	**3.17**	12.05	7.64
2	**Moody's Investors Service Inc.**					
	Outsourced and information services	**3,430.55**	3,248.00	**-**	-	-
	Reimbursement of expenses paid/ payable	**42.88**	1.67	**-**	-	-
	Other financial assets - other recoverables			**-**	0.63	0.63
	Trade receivables- Due from related parties			**640.00**	276.23	539.02
3	**MIS Quality Management Corp.**					
	Trademark license fees	**10.42**	6.56	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**3.52**	6.53	6.81
4	**Moody's Investors Service Singapore Pte Limited**					
	Other financial liabilities - Unearned revenue	**-**	-	**-**	-	24.32
5	**Moody's Investors Service Hong Kong Limited**					
	Technical services received	**3.29**	0.81	**-**	-	-
	Professional services provided	**3.96**	-	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**0.72**	0.73	2.85
6	**Moody's Analytics Inc**					
	Professional services used	**-**	0.21	**-**	-	-
	Outsourced and information services	**853.30**	775.18	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**-**	0.19	-
	Trade receivables- Due from related parties	**-**	-	**167.10**	79.17	123.45
7	**Moody's Investors Service Pty Limited**					
	Professional services provided	**0.20**	-	**-**	-	-
8	**MA Knowledge Services Research (India) Private Limited**					
	(formerly known as Copal Research India Private Limited)					
	Professional services used	**5.27**	6.72	**-**	-	-
	Other financial liabilities - Due to related parties			**6.86**	6.05	-
9	**Moody's Analytics UK Limited**					
	Outsourced and Information services	**-**	8.35	**-**	-	-
	Other financial liabilities - Due to related parties	**-**	-	**0.04**	-	0.49
	Trade receivables- Due from related parties	**-**	-	**-**	8.16	-
d)	**Key Management Personnel**					
1	**Mr. Naresh Takkar**					
	Managerial remuneration* $	**412.20**	376.08	**-**	-	-
	Interest received by the Company	**0.59**	0.68	**-**	-	-
	Dividend paid by the Company	**11.07**	9.56	**-**	-	-
	Loan outstanding	**-**	-	**11.80**	13.30	14.65
	Provisions - other employee benefits	**-**	-	**141.59**	145.25	95.00
	Other financial liabilities - payable to employees	**-**	-	**64.19**	71.66	70.69
	Trade payable	**-**	-	**-**	0.01	-
2	**Mr. Vipul Agarwal**					
	Remuneration*	**183.91**	164.82	**-**	-	-
	Other financial liabilities - payable to employees	**-**	-	**46.02**	35.27	44.78
	Trade payable	**-**	-	**0.03**	0.13	0.11

Notes to the consolidated financial statements for the year ended March 31, 2018

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

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
3	**Mr. Amit Kumar Gupta**					
	Remuneration*	72.26	61.62	-	-	-
	Other financial liabilities - payable to employees	-	-	12.74	6.72	11.12
	Trade payable	-	-	0.24		0.14
	Other financial assets - Advance recoverable	-	-	-	0.16	-
4	**Mr. S. Shakeb Rahman**					
	Remuneration*	21.40	18.87	-	-	-
	Dividend paid by the Company	0.03	-	-	-	-
	Other financial liabilities - payable to employees	-	-	7.42	9.11	1.26
5	**Mr. Arun Duggal**					
	Sitting fees paid	4.20	5.10	-	-	-
	Remuneration to non executive directors	22.00	20.00	-	-	-
	Trade payable	-	-	19.80	18.00	18.00
6	**Ms. Ranjana Agarwal**					
	Sitting fees paid	6.90	9.90	-	-	-
	Remuneration to non executive directors	17.00	15.00	-	-	-
	Trade payable	-	-	15.30	13.50	13.50
7	**Ms. Radhika Vijay Haribhakti**					
	Sitting fees paid	5.40	7.50	-	-	-
	Remuneration to non executive directors	17.00	15.00	-	-	-
	Trade payable			15.30	13.50	13.50

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

$Employees Stock Options expense in the Consolidated Statement of Profit and Loss is Rs. Nil (previous year Rs. Nil).

C. Compensation of Key management personnel against following categories

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	244.53	188.60
Other long-term benefits	42.94	17.75

D. Director's interest in share based payment

Share options held by executive members of the Board of Directors under ESOP to purchase equity shares have the following expiry dates and exercise prices:

	Tranche 2
Grant date	November 9, 2010
Expiry date	November 8, 2018 November 8, 2017 November 8, 2016
Exercise price	330
Number outstanding	
As at March 31,2018	-
As at March 31,2017	1,000
As at April 1, 2016	3,750

Notes to the consolidated financial statements for the year ended March 31, 2018

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

36 Discontinued operations

The Board of Directors of the Company at its meeting held on August 5, 2016 and the Members of the Company through Postal Ballot, on September 17, 2016, approved sale of the entire shareholding held by the Company in ICTEAS to Nihilent Technologies Limited, for a consideration of Rs. 6,875 lakh, comprising (i) payment of cash consideration of Rs. 3,200 lakh; and (ii) unsecured, unrated, 10% interest bearing and unlisted non-convertible debentures, issued for the balance amount, to be redeemed after one year and fifteen days from the date of allotment i.e. October 7, 2016. The transaction got consummated on October 7, 2016. As a result, ICTEAS along with its subsidiaries ceased as subsidiaries of the Company. The loss on sale of subsidiaries amounting to Rs. 99.40 lakh was classified as 'Loss on sale of subsidiaries' under 'Other expenses'.

The business of ICTEAS and its subsidiaries is considered as discontinued operations. The required relevant information for these discontinued operations is as below:

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Total revenue (including other income)	-	4,149.89
Total expenses	-	3,857.40
Profit before tax	-	292.49
Tax expenses	-	170.87
Profit after tax	-	121.62
Other comprehensive income (net of income tax)	-	43.70
Total comprehensive income for the year	-	165.32

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Total assets (including Goodwill on consolidation)	-	-	10,156.79
Total liabilities	-	-	1,049.61
Net assets	-	-	9,107.18

The net cash flows attributable to the above discontinued operations are as follows:

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Cash generated from operating activities	-	134.80
Cash generated from investing activities	-	2,137.00
Cash used in financing activities	-	(1,394.32)
Net cash generated/ (used) attributable to discontinued operations	-	877.48

Notes to the consolidated financial statements for the year ended March 31, 2018

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

37 Financial instruments

37.1 Financial instuments by category

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016.

a) Fair value of financial assets

Particulars	Carrying values			Fair values		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Financial assets measured at fair value through profit or loss						
Investment in equity shares	**56.53**	57.14	53.97	**56.53**	57.14	53.97
Investments in mutual funds	**27,580.15**	22,311.12	21,707.99	**27,580.15**	22,311.12	21,707.99
Total (A)	**27,636.68**	22,368.26	21,761.96	**27,636.68**	22,368.26	21,761.96
Financial assets measured at amortised cost						
Investment in debentures	**-**	3,675.00	-	**-**	3,675.00	-
Investment in corporate deposits	**6,179.75**	4,985.00	-	**6,179.75**	4,985.00	-
Investment in government or trust securities	**31.22**	31.22	31.22	**31.22**	31.22	31.22
Loans	**346.87**	479.29	649.44	**346.87**	479.29	649.44
Trade receivables	**4,060.48**	3,395.28	4,782.56	**4,060.48**	3,395.28	4,782.56
Cash and cash equivalents	**1,979.97**	752.50	2,453.80	**1,979.97**	752.50	2,453.80
Other bank balances	**21,078.84**	19,506.07	20,292.02	**21,078.84**	19,506.07	20,292.02
Other financial assets	**9,330.53**	3,741.97	3,689.05	**9,330.53**	3,741.97	3,689.05
Total (B)	**43,007.66**	36,566.33	31,898.09	**43,007.66**	36,566.33	31,898.09
Total (A+B)	**70,644.34**	58,934.59	53,660.05	**70,644.34**	58,934.59	53,660.05

b) Fair value of financial liabilities

Particulars	Carrying values			Fair values		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Financial liabilities measured at amortised cost						
Trade payables	**770.83**	839.29	914.43	**770.83**	839.29	914.43
Others financial liabilities	**898.81**	1,142.58	1,546.11	**898.81**	1,142.58	1,546.11
Total	**1,669.64**	1,981.87	2,460.54	**1,669.64**	1,981.87	2,460.54

The fair value of the financial assets and liabilities represents amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a) The fair values of the quoted investments in equity shares and mutual funds are based on market price and net asset value (NAV) at the reporting date.

b) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Management has assessed that fair value of trade receivables, cash and cash equivalents, other bank balances, investments, loans, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

37.2 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

The categories used are as follows:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2018

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	**56.53**	**-**	**-**	**56.53**
Investment in mutual funds	**27,580.15**	**-**	**-**	**27,580.15**
Total	**27,636.68**	**-**	**-**	**27,636.68**

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	57.14	-	-	57.14
Investment in mutual funds	22,311.12	-	-	22,311.12
Total	22,368.26	-	-	22,368.26

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at April 1, 2016

Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	53.97	-	-	53.97
Investment in mutual funds	21,707.99	-	-	21,707.99
Total	21,761.96	-	-	21,761.96

37.3 Financial risk management objectives and policies

Risk management framework

The Board has overall responsibility for establishing and governing the Group's risk management framework. The Board has delegated monitoring and reviewing of the risk management plan to the Audit Committee. The Group has

Notes to the consolidated financial statements for the year ended March 31, 2018

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constituted a Executive Risk Committee, a Risk management team and functional sub-committees which are responsible for identifying, analysing, mitigating and monitoring risks as per risk management framework. The key risks and mitigation actions are also placed before Audit Committee and Board.

The Group is exposed to various risks in relation to financial instruments. The Group financial assets and liabilities are summaries in note 37.1. The main types of financial risks are market risk (price risk), credit risk and liquidity risk.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes may result from changes in foreign currency rate, interest rate, price and other market changes. The Group's exposure to market risk is mainly due to price risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence and exit strategies in order to mitigate losses as defined in board approved investment policy.

The Group is exposed to price risk arising mainly from investment in equity shares and investment in mutual funds recognised at fair value through profit or loss. The detail of such investments are given in note 37.1. If the prices had been higher/ lower by 1% from the market prices existing as at the reporting date, profit would have been increased/ decreased by Rs. 276.37 lakh and Rs. 223.68 lakh for the year ended March 31, 2018 and March 31, 2017 respectively.

b) Credit risk

Credit risk is the risk of financial loss to the Group if customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customer and investment in mutual funds and deposits with banks.

To manage credit risk, the Group periodically review its receivables from customer for any non-recoverability of the dues, taking in to account the inputs from business development team and ageing of trade receivables. The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other financial assets. The management uses a simplified approach for the purpose of computation of expected credit loss. The Group invests surplus funds as per the investment policy of the Company, which has been approved by the Board. Deposits are held with only high rated banks.

Movement in the expected credit loss allowance is as follows:

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Loss allowance at the commencement of the year	**924.50**	543.66
Changes in loss allowance	**114.05**	380.84
Loss allowance at the end of the year	**1,038.55**	924.50

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficultly in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. For the Group, liquidity risk arises from obligations on account of financial liabilities - Trade payable and other financial liabilities.

Liquidity risk management

The Group continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Group's finance department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through forecasts on the basis of expected cash flows.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities are as under:

As at March 31, 2018	**< 1 year**	**1 to 3 years**	**> 3 years**	**Total**
Trade payables	**770.83**	**-**	**-**	**770.83**
Other financial liabilities	**680.02**	**218.79**	**-**	**898.81**
Total	**1,450.85**	**218.79**	**-**	**1,669.64**

As at March 31, 2017	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	839.29	-	-	839.29
Other financial liabilities	1,109.03	17.97	15.58	1,142.58
Total	1,948.32	17.97	15.58	1,981.87

As at April 1, 2016	< 1 year	1 to 3 years	> 3 years	Total
Trade payables	914.43	-	-	914.43
Other financial liabilities	1,525.89	6.17	14.05	1,546.11
Total	2,440.32	6.17	14.05	2,460.54

37.4 Capital Management

The primary objective of the Group's capital management is to maximise the shareholder value. Equity share capital and other equity are considered for the purpose of group's capital management. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issues new shares and raises money through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

38 Transfer pricing

The Indian entities of the Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Indian entities of the Group have maintained adequate documentation for the international transactions entered into with the associated enterprises and expect such records to be in existence in accordance with the requirements of the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the consolidated financial statements, particularly on the amount of tax expense and that of provision for taxation.

39 Buy back of shares

The Board of Directors of the Company in its meeting held on February 9, 2017 approved a proposal to buyback equity shares of the Company, for an aggregate amount not exceeding Rs 4,000 lakh (referred to as the "Maximum Buyback Size") from shareholders of the Company under the open market route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Companies Act, 2013 and rules made thereunder. The buyback process commenced on March 2, 2017 and closed on April 3, 2017. The Company utilised 99.997% of Maximum Buyback Size authorised for buyback and bought back 96,720 equity shares resulted in total cash outflow of Rs. 3,999.89 lakh. Out of 96,720 equity shares bought back, the Company extinguished 80,677 equity shares as at March 31, 2017 and the remaining 16,043 equity shares were extinguished in the month of April 2017 as per the records of the depositories. In line with the requirement of the Companies Act 2013, an amount of Rs 3,990.22 lakh was utilized from the securities premium account for the buyback. Further, capital redemption reserve of Rs 9.67 lakh (representing the nominal value of the shares bought back) was created as an apportionment from the securities premium account.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

40 Treasury shares

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Shares	**Amount**	No. of Shares	Amount
Balance at the commencement of the year	**139,595**	**460.66**	163,667	540.10
Shares transferred to employees on exercise of stock options	**(10,176)**	**(33.58)**	(24,072)	(79.44)
Shares sold by ICRA Employees Welfare Trust *	**(88,736)**	**(292.83)**	-	-
Balance at the end of the year	**40,683**	**134.25**	139,595	460.66

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 1, 2016
Shares against vested options	**8,951**	19,345	43,706
Unissued shares (including shares against options expired or lapsed)	**31,732**	120,250	119,961
Total	**40,683**	139,595	163,667

*ICRA Employees Welfare Trust sold 88,736 equity shares of the Company and received net sale proceeds of Rs 3,594.86 lakh. Gain on sale of the Company's shares amounting to Rs 3,302.03 lakh is accounted through Capital Reserve in the consolidated financial statements.

41 Other comprehensive income

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
(i) Items that will not be reclassified to profit or (loss)		
Remeasurements of defined benefit liability/ (asset)	**4.69**	(166.95)
Income tax relating to items that will not be reclassified to profit or (loss)	**(2.66)**	57.78
(ii) Items that will be reclassified to profit or (loss)		
Exchange difference on translation of Foreign operations	**(2.02)**	48.39
Income tax relating to items that will be reclassified to profit or loss	**-**	-
Total other comprehensive income, net of tax (i+ii)	**0.01**	(60.78)

42 Following is the summary of changes in carrying amount of goodwill

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Balance at the commencement of the year	**122.53**	4,308.37
Foreign currency exchange gain / (loss)	**-**	32.81
Deletion during the year	**-**	(4,218.65)
Balance at the end of the year	**122.53**	122.53

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

The goodwill is on account of the investment in subsidiaries as of March 31, 2018, March 31, 2017 and April 1, 2016 respectively. Allocation of goodwill by segments as of March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outsourced and Information services	**122.53**	122.53	122.53
Professional and I.T. services	**-**	-	4,185.84
Total	**122.53**	122.53	4,308.37

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to their underlying segment. The recoverable amount is determined based on value in use calculation, which uses future cash flow projections based on financial budgets and plans approved by the management and applicable discount rate.

Budgeted Projections are based on same expected gross margins throughout the period. The cash flows beyond five-year period have been extrapolated using a steady growth rate. As at March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

The management believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

Following key assumptions were considered while performing Impairment testing

Budgeted Projections: The values assigned to the assumption reflect past experience and are consistent with the management's plans for focusing operations in these markets. The management believe that the planned market share growth per year for the next five years is reasonably achievable.

Budgeted gross margins: The segement will maintain the average gross margins achieved in the period immediately before the budget margin period.

The values assigned to the key assumption are consistent with external sources of information.

43 The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to consolidated financial year ended March 31, 2018. Corresponding disclosure as appearing in the audited consolidated financial statements for the period ended March 31, 2017 have been disclosed below:

Particular	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	2.49	1.61	4.10
Add: Permitted receipts	-	10.65	10.65
Less: Permitted payments	-	(4.42)	(4.42)
Less: Amount deposited in Banks (including Rs. 0.05 lakh exchanged at bank)	(2.49)	-	(2.49)
Closing cash in hand as on December 30, 2016	-	7.84	7.84

44 First time adoption of Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 3 have been applied in preparing the consolidated financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Consolidated Balance Sheet at April 1, 2016 (the Group's date of transition). In preparing its opening Ind AS Consolidated Balance Sheet, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, consolidated financial performance and consolidated cash flows is set out in the following tables and notes.

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

a) Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities (if any). This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible Assets". Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii. Share - based payment transactions

The Group has elected not to apply Ind AS 102 to equity instruments that vested prior to the date of transition to Ind AS.

iii. Business combinations

Ind AS 101 provides the option to apply Ind AS 103 "Business Combinations" prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

Accordingly, the Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Ind AS mandatory exceptions

i. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively, except where the same is impracticable.

b) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

i. Reconciliation of equity as reported under previous GAAP to Ind AS

Particulars	Footnote No.	As at March 31, 2017			As at April 1, 2016		
		Previous GAAP *	Adjustments	Ind AS	Previous GAAP *	Adjustments	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment		3,277.55	-	3,277.55	4,366.21	-	4,366.21
(b) Goodwill		122.53	-	122.53	4,308.37	-	4,308.37
(c) Other intangible assets	xi	261.74	(7.13)	254.61	519.81	-	519.81
(d) Intangible assets under development		81.38	-	81.38	70.82	-	70.82
(e) Financial assets							
(i) Investments	i	10,449.54	2,879.97	13,329.51	16,744.04	2,914.56	19,658.60
(ii) Loans	vii, viii	301.82	(91.24)	210.58	604.71	(139.41)	465.30
(iii) Other financial assets	vi	1,929.64	72.29	2,001.93	1,858.26	-	1,858.26
(f) Deferred tax assets (net)	v	536.10	(133.45)	402.65	614.79	(80.70)	534.09
(g) Non-current tax assets (net)		1,841.25	-	1,841.25	1,707.60	-	1,707.60
(h) Other non-current assets	viii	23.02	83.50	106.52	49.57	103.46	153.03
Total non-current assets		18,824.57	2,803.94	21,628.51	30,844.18	2,797.91	33,642.09
Current assets							
(a) Financial assets							
(i) Investments	i	15,835.72	1,894.25	17,729.97	1,731.22	403.36	2,134.58
(ii) Trade receivables		3,395.28	-	3,395.28	4,782.56	-	4,782.56
(iii) Cash and cash equivalents	vi	714.24	38.26	752.50	2,446.31	7.49	2,453.80
(iv) Bank balances other than (iii) above	vi	19,332.46	173.61	19,506.07	20,143.02	149.00	20,292.02
(v) Loans	vii, viii	285.04	(16.33)	268.71	192.36	(8.22)	184.14
(vi) Other financial assets	vi, viii	1,752.75	(12.71)	1,740.04	1,796.89	33.90	1,830.79
(b) Current tax assets		-	-	-	250.33	-	250.33
(c) Other current assets	viii	501.08	39.51	540.59	543.19	7.78	550.97
(d) Assets held for sale		456.46	-	456.46	-	-	-
Total current assets		42,273.03	2,116.59	44,389.62	31,885.88	593.31	32,479.19
Total assets		61,097.60	4,920.53	66,018.13	62,730.06	3,391.22	66,121.28
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		990.33	-	990.33	1,000.00		1,000.00
(b) Other equity	vi	48,912.98	4,995.71	53,908.69	46,623.77	6,515.36	53,139.13
Equity attributable to equity holders of parent		49,903.31	4,995.71	54,899.02	47,623.77	6,515.36	54,139.13
Non-controlling interests		94.65	-	94.65	80.19	-	80.19
Total equity		49,997.96	4,995.71	54,993.67	47,703.96	6,515.36	54,219.32
Liabilities							
Non-current liabilities							
(a) Financial liabilities							
(i) Other financial liabilities	iii, ix	44.40	(10.85)	33.55	27.24	(7.02)	20.22
(b) Provisions		502.63	-	502.63	1,221.19	-	1,221.19
(c) Other non-current liabilities	iii, viii	38.00	(31.16)	6.84	77.84	(73.12)	4.72
Total non-current liabilities		585.03	(42.01)	543.02	1,326.27	(80.14)	1,246.13
Current liabilities							
(a) Financial liabilities							
(i) Trade payables		838.04	1.25	839.29	913.95	0.48	914.43
(ii) Other financial liabilities	iii, x	1,109.09	(0.06)	1,109.03	1,526.45	(0.56)	1,525.89
(b) Provisions	ii	2,537.92	-	2,537.92	5,319.96	(3,008.94)	2,311.02
(c) Current tax liabilities (net)	vi	106.12	0.03	106.15	164.52	1.93	166.45
(d) Other current liabilities	iii, viii	5,923.44	(34.39)	5,889.05	5,774.95	(36.91)	5,738.04
Total current liabilities		10,514.61	(33.17)	10,481.44	13,699.83	(3,044.00)	10,655.83
Total liabilities		11,099.64	(75.18)	11,024.46	15,026.10	(3,124.14)	11,901.96
Total equity and liabilities		61,097.60	4,920.53	66,018.13	62,730.06	3,391.22	66,121.28

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

c) Reconciliation of Consolidated Statement of Profit and Loss as previously reported under previous GAAP to Ind AS

Particulars	Footnote No.	For the year ended March 31, 2017		
		Previous GAAP*	Adjustments	Ind AS
Revenue from operations		33,303.44	-	33,303.44
Other income	i, vi, viii	2,451.95	1,507.25	3,959.20
Total income		35,755.39	1,507.25	37,262.64
Expenses				
Employee benefits expense	iv, v, vii	15,798.61	(157.14)	15,641.47
Finance costs	viii	-	3.89	3.89
Depreciation and amortization expense		853.82	-	853.82
Other expenses	iii, viii	7,418.11	117.47	7,535.58
Total expenses		24,070.54	(35.78)	24,034.76
Profit before tax		11,684.85	1,543.03	13,227.88
Profit before tax from continuing operations		11,407.42	1,527.97	12,935.39
Tax expense:				
Current tax	vi	4,030.52	4.23	4,034.75
Deferred tax	v	39.52	105.09	144.61
Total tax expense		4,070.04	109.32	4,179.36
Profit after tax from continuing operations		7,337.38	1,418.65	8,756.03
Profit before tax from discontinued operations		277.43	15.06	292.49
Tax expense:				
Current tax		231.13	-	231.13
Deferred tax	v	(55.05)	(5.21)	(60.26)
Total tax expense		176.08	(5.21)	170.87
Profit after tax from discontinued operations		101.35	20.27	121.62
Profit after tax		7,438.73	1,438.92	8,877.65
Other comprehensive income				
Items that will not be reclassified to profit or (loss)				
Re-measurement of the defined benefit plans	iv, x	-	(166.95)	(166.95)
Income tax relating to items that will not be reclassified to profit or (loss)	x	-	57.78	57.78
Items that will be reclassified to profit or (loss)				
Foreign currency translation reserve	x	-	48.39	48.39
Income tax relating to items that will be reclassified to profit or loss		-	-	
Total other comprehensive income, net of tax		-	(60.78)	(60.78)
Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		7,438.73	1,378.14	8,816.87

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

d) Footnotes

i Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017. Accordingly, total equity increased by Rs. 4,774.22 lakh as March 31, 2017 and Rs. 3,317.92 lakh as at April 1, 2016 and profit for the year ended March 31, 2017 increased by Rs. 1,456.30 lakh.

ii Proposed dividend

Under the previous GAAP, till March 31, 2016 dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 3,008.94 lakh (including corporate dividend tax thereon) as at April 1, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings and recognised when the same is approved by shareholders in the general meeting.

iii Provision for straight lining of rental expenses

Under Previous GAAP, lease payments under an operating lease should be recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Under Ind AS 17, lease payments under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, other financial liabilities as at April 1, 2016 have been reduced by Rs. 117.44 lakh with the corresponding adjustment in the retained earnings. The other expenses for the year ended March 31, 2017 increased by Rs. 44.65 lakh.

iv Employee benefits

Both under Previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to Consolidated Statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised in Other comprehensive income instead of profit or loss. As a result of this change, the profit before tax for the year ended March 31, 2017 increased by 166.95 lakh. There is no impact on total equity as at March 31, 2017 and April 1, 2016.

v Deferred tax assets

Under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the Holding Company and its subsidiaries. No adjustment to tax expense was made on consolidation. Under Ind AS the Group has to recognise deferred tax on temporary differences that arise from the elimination of profit and losses resulting from intra-group transactions and undistributed earnings. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS. On the date transition, the net impact on deferred tax assets is Rs. 80.70 lakh.

Under previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

vi Trust Consolidation/ Treasury shares

Under previous GAAP, employee welfare trust was not required to be consolidated considering that this trust was

Notes to the consolidated financial statements for the year ended March 31, 2018

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

constituted as irrecoverable trust. Under Ind AS the assets, liabilities and expenses pertaining to the employee welfare trust have been consolidated. All intra-group balance and translation have been eliminated.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Capital Reserve. Share options exercised during the reporting period are adjusted with treasury shares.

vii Loan to employees

Under Previous GAAP, Group has recognised the loans granted to its employees (at concessional interest) at the transaction value. Under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the loan to employees is recognised as prepayments and is amortised over the period of the loan tenure (along with current and non- current classification). Further, interest is accreted on the present value of the loan amount paid (along with current and non- current classification).

viii Security deposits paid

Under Previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognised as prepayments and is amortised over the period of the lease term (along with current and non- current classification). Further, interest is accreted on the present value of the security deposits paid for lease rent (along with current and non- current classification).

ix Deposits for vehicles

Under Previous GAAP, the security deposits received are shown at the transaction value. Under Ind AS, the same are initially discounted and subsequently recorded at amortised cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits received is recognised as deferred finance income and is amortised over the period of the term (along with current and non- current classification). Further, interest is accreted on the present value of the Deposits for vehicles received (along with current and non- current classification).

x Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes Remeasurements of defined benefit obligation and exchange differences on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

xi Intangible assets

Under previous GAAP, overheads like rent, electricity and communication expenses were capitalised with the cost of intangible assets. However, under Ind AS the same is charged to Profit and Loss account.

xii Consolidated Statement of Cash Flows

Other than effect of certain reclassifications due to difference in presentation, there was no other material effect of cash flow from operating, financing, investing activities for all periods presented.

45 Segment information

The Group has determined following reporting segments based on the information reviewed by the Group's CODM.

a) Rating, research and other services – Rating, grading and industry research services.

b) Consulting services – Management consulting which includes risk management, financial advisory, outsourcing and policy advisory.

c) Outsourced and Information services – financial information product and services and KPO services

d) Professional and I.T. services etc. – IT solution, business intelligence and analytics

Notes to the consolidated financial statements for the year ended March 31, 2018

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

The above business segments have been identified considering :

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

The CODM is responsible for allocating resources and assessing performance of the operating segments.

(i) Segment wise Revenues and Results

Particulars	Continuing operations		Discontinued operations		Total	
	For the year ended March 31, 2018	For the year ended March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017
External Revenues						
Rating, research and other services	**22,574.81**	21,343.14	**-**	-	**22,574.81**	21,343.14
Consulting services	**2,232.57**	2,977.95	**-**	-	**2,232.57**	2,977.95
Outsourced and Information services	**6,044.09**	4,841.22	**-**	-	**6,044.09**	4,841.22
Professional and I.T. services	**35.03**	50.47	**-**	4,090.66	**35.03**	4,141.13
Total External Revenue	**30,886.50**	29,212.78	**-**	4,090.66	**30,886.50**	33,303.44
Inter-segment Revenue						
Rating, research and other services	**19.40**	14.12	**-**	-	**19.40**	14.12
Consulting services	**130.33**	95.78	**-**	-	**130.33**	95.78
Outsourced and Information services	**32.36**	19.41	**-**	-	**32.36**	19.41
Professional and I.T. services	**-**	-	**-**	11.31	**-**	11.31
Total Inter-segment Revenue	**182.09**	129.31	**-**	11.31	**182.09**	140.62
Total Revenue						
Rating, research and other services	**22,594.21**	21,357.26	**-**	-	**22,594.21**	21,357.26
Consulting services	**2,362.90**	3,073.73	**-**	-	**2,362.90**	3,073.73
Outsourced and Information services	**6,076.45**	4,860.63	**-**	-	**6,076.45**	4,860.63
Professional and I.T. services	**35.03**	50.47	**-**	4,101.97	**35.03**	4,152.44
Total Segment Revenue	**31,068.59**	29,342.09	**-**	4,101.97	**31,068.59**	33,444.06
Less: Elimination of Inter-segment Revenue	**(182.09)**	(129.31)	**-**	(11.31)	**(182.09)**	(140.62)
Total Revenue	**30,886.50**	29,212.78	**-**	4,090.66	**30,886.50**	33,303.44
Segment Results						
Rating, research and other services	**9,707.04**	8,510.28	**-**	-	**9,707.04**	8,510.28
Consulting services	**(834.80)**	(120.31)	**-**	-	**(834.80)**	(120.31)
Outsourced and Information services	**1,979.96**	1,319.73	**-**	-	**1,979.96**	1,319.73
Professional and I.T. services	**(22.21)**	(11.14)	**-**	252.27	**(22.21)**	241.13
Total profit before tax for reportable segments	**10,829.99**	9,698.56	**-**	252.27	**10,829.99**	9,950.83
Unallocated expenses	**(74.73)**	(678.26)	**-**	-	**(74.73)**	(678.26)
Interest expense	**(10.36)**	(3.89)	**-**	-	**(10.36)**	(3.89)
Other income	**4,935.53**	3,918.98	**-**	40.22	**4,935.53**	3,959.20
Provision for tax	**(5,562.18)**	(4,179.36)	**-**	(170.87)	**(5,562.18)**	(4,350.23)
Profit after tax	**10,118.25**	8,756.03	**-**	121.62	**10,118.25**	8,877.65

Notes to the consolidated financial statements for the year ended March 31, 2018

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

(ii) Segment wise Capital employed

Particulars	Continuing operations			Discontinued operations			Total		
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended April 1, 2016	**For the year ended March 31, 2018**	For the year ended March 31, 2017	For the year ended April 1, 2016	**For the year ended March 31, 2018**	For the year ended March 31, 2017	For the year ended April 1, 2016
Capital employed (Segment assets - Segment liabilities)									
Segment assets									
Rating, research and other services	**4,265.42**	3,937.31	4,086.63	**-**	-	-	**4,265.42**	3,937.31	4,086.63
Consulting services	**1,557.29**	1,909.34	1,937.77	**-**	-	-	**1,557.29**	1,909.34	1,937.77
Outsourced and Information services	**3,920.35**	3,018.32	3,097.30	**-**	-	-	**3,920.35**	3,018.32	3,097.30
Professional and I.T. services	**17.65**	8.15	11.34	**-**	-	7,377.72	**17.65**	8.15	7,389.06
Total assets of reportable segments	**9,760.71**	8,873.12	9,133.04	**-**	-	7,377.72	**9,760.71**	8,873.12	16,510.76
Unallocable assets	**67,312.66**	57,145.01	47,205.48	**-**	-	2,405.04	**67,312.66**	57,145.01	49,610.52
Total assets	**77,073.37**	66,018.13	56,338.52	**-**	-	9,782.76	**77,073.37**	66,018.13	66,121.28
Segment liabilities									
Rating, research and other services	**9,469.56**	9,216.81	9,398.31	**-**	-	-	**9,469.56**	9,216.81	9,398.31
Consulting services	**953.49**	654.73	691.05	**-**	-	-	**953.49**	654.73	691.05
Outsourced and Information services	**940.80**	856.79	700.41	**-**	-	-	**940.80**	856.79	700.41
Professional and I.T. services	**8.35**	21.58	13.37	**-**	-	1,002.10	**8.35**	21.58	1,015.47
Total liabilities of reportable segments	**11,372.20**	10,749.91	10,803.14	**-**	-	1,002.10	**11,372.20**	10,749.91	11,805.24
Unallocable liabilities	**65.61**	274.55	49.21	**-**	-	47.51	**65.61**	274.55	96.72
Total liabilities	**11,437.81**	11,024.46	10,852.35	**-**	-	1,049.61	**11,437.81**	11,024.46	11,901.96
Total capital employed	**65,635.56**	54,993.67	45,486.17	**-**	-	8,733.15	**65,635.56**	54,993.67	54,219.32

Notes to the consolidated financial statements for the year ended March 31, 2018
(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)

(iii) Other information

Particulars	Continuing operations		Discontinued operations		Total	
	For the year ended March 31, 2018	For the year ended March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Capital expenditure during the year						
Rating, research and other services	**210.91**	161.96	**-**	-	**210.91**	161.96
Consulting services	**31.20**	91.73	**-**	-	**31.20**	91.73
Outsourced and Information services ^	**73.73**	1,298.38	**-**	-	**73.73**	1,298.38
Professional and I.T. services	**-**	-	**-**	172.41	**-**	172.41
Depreciation						
Rating, research and other services	**271.07**	324.99	**-**	-	**271.07**	324.99
Consulting services	**152.24**	142.44	**-**	-	**152.24**	142.44
Outsourced and Information services	**329.21**	298.05	**-**	-	**329.21**	298.05
Professional and I.T. services	**-**	-	**-**	88.34	**-**	88.34
Non cash expenses other than depreciation						
Rating, research and other services	**78.91**	570.70	**-**	-	**78.91**	570.70
Consulting services	**434.78**	294.28	**-**	-	**434.78**	294.28
Outsourced and Information services	**1.06**	2.31	**-**	-	**1.06**	2.31
Professional and I.T. services	**-**	-	**-**	-	**-**	-
Interest income	**2,687.88**	2,132.49	**-**	27.86	**2,687.88**	2,160.35

^ Including inter-segment purchases

(iv) Information about secondary segment- Geographical segment

In respect of secondary segment information, the Group has identified its geographical segments as:

(a) Within India

(b) Outside India

Particulars	Continuing operations		Discontinued operations		Total	
	For the year ended March 31, 2018	For the year ended March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Revenue from external customer by geographical market						
India	**25,552.26**	24,475.23	**-**	206.20	**25,552.26**	24,681.43
Outside India	**5,334.24**	4,737.55	**-**	3,884.46	**5,334.24**	8,622.01
Total	**30,886.50**	29,212.78	**-**	4,090.66	**30,886.50**	33,303.44
Non current assets *						
India	**3,845.20**	3,825.19			**3,845.20**	3,825.19
Outside India	**17.16**	17.40			**17.16**	17.40
Total	**3,862.36**	3,842.59	**-**	-	**3,862.36**	3,842.59
Capital expenditure						
India	**309.81**	1,547.94	**-**	170.23	**309.81**	1,718.17
Outside India	**6.03**	4.13	**-**	2.18	**6.03**	6.31
Total	**315.84**	1,552.07	**-**	172.41	**315.84**	1,724.48

* Non-current assets are excluding financial instruments, deferred tax assets and non-current tax assets.

Notes to the consolidated financial statements for the year ended March 31, 2018

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

46 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiary:

Name of the entity	As at March 31, 2018							
	Net Assets (Total assets–Total liabilities)		Share in consolidated profit or (loss)		Share in consolidated Other comprehensive income		Share in consolidated total comprehensive income	
	As % of consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of Consolidated profit or (loss)	Amount	As % of Consolidated profit or (loss)	Amount
Parent								
ICRA Limited	87.15%	57,085.76	99.63%	10,032.19	-8453.85%	-21.98	99.41%	10,010.21
Subsidiaries								
Indian								
ICRA Management Consulting Services Limited	3.10%	2,029.68	-8.65%	(871.45)	-1784.62%	(4.64)	-8.70%	(876.05)
Pragati Development Consulting Services Limited	0.15%	96.18	0.37%	37.32	-	-	0.37%	37.32
ICRA Online Limited	7.31%	4,790.42	14.30%	1,440.02	11100.00%	28.86	14.59%	1,468.88
ICRA Employees welfare Trust	6.17%	4,043.86	34.08%	3,431.63	-	-	34.08%	3,431.63
Foreign								
PT. ICRA Indonesia	0.00%	2.32	0.00%	(0.22)	-	-	0.00%	(0.22)
ICRA Lanka Limited	0.13%	83.45	0.07%	6.55	-665.38%	(1.73)	0.05%	4.82
ICRA Nepal Limited	0.42%	272.33	0.99%	99.38	-192.31%	-0.50	0.98%	98.88
Non-controlling interest included in respective subsidiaries	-0.20%	(133.44)	-0.48%	(48.70)	96.16%	0.25	-0.48%	(48.45)
Eliminations	-4.23%	(2,768.44)	-40.31%	(4,057.17)	-	-	-40.30%	(4,057.21)
Total	100.00%	65,502.12	100.00%	10,069.55	100.00%	0.26	100.00%	10,069.81

As per our report of even date attached

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

Shashank Agarwal
Partner
Membership No.: 095109

Place: Gurugram
Dated: May 17, 2018

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

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

Arun Duggal
Chairman
(DIN: 00024262)

Vipul Agarwal
Group Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries
Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts (Rupees in lakhs)

S. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover*	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	ICRA Management Consulting Services Limited			1,500.00	529.68	2,806.20	776.52	5.00	2,195.46	(774.80)	96.65	(871.45)	_	100% owned by ICRA Limited
2	ICRA Online Limited			895.15	3,895.27	5,760.90	970.48	_	5,872.82	2,043.03	603.01	1,440.02	537.09	100% owned by ICRA Limited
3	PT. ICRA Indonesia	December 31	1 INR = IDR 210.0273	1,510.66	(1,508.34)	2.86	0.54	_	_	(0.22)	_	(0.22)	_	99% owned by ICRA Limited
4	ICRA Lanka Limited		Balance Sheet : (1 INR = 2.3870 LKR) Profit loss (1 INR= 2.3804 LKR)	256.59	(173.14)	139.52	56.07	_	127.03	8.63	2.08	6.55	_	100% owned by ICRA Limited
5	ICRA Nepal Limited	Mid of July	1 INR = NPR 1.6015	124.88	147.45	433.13	160.80	31.22	254.62	132.88	33.50	99.38	19.71	51% owned by ICRA Limited
6	Pragati Development Consulting Services Limited			5.00	91.18	442.25	346.07	_	207.28	50.31	13.00	37.32	_	100% owned by ICRA Management Consulting Services Limited
7	ICRA Employees Welfare Trust			2.00	4,176.11	4,178.12	0.61	134.25**	_	3,499.34	67.71	3,431.63	_	Note 4

Notes:

1 . Names of subsidiaries which are yet to commence operations :Nil

2. Names of subsidiaries which have been liquiated or sold during the year :Nil

3. The financial statements are as on March 31, 2018

4. ICRA Limited has established ICRA Employees Welfare Trust ("Trust") with the object of the Trust as defined in the trust deed. The Trust holds 40,683 equity shares of ICRA Limited, as on March 31, 2018.

*Including other operating income

**Investments in equity shares of ICRA Limited

Shareholders Frequently Asked Questions

Q Since when and on which Stock Exchanges are ICRA's Equity Shares listed?

A ICRA's Equity Shares are listed on two Stock Exchanges with effect from April 13, 2007:

1. BSE Limited (BSE): [Scrip Code: 532835]

   Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

2. National Stock Exchange of India Limited (NSE): [Symbol: ICRA]

   Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

Q When does ICRA's financial year end?

A ICRA's financial year ends on March 31.

Q How much dividend has ICRA paid during the last three financial years?

A For the financial year 2016-17, a Dividend of 270%

For the financial year 2015-16, a Dividend of 250%

For the financial year 2014-15, a Dividend of 240%

Q How can a shareholder get dividend, if not yet received?

A The shareholder concerned may write to our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, or our Company Secretary & Compliance Officer, Mr. S. Shakeb Rahman, at the relevant address as mentioned below, quoting her/his folio number in the case of physical shares and the client ID and DP ID particulars in the case of dematerialised shares. We will check our records and issue a duplicate dividend warrant/demand draft if the dividend has remained unpaid according to the records of the Company.

Q Where is ICRA's Registered Office located?

A Address of ICRA's Registered Office and its contact details are as follows:

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

Tel: +91 11 2335 7940-45; Website: www.icra.in

Q Who should be contacted for any information or assistance on share related matters including dematerialisation/rematerialisation, transfer/transmission of shares, subdivision or consolidation of shares, issue of duplicate share certificates, and unclaimed/non-receipt of dividend?

A Please contact our Registrar and Share Transfer Agent:

M/s. Link Intime India Private Limited

44 Community Centre, 2nd Floor, Naraina Industrial Area, Phase I, Near PVR, Naraina, New Delhi – 110028

Email: delhi@linkintime.co.in; Tel: +91 11 4141 0592/93/94; Fax: +91 11 4141 0591

Or, ICRA's Company Secretary & Compliance Officer:

Mr. S. Shakeb Rahman

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

Email: investors@icraindia.com; Tel: + 91 124 4545 300

Q How can one convert physical holding into electronic holding, that is, how can one dematerialise shares?

A In order to dematerialise physical securities one has to fill in a DRF (Demat Request Form) which is available with the Depository Participant (DP) and submit the same along with physical certificates that are to be dematerialised. Separate DRF has to be filled for each ISIN (International Securities Identification Number). The complete process of dematerialisation is outlined below:

- Surrender certificates for dematerialisation to your DP.
- DP intimates to the Depository regarding the request through the system.
- DP submits the certificates to the registrar of the Issuer Company.

Shareholders Frequently Asked Questions

- Registrar confirms the dematerialisation request from depository.
- After dematerialising the certificates, Registrar updates accounts and informs depository. regarding completion of dematerialisation.
- Depository updates its accounts and informs the DP.
- DP updates the demat account of the investor.

Q Can electronic holdings be converted back into physical certificates?

A Yes. The process is called rematerialisation. If one wishes to get back her/his securities in the physical form s/he has to fill in the RRF (Remat Request Form) and request her/his DP for rematerialisation of the balances in her/his securities account. The process of rematerialisation is outlined below:

- Investor makes a request for rematerialisation.
- Depository participant intimates depository regarding the request through the system.
- Depository confirms rematerialisation request to the registrar.
- Registrar updates accounts and prints certificates.
- Depository updates accounts and downloads details to the depository participant.
- Registrar dispatches certificates to the investor.

Q What is the procedure for splitting a share certificate into smaller lots?

A Shareholders may write to the Company's Registrar and Share Transfer Agent enclosing the relevant share certificate for splitting into smaller lots. The share certificates, after splitting, will be sent by the Company's Registrar and Share Transfer Agent to the Shareholders at their registered address.

Q What is the procedure for getting share certificates issued in various denominations consolidated into a single certificate?

A Shareholders having certificates in various denominations under the same folio should send all the certificates to the Company's Registrar and Share Transfer Agent for consolidation of all the shares into a single certificate. If the shares are not under the same folio but have the same order of names, the Shareholder should write to the Company's Registrar and Share Transfer Agent for consolidation of folios. This will help the Shareholders efficiently monitor the holding and the corporate benefits receivable thereon. Consolidation of share certificates helps in saving costs in the event that the shares are dematerialised and also provides convenience in case the shares are continued to be held physically.

Q Who should be contacted for complaints?

A Our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited,

or our Company Secretary & Compliance Officer, Mr. S. Shakeb Rahman, at the relevant address as mentioned above.

Q If the shares are dematerialised, what is the procedure for change of address?

A Since the records of your dematerialised shares are maintained by your Depository Participant (DP), you have to inform your DP of any change in your address. Your DP will pass on this information to the Registrar whenever any action like despatch of Annual Reports or payment of dividend is due to be taken by the Registrar. Shareholders are advised to update their address and Bank Account details with their respective depository participants so that in future Dividend Warrants, the Annual Report etc. are delivered to their latest address and the dividend amount is directly credited to their Bank Account.

Q If the shares are held in the physical form, what is the procedure for change of address?

A Please send a written request along with a certified photocopy of any two of the following documents: electricity bill, telephone bill, gas bill, bank pass book, passport, voter identity card, aadhaar card, and driving licence. The request letter should be signed by the first shareholder or by all joint-holders stating the new address along with the PIN Code, and should be sent to the Registrar or ICRA (addresses mentioned earlier). Please quote your Folio number also.

Q Can there be multiple addresses for a single Folio?

A No, there can be only one registered address for one Folio.

Q Can joint-holders request a change of address?

A No, the letter of request will need to have the signature of the first shareholder or of all shareholders.

NOTICE

Notice is hereby given that the **Twenty-Seventh** Annual General Meeting of the Members of **ICRA Limited** (the **"Company"**) will be held on Thursday, the 9th day of August, 2018, at 3:00 p.m. at Air Force Auditorium, Subroto Park, New Delhi 110010, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a. the audited financial statements of the Company for the financial year ended March 31, 2018 and the report of the Board of Directors and Auditors thereon; and

   b. the audited consolidated financial statements of the Company and its Subsidiaries for the financial year ended March 31, 2018 and the report of the Auditors thereon.

2. To declare dividend on the equity shares for the financial year ended March 31, 2018.

3. To appoint a Director in place of Mr. Thomas John Keller Jr. (DIN: 00194502), who retires by rotation, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To appoint Mr. Navneet Agarwal as a Non-Executive and Non-Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   ''RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Mr. Navneet Agarwal (DIN: 07971691) who was appointed as an Additional Director with effect from November 2, 2017 and who holds office till the date of the Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

   ''RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company.''

5. To approve Employees Stock Options Scheme, 2018 and grant of stock options to the Eligible Employees/Directors of the Company under the Scheme and to consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

   ''RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR Regulations"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as "SEBI SBEB Regulations"), other applicable statutes, rules, regulations and guidelines, if any (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded respectively to the Employees Stock Option Scheme, 2018 (hereinafter referred to as the "ESOS 2018" or "Scheme"), and to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers including the powers conferred by these Resolutions) to grant from time to time, in one or more tranches, not exceeding 39,993 employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company who has been working in India or outside India, whole-time/managing Directors (other than promoters of the Company or person belonging to the promoter group, Independent Directors and Directors holding himself or through his relative or through any body corporate, directly or indirectly more than 10% of the outstanding equity shares of the Company on the terms and conditions as may be determined by the Board in accordance with the provisions of the ESOS 2018 and in due compliance with the applicable laws and regulations in force ("Eligible Employee").

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, restructuring or such other similar event, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws and regulations.

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOS 2018.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the ESOS 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members except when required under SEBI SBEB Regulations and further to execute all documents and writings as may be necessary or expedient, with the further power to delegate such powers to any executives/officers of the Company and to give such directions and/or instructions as may be necessary or expedient and to give effect to such modifications, changes, variations, alterations, amendments, suspensions or terminations of the ESOS 2018 as it may in its absolute discretion deem fit and to do all other things incidental or ancillary thereof.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or any Officer(s) of the Company.''

6. To approve Employees Stock Options Scheme, 2018 and grant of stock options to the Eligible Employees/Directors of the Company's subsidiaries under the Scheme and to consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions**:

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR Regulations"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred as "SEBI SBEB Regulations"), other applicable statutes, rules, regulations and guidelines, if any (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers including the powers conferred by these Resolutions) to extend the benefits of the "Employees Stock Option Scheme, 2018" ("ESOS 2018") referred under Item No. 5 above within the limit prescribed therein to or for the benefit of such person(s) who are in permanent employment of any existing or in future Subsidiary Company/ies of the Company, whole-time/managing Directors thereof (other than promoters of the Company or person belonging to the promoter group, Independent Directors and Directors holding himself or through his relative or through any body corporate, directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether in India or outside India, as may be decided under the ESOS 2018 on the terms and conditions as may be determined by the Board in accordance with the provisions of the ESOS 2018 and in due compliance with the applicable laws and regulations in force.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the ESOS 2018 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may at its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all documents and writings as may be necessary or expedient, with the further power to delegate such powers to any executives/officers of the Company and to give such directions and/or instructions as may be necessary or expedient and to give effect to such modifications, changes, variations, alterations, amendments, suspensions or terminations of the ESOS 2018 as it may in its absolute discretion deem fit and to do all other things incidental or ancillary thereof.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or any Officer(s) of the Company."

By Order of the Board of Directors
For ICRA Limited

Place: Gurugram
Date: June 28, 2018

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

CIN: L74999DL1991PLC042749
Registered Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110 001
Telephone No.: +91.11.23357940-45
Website: www.icra.in
Email ID: investors@icraindia.com

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE SAID MEETING AND VOTE ON HER/HIS BEHALF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
3. A proxy form duly stamped and executed, in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting.
4. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
5. Members/Proxy holders are requested to bring at the venue of the Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
6. The explanatory statements pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business proposed under item nos. 4, 5 and 6 above, are annexed hereto and forms a part of this Notice.
7. Members holding shares in the physical form are requested to send the advice about any change in their registered address or bank particulars, to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, quoting their folio number. **Members holding shares in the electronic form must send the advice about any change in their registered address or bank particulars to their respective Depository Participants and not to the Company.**
8. The Notice of the Annual General Meeting along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail IDs are registered with the Company's Registrar and Share Transfer Agent/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. www.icra.in.
9. Members are requested to update (in case of change)/register, at the earliest, their email IDs with their Depository Participants in case the shares are held in the electronic form or the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited, in case the shares are held in the physical form. The Company will continue to send the said documents in the physical form to such Members whose email IDs it does not have and to those who request delivery of the said documents in the physical form.
10. Pursuant to Section 123(5) of the Companies Act, 2013, and Regulation 12 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding use of electronic payment modes for making payments to investors, **Members are requested to update their bank account and latest address details with their respective Depository Participants** (for shares held in the electronic form) or **submit duly completed NECS mandate forms** (available on the Company's website) along with a photocopy of their cheques to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited (for shares held in the physical form). Our Registrar and Share Transfer Agent will take due note of the same for payment of Dividend. Your Company provides Direct Credit (DC), Real Time Gross Settlement (RTGS), National Electronic Clearing Service (NECS) for payment of Dividend. Through DC/RTGS/NECS, Members can receive their Dividend electronically by way of direct credit to their bank accounts. This obviates problems like loss/fraudulent interception of Dividend warrants during postal transit while also expediting payment. It is strongly recommended that Members opt for DC/RTGS/NECS, if not done already. Members may kindly note that DC/RTGS/NECS details are accessed from the Depositories (for shares held in the electronic form) and from the Company's Registrar and Share Transfer Agent (for shares held in the physical form) and used for payment of Dividend.
11. Members desiring any information on the accounts of the Company are requested to write to the Company at least 10 (ten) days prior to the date of the Annual General Meeting so as to enable the Company keep the information ready.
12. Members may write to the Company Secretary of the Company for the annual accounts of the Subsidiary companies. The annual accounts of the Subsidiary companies for the financial year ended March 31, 2018 are available on the

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website www.icra.in under Investors section. The annual accounts shall also be available for inspection by any Member at the Registered Office of the Company.

13. In all correspondence with the Company or with its Share Transfer Agent, Members are requested to quote their Client ID Number and their DP ID Number if the shares are held in the dematerialised form; in case the shares are held in the physical form, they must quote their folio number.

14. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, August 7, 2018 to Wednesday, August 8, 2018 (both days inclusive) for determining the names of Members eligible to receive the Dividend declared, if any, on the equity shares of the Company.

15. If the Members approve the payment of Dividend at the forthcoming Annual General Meeting, the Dividend shall be paid to all those Members whose names appear in the Register of Members as on Monday, August 6, 2018, and to all those Members whose names appear as beneficial owners as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited on the close of business hours as on that date.

16. Those Members who have not yet encashed/claimed the Dividend of the Company for any/all of the financial years 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 are requested to encash/claim the same immediately. In terms of Section 124(5) of the Companies Act, 2013, the Company shall be required to transfer the unclaimed/unpaid Dividend of the Company on the expiry of seven years from the date it became due for payment, to the "Investor Education and Protection Fund".

    The details of the un-encashed/unclaimed Dividend for the Financial Years 2010-11 to 2016-17 as on March 31, 2018 are as under:

Dividend for the financial year	Unclaimed/Unpaid Dividend as on March 31, 2018 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2010-11	82,603.00	September 18, 2018
2011-12	122,720.00	September 9, 2019
2012-13	108,724.00	September 8, 2020
2013-14	119,186.00	September 19, 2021
2014-15	87,960.00	September 15, 2022
2015-16	64,700.22	September 12, 2023
2016-17	1,01,816.83	September 5, 2024

    Pursuant to Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendment Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the demat account of Investor Education and Protection Fund ("IEPF") Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF as per the procedure mentioned in the said Rules.

17. Voting through electronic means

I. In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer electronic voting ("E-voting") facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 27th Annual General Meeting of the Company. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide E-voting facility.

II. The E-voting Event Number (EVEN) is as under:

EVEN	108606

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III. The E-voting facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
Monday, August 6, 2018 (9:00 a.m. IST)	Wednesday, August 8, 2018 (5:00 p.m. IST)

IV. The instructions for E-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. demat (NSDL or Central Depository Services (India) Limited ("CDSL") or physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in physical form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

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(ii) If your email ID is not registered, your **'initial password'** is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the **"Initial password"** or have forgotten your password:

    a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) Physical User **"Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, click on Agree to **"Terms and Conditions"** by selecting on the check box.

8. Now, you will have to click on **"Login"** button.

9. After you click on the **"Login"** button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see "EVEN" of the companies in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to asa.corporateadvisors@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

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V. The E-voting period commences on Monday, August 6, 2018 (9:00 a.m. IST) and ends on Wednesday, August 8, 2018 (5:00 p.m. IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, August 3, 2018 may cast their vote electronically. The E-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

VI. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, August 3, 2018.

VII. Since the Company is required to provide Members facility to exercise their right to vote by electronic means, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Friday, August 3, 2018 and not casting their vote electronically, may only cast their vote at the 27th Annual General Meeting of the Company.

VIII. Mr. Sachin Agarwal, Proprietor of A. Sachin & Associates, Company Secretaries, Mobile No. 9871790055 e-mail Id: asa.corporateadvisors@gmail.com, has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.

IX. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

X. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.icra.in and on the website of NSDL within two (2) days of passing of the resolutions at the 27th Annual General Meeting of the Company on August 9, 2018, and communicated to the BSE Limited and the National Stock Exchange of India Limited.

18. All documents referred to in the accompanying Notice will be available for inspection at the Registered Office of the Company during office hours on all working days up to the date of declaration of the result of the 27th Annual General Meeting of the Company.

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

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

Prior to joining Moody's, Mr. Agarwal spent seven years as the head of debt syndication with a boutique investment bank in India, where he also managed a proprietary book. He has also worked with Unit Trust of India as an investment manager and with Banc of America Securities.

Mr. Agarwal received an M.B.A. with Honors from The University of Chicago, Booth School of Business. He has an M.M.S. from the University of Mumbai and a B.B.S. from the University of Delhi. He is also a CFA charter holder.

The Board of Directors of the Company appointed Mr. Agarwal as an Additional Director, effective from November 2, 2017. As per the provisions of Section 161 of the Companies Act, 2013, Mr. Agarwal holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director liable to retire by rotation. Mr. Agarwal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

The Nomination and Remuneration Committee of your Company has considered the candidature of Mr. Agarwal, and recommended to the Members of the Company for appointment as a Director of the Company, liable to retire by rotation.

With Mr. Agarwal joining as Director, the Company would be benefited from his extensive experience and expertise.

Mr. Agarwal does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Agarwal, is in any way concerned or interested in this Resolution. Details regarding Mr. Agarwal have been presented in the Annexure to the accompanying Notice.

The Board of Directors of your Company is of the opinion that the appointment of Mr. Agarwal would be beneficial to the Company and hence recommends the Resolution at Item no. 4 for approval of the Members of the Company.

Item Nos. 5 and 6

The Members of ICRA Limited ("Company" or "ICRA") in the annual general meeting held in June 2006 passed a resolution for introducing Employees Stock Option Scheme, 2006 ("ESOS 2006"). The ESOS 2006 came into force on June 27, 2006 and expired on June 27, 2016, after completion of 10 years. Options granted under the ESOS 2006 can be exercised till November 8, 2018.

As part of the aforesaid resolution, ICRA approved the issuance of 9,06,000 equity shares of the Company to a trust called ICRA Employees Welfare Trust ("Trust") which was formed by ICRA for the welfare of its employees and administration of ESOS 2006.

The Trust was allotted 9,06,000 equity shares by ICRA under preferential allotment prior to the Initial Public Offer ("IPO") in March 2007 at an IPO issue price of Rs. 330 per share.

Out of the said 9,06,000 equity shares, 7,85,532 equity shares were granted, 88,736 equity shares were sold by the Trust, and 31,732 equity shares of the Company continued to be held by the Trust as of date and are not subject to any grant or vesting. As the 8,261 options granted under the ESOS 2006 can be exercised till November 8, 2018, there could be a possibility that some or all of those options may not be exercised and therefore may be available for new grants. Accordingly, the equity shares that may be available for new grants could be to the extent of 39,993 equity shares on November 8, 2018, including 31,732 equity shares of the Company held by the Trust that are not currently subject to vesting or grant.

The Company believes in rewarding its permanent employees who have been working in India or outside India, whole-time/ managing Directors of the Company and its Subsidiaries for their continuous hard work, dedication and support, which has led the Company and its subsidiaries on the growth path. The Company intends to adopt an employee stock option scheme with a view to attract and retain the key talent working with the Company and its Subsidiaries by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

With this objective in mind, the Company intends to adopt new Employees Stock Option Scheme, 2018 ("ESOS 2018" or "Scheme") for the purpose of granting options to the permanent employees of the Company who have been working in

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

India or outside India, whole-time/managing Directors (other than promoters of the Company or person belonging to the promoter group, Independent Directors and Directors holding himself or through his relative or through any body corporate, directly or indirectly more than 10% of the outstanding equity shares of the Company), on the terms and conditions as may be determined by the Board in accordance with the provisions of the ESOS 2018 and in due compliance with the applicable laws and regulations in force ("Eligible Employee").The grant of such options will enable the said employees to acquire equity shares out of those issued to the Trust pursuant to ESOS, 2006, which equity shares have not been granted or remained unvested or lapsed. Therefore, there will be no further dilution to the shareholding of the Members in the Company on account of the ESOS 2018 proposed to the Members for adoption, as no new equity shares will be issued by the Company.

Item nos.5 and 6 of the Notice are Special Resolutions seeking the approval of the Members respectively to the ESOS 2018, and to authorize the Board of Directors of the Company to grant from time to time, to employees/directors of the Company and its Subsidiaries (present and future), in one or more tranches, employee stock options under the ESOS 2018 not exceeding 39,993 stock options out of the equity shares already held by the Trust.

The Company seeks the Members' approval in respect of the ESOS 2018 and grant of stock options to Eligible Employees of the Company and its Subsidiaries as decided in this behalf from time to time in due compliance of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

The main features of the ESOS 2018 are as under:

a. Brief description of the Scheme

The objective of ESOS 2018 is to: (i) reward the Eligible Employees for their past association and performance as well as to motivate them to contribute to further the growth, development and success and profitability of the Company; (ii) act as a retention mechanism by enabling participation of the Eligible Employees in the business as an active stakeholder to usher in "owner manager" culture; and (iii) to maintain the ability of the Company to attract and retain Employees of outstanding ability for positions of substantial responsibility.

b. Total number of options to be granted

Each option would entitle an Eligible Employee to acquire one equity share of the Company. The Nomination and Remuneration Committee ("N&RC") shall determine the options to be granted to the employees of the Company and its subsidiaries, as applicable, under ESOS 2018. The maximum aggregate number of equity shares, which may be subject to options granted under this Scheme, shall not exceed 39,993 equity shares amounting to 0.40% of the paid up share capital of the Company which are already held by the ICRA Employees Welfare Trust ("Trust").

c. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

All the permanent employee of the Company who have been working in India or outside India and whole-time/managing Directors (other than promoters of the Company or person belonging to the promoter group, Independent Directors and Directors holding himself or through his relative or through any body corporate, directly or indirectly more than 10% of the outstanding equity shares of the Company), of the Company and its subsidiary companies (present and future), as applicable and any successor company thereof, whether working in India or outside India, will be entitled to participate in ESOS 2018, subject to fulfillment of such eligibility criteria(s) as may be specified in the SEBI SBEB Regulations and/or as may be determined by N&RC from time to time.

d. Requirements of vesting and period of vesting

The vesting of an option would also be subject to the terms and conditions as may be stipulated by the N&RC from time to time including but not limited to satisfactory performance of the employees, their continued employment with the Company/its subsidiaries, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 3 years from the date of the grant of the options. The options could vest in tranches. The number of options and terms of the same made available to employees (including the vesting period) could vary at the discretion of the N&RC.

e. Maximum period within which the options shall be vested

The maximum vesting period of an option shall not be more than a period of 3 years from the date of grant of options.

f. Exercise price or pricing formula

Exercise Price shall be as decided by the N&RC, subject to a minimum of the face value per share.

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

g. Exercise period and process of exercise

Exercise period - Upto 5 years from the date of vesting of options.

Process of exercise - The holder of the option granted pursuant to ESOS 2018 may, at any time during the exercise period, and subject to fulfillment of conditions of vesting, exercise the options by submitting the prescribed exercise form to the Trust and notifying the Company of such exercise, accompanied by payment of an amount equivalent to the exercise price in respect of such shares. N&RC may determine the procedure for exercise from time to time. Upon receipt of the exercise form and the payment of the exercise price in a form and manner as may be stipulated by the N&RC, the Trust shall transfer (or cause to be issued) shares to the holder of the options.

h. The appraisal process for determining the eligibility of employees for the Scheme

The specific Eligible Employee to whom the options would be granted and their eligibility criteria (including but not limited to performance, merit, grade, conduct and length of service of the Employee) would be determined by the N&RC, in its absolute discretion.

i. Maximum number of options to be issued per employee and in aggregate

The maximum aggregate number of equity shares, which may be subject to options granted under this Scheme, shall not exceed 39,993 equity shares amounting to 0.40% of the paid up share capital of the Company which are held by the Trust. The total number of options to be offered to each Eligible Employee will be determined by the N&RC but which shall not be more than 10,000 Shares.

j. Maximum quantum of benefits to be provided per employee under a scheme

As per applicable SEBI SBEB Regulations.

k. Whether the Scheme is to be implemented and administered directly by the company or through a trust

Scheme is to be implemented and administered by the Company through the Trust.

l. Whether the Scheme involves new issue of shares by the company or secondary acquisition by the trust or both

Scheme does not involve new issue of shares by the Company. The grant of options under the Scheme will enable the Eligible Employees to acquire not exceeding 39,993 equity shares issued to the Trust pursuant to ESOS 2006.

m. The amount of loan to be provided for implementation of the Scheme by the company to the trust, its tenure, utilization, repayment terms, etc.

NIL

n. Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme

This is not relevant under the ESOS 2018.

o. A statement to the effect that the company shall conform to the accounting policies

The Company shall comply with the accounting policies specified in the requirements on the guidance note on accounting for employees share based payments (‘Guidance Note’) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including disclosure requirements prescribed therein.

p. The method which the company shall use to value its options

The Company shall follow the black scholes valuation method for computing the compensation cost for the options granted.

Consent of the Members is being sought by way of Special Resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations. The Members are requested to accord their approval to the Special Resolutions as set out in the Notice.

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

A copy of the proposed ESOS 2018 is available for inspection at the Company's corporate office on all working days (excluding Saturday, Sunday and holidays) till the date of the annual general meeting.

None of the Directors of the Company, the Key Managerial Personnel of the Company or their relatives are interested or concerned in the Resolutions, except to the extent of their entitlements, if any, under the ESOS 2018.

By Order of the Board of Directors
For ICRA Limited

Place: Gurugram
Date: June 28, 2018

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

CIN: L74999DL1991PLC042749
Registered Office: 1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg, New Delhi 110 001
Telephone No.: +91.11.23357940-45
Website: www.icra.in
Email ID: investors@icraindia.com

Annexure

Details of the Director seeking reappointment/appointment at the Twenty-Seventh Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Profile	 Mr. Thomas John Keller Jr. is a Non-Independent and Non-Executive Director of ICRA Limited. Mr. Keller is Managing Director and Head of both the MIS Commercial Group and Regional Management. As Head of the Commercial Group, Mr. Keller drives MIS's sales and marketing efforts, product development and strategic initiatives. He manages all MIS commercial relationships with issuers seeking rating services, dedicated to aligning the services that Moody's delivers to the needs of the market, while providing effective and efficient customer service. As Head of the Regional Management organisation, he provides global leadership to advance, execute and communicate strategies across regions in which MIS operates. In this capacity, working closely with regional and country managers to enhance coordination and transparency, Mr. Keller leads business growth initiatives; planning, budgeting and regulatory monitoring outside the U.S.; and the management of Moody's global assets (people, products, offices, capabilities). In addition, he oversees the relationships with MIS non-Moody's-branded affiliates to manage risk exposure and enhance cooperation. He is also the executive sponsor of Moody's LGBTA Employee Resource Group and a board member of the Hetrick-Martin Institute. Prior to this current role, and in addition to managing the Regional Management organisation, Mr. Keller was responsible for all activities related to Moody's sovereign ratings that included ensuring the quality of those ratings and providing the analytical leadership to serve investors and issuers through its research. Before that, beginning in 2007, Mr. Keller was the Managing Director for the Global Public, Project and Infrastructure Finance Group, responsible for MIS's globally consistent methodology in assessing credit risk for all levels of financing across the group's wideranging portfolio. Mr. Keller has also served as the Head of MIS Asia Pacific, broadly responsible for Moody's offices and ratings in the region, first as Managing Director of the Rating Group and then as Representative Director of Moody's Japan. Mr. Keller joined the company in 1992 as a Senior Analyst covering a broad range of sectors, including high-grade corporates, high-yield industrials and financial services. Prior to Moody's, he worked at Chemical Bank and Manufacturers Hanover Trust Company. He earned a B.B.A. from the University of Rhode Island and an M.B.A. from Iona College.	 Mr. Navneet Agarwal is an Additional Director of ICRA under the category Non-Independent and Non Executive Director. Mr. Agarwal is a Managing Director and head of Moody's Structured Finance Primary Ratings for the Americas in addition to Other Permissible Services for structured finance globally. Previously, Mr. Agarwal has led the US RMBS new ratings, the surveillance function for Moody's U.S. Asset Finance Group and a CLO surveillance team. He has also served on the Global Structured Finance Credit Committee and acted as a Group Credit Officer. Mr. Agarwal has published and spoken extensively on Moody's behalf and has also served in various analytic capacities in the RMBS, ABS and Structured Credit Ratings teams. Prior to joining Moody's, Mr. Agarwal spent seven years as the head of debt syndication with a boutique investment bank in India, where he also managed a proprietary book. He has also worked with Unit Trust of India as an investment manager and with Banc of America Securities.
Name of Director	Mr. Thomas John Keller Jr.	Mr. Navneet Agarwal
Date of Birth	October 13, 1959	August 19, 1972

Relationship with other Directors inter se	None	None
First Date of Appointment	January 30, 2015	November 2, 2017
Expertise in Specific Functional Areas	General Management, Strategy & Execution	Structured Finance, General Management, Strategy
Qualifications	B.B.A. from the University of Rhode Island; M.B.A. from Iona College	M.B.A. with Honors from The University of Chicago, Booth School of Business; M.M.S. from the University of Mumbai; B.B.S from the University of Delhi; CFA charter holder.
No. of Equity Shares held in the Company	Nil	Nil
List of Other Companies/ bodies corporate (including listed entities) in which Directorships are held	• Moody's KIS • Equilibrium Clasificadora de Riesgo S.A.	Nil
List of Committees of the Board of Directors (across all companies / bodies corporate) in which Chairmanship/ Membership is held**	None	None

***Pursuant to Regulation 26(1)(b) of the Listing Regulations, only two committees, viz. Audit Committee and Stakeholders Relationship Committee, have been considered.*

Note: For other details such as number of meetings of the board and its committees attended during the financial year 2017-18 and remuneration drawn in respect of Mr. Thomas John Keller Jr. and Mr. Navneet Agarwal, please refer to the corporate governance report of the Company.

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74999DL1991PLC042749
Name of the company:	**ICRA Limited**
Registered office:	1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110 001

Name of Member(s):

Registered address:

Email ID:

Folio No/Client ID:

DP ID:

I/We, being the Member(s) holding ………… Share(s) of the above named company, hereby appoint

1. Name: ……

   Address: ……

   Email ID: ……

   Signature:……………………………, or failing him/ her

2. Name: ……

   Address: ……

   Email ID: ……

   Signature:……………………………, or failing him/ her

3. Name: ……

   Address: ……

   Email ID: ……

   Signature:……………………………………………

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Seventh Annual General Meeting of the Company to be held on Thursday, the 9th day of August, 2018 at 3.00 p.m. at Air Force Auditorium, Subroto Park, New Delhi 110 010, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt:
   a. the audited financial statements of the Company for the financial year ended March 31, 2018 and the report of the Board of Directors and the Auditors thereon;
   b. the audited consolidated financial statements of the Company and its Subsidiaries for the financial year ended March 31, 2018 and the report of Auditors thereon.
2. To declare dividend on the equity shares for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Thomas John Keller Jr. (DIN: 00194502), who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Mr. Navneet Agarwal (DIN: 07971691) as a Non-Executive and Non-Independent Director of the Company.
5. To approve Employees Stock Options Scheme, 2018 and grant of stock options to the Eligible Employees/Directors of the Company under the Scheme.
6. To approve Employees Stock Options Scheme, 2018 and grant of stock options to the Eligible Employees/Directors of the Company's subsidiaries under the Scheme.

Signed this ……day of…………, 2018

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ICRA LIMITED

Corporate Identity Number (CIN): L74999DL1991PLC042749

Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg, New Delhi–110 001
Telephone No.: +91.11.23357940-45, Website: www.icra.in Email ID: investors@icraindia.com

ATTENDANCE SLIP

Regd. Folio/DP ID & Client ID	
Number of shares	
Name and Address of the Member	

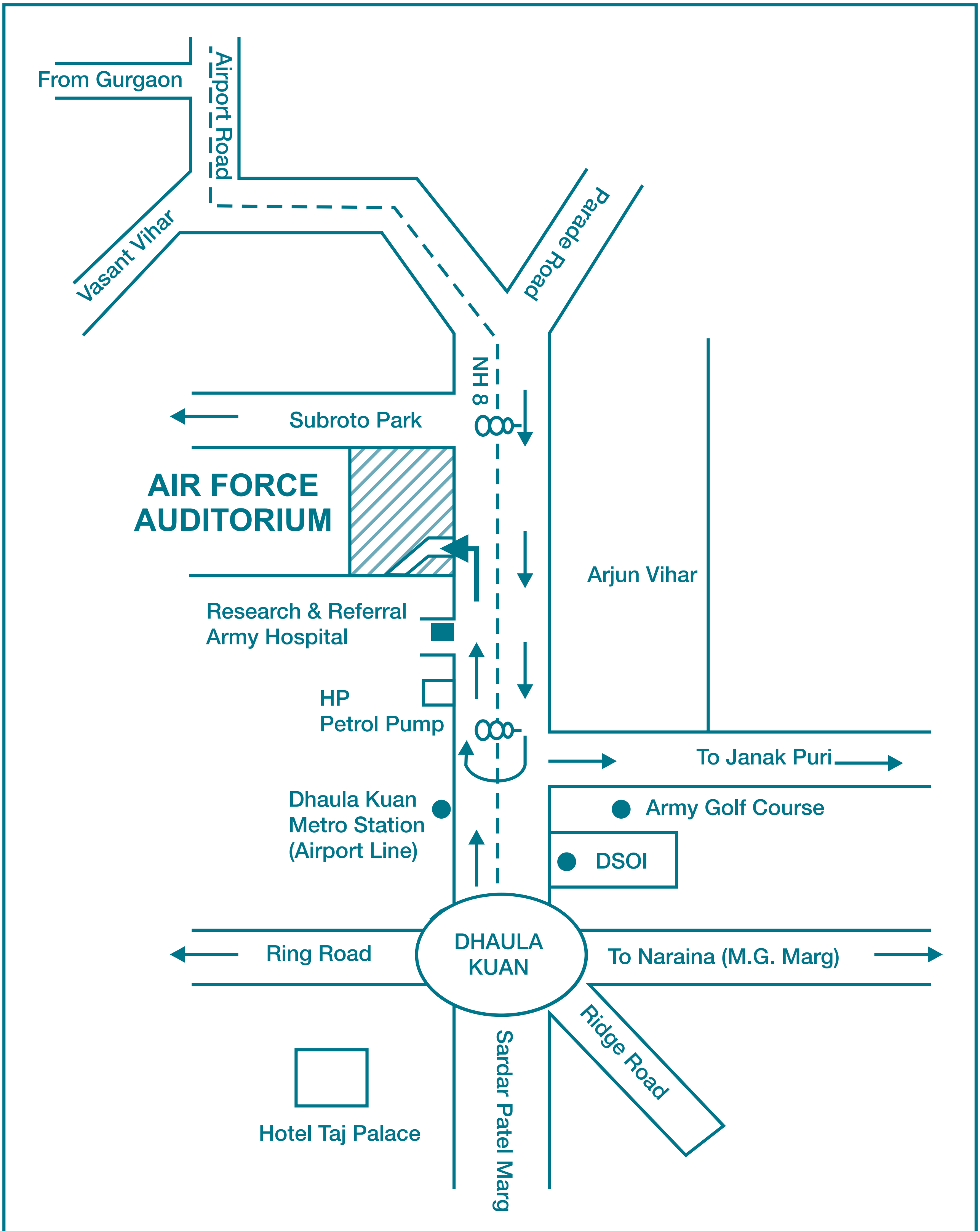
I hereby record my presence at the Twenty-Seventh Annual General Meeting of the Company held on Thursday, the 9th day of August, 2018, at 3.00 p.m. at Air Force Auditorium, Subroto Park, New Delhi 110 010.

Name of the Member/Proxy
(in block letters)

Member's/Proxy's Signature

Note: *Please fill up this attendance slip and hand it over at the entrance of the meeting hall.*

Route map to the venue of the AGM



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ICRA ONLINE LIMITED

(Registered & Corporate Office)
Infinity Benchmark,
17th Floor, Plot - G-1
Block GP, Sector V, Salt Lake
Kolkata 700091, India
Tel: +91-33-40170100
Fax: +91-33-40170101

(Branch Office)
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Navi Mumbai 400614, India
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Fax: +91-22-27563057

www.icraonline.com

PRAGATI DEVELOPMENT CONSULTING SERVICES LIMITED

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1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11-23357940-45

(Corporate Office)
Logix Park, 1st Floor
Tower A-4 & A-5, Sector - 16
Noida 201 301 (U.P.), India
Tel.: 91-120-4103328
Fax: 91-120-4515850

ICRA MANAGEMENT CONSULTING SERVICES LIMITED

NEW DELHI
(Registered Office)
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11-23357940-45

NOIDA
(Corporate Office)
Logix Park, First Floor,
Tower A4 & A5, Sector - 16
Noida 201 301 (U.P.), India
Tel.: 91-120-4515800
Fax: 91-120-4515850

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CHENNAI
Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600035, India
Tel.: 91-44-45964300

BENGALURU
The Millenia, Tower-B
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Bengaluru 560008, India
Tel.: 91-80-43326400

www.imacs.in

ICRA LIMITED

NEW DELHI
(Registered Office)
1105, Kailash Building
11th Floor, 26, Kasturba Gandhi Marg
New Delhi 110001, India
Tel.: 91-11-23357940-45

GURUGRAM
(Corporate Office)
Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurugram 122002, Haryana, India
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MUMBAI
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Appasaheb Marathe Marg, Prabhadevi
Mumbai 400025, India
Tel.: 91-22-61693300

KOLKATA
FMC Fortuna,
A-10 & 11, 3rd Floor
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Kolkata 700020, India
Tel.: 91-33-71501100/1101

CHENNAI
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Chennai 600035, India
Tel.: 91-44-45964300

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1 & 2 Murphy Road, Ulsoor
Bengaluru 560008, India
Tel.: 91-80-43326400

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2nd Floor, Vayudooth Chambers
15-16, Trinity Circle
M.G. Road
Bengaluru 560001, India
Tel.: 91-80-49225500

AHMEDABAD
907-908, Sakar II
Ellisbridge, Opp. Town Hall
Ahmedabad 380006, India
Tel.: 91-79-40271500

HYDERABAD-1
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6-3-927/A&B Somajiguda
Raj Bhavan Road
Hyderabad 500082, India
Tel.: 91-40-40676500

HYDERABAD-2
No.7-1-58, 301, 3rd Floor
CONCOURSE
Above SBI-HPS Branch
Ameerpet
Hyderabad 500 016, India
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PUNE
5A, 5th Floor, Symphony
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www.icra.in

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www.icranepal.com

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ICRA
A MOODY'S INVESTORS SERVICE COMPANY