

# Corporate Governance Report

## A. Company's Philosophy on Corporate Governance

Good governance encompasses conduct of the Company's business in an ethical, transparent, fair and equitable manner with due regard to the interests of various stakeholders, exercising 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. They are expected to be persons with vision, leadership qualities, a strategic bent of mind, proven competence, and integrity.

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

### (ii) Composition of the Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced structure. The Board has nine Directors, two of whom are Executive Directors. Of the seven Non-Executive Directors, five are Independent Directors. The Chairman of the Board is an Independent Director. The number of Independent Directors is more than one-third the total numbers of Directors. The number of Non-Executive Directors is more than 50% of the total number of Directors. All Directors, except the Vice-Chairman & Group CEO and the Managing Director & CEO, are liable to retire by rotation.

Particulars	Composition of the Board		Minimum Requirement as per Clause 49
	No. of Directors	% of Total Directors	
Non-Executive Directors	7	78	50%
Executive Directors	2	22	-
<b>Total</b>	<b>9</b>	<b>100</b>	
Independent Directors	5	56	33%
Non-Independent Directors	4	44	-
<b>Total</b>	<b>9</b>	<b>100</b>	

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None of the Directors on the Board of your Company is a member of more than 10 committees or chairman of more than five committees (in compliance with Clause 49 of the Listing Agreement), considering all the companies in which they are Directors. None of the subsidiary companies of your Company is a material non-listed Indian subsidiary company as defined under Clause 49 III of the Listing Agreement. One of the Independent Directors is a Director on the Board of "ICRA Management Consulting Services Limited" (IMaCS), a subsidiary of your Company.

The composition of the Board along with the other directorships held by each of the Directors is set out below:

Name of Director <sup>1</sup>	Position	Relationship with Other Directors	Directorship in Other Companies <sup>2</sup>	No. of Board Committee(s) of which she/he is a Member <sup>3</sup>	No. of Board Committee(s) of which she/he is a Chairman <sup>3</sup>
Mr. Dhruva Narayan Ghosh	Chairman Non-Executive Independent Director	None	5	1	1
Mr. Pranab Kumar Choudhury	Executive Non-Independent Director	None	9	4	None
Mr. Naresh Takkar	Executive Non-Independent Director	None	2	1	1
Dr. Uddesh Kohli	Non-Executive Independent Director	None	7	6	2
Prof. Deepak Nayyar	Non-Executive Independent Director	None	2	2	2
Mr. Piyush Gunwantrao Mankad	Non-Executive Independent Director	None	12	8	2
Mr. Amal Ganguli	Non-Executive Independent Director	None	14	6	5
Ms. Jennifer Ann Elliott	Non-Executive Non-Independent Director	None	22	1	None
Mr. Frederic Walter Jacques Drevon	Non-Executive Non-Independent Director	None	21	None	None

<sup>1</sup> Except Mr. Pranab Kumar Choudhury, none of the Directors of your Company was holding any shares of your Company as on March 31, 2011.

<sup>2</sup> Including Private Companies and Foreign Companies.

<sup>3</sup> Includes membership/chairmanship only of the Audit Committee(s) and Shareholders'/Investors' Grievance Committee(s) in all companies (Public Limited Companies and Private Limited Companies), including ICRA Limited.

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Name of Director	Directorship in Other Companies
<b>Mr. Dhruva Narayan Ghosh</b>	<ul style="list-style-type: none"> <li>• Housing Development Finance Corporation Limited</li> <li>• Sundaram BNP Paribas Asset Management Company Limited</li> <li>• ICRA Management Consulting Services Limited</li> <li>• Birla Corporation Limited</li> <li>• Peerless Hospitex Hospital and Research Center Limited</li> </ul>
<b>Mr. Pranab Kumar Choudhury</b>	<ul style="list-style-type: none"> <li>• ICRA Online Limited</li> <li>• ICRA Management Consulting Services Limited</li> <li>• ICRA Techno Analytics Limited</li> <li>• Peerless Securities Limited</li> <li>• Indian Railway Finance Corporation Limited</li> <li>• ICRA Sapphire Inc.</li> <li>• PT. ICRA Indonesia</li> <li>• The Peerless General Finance &amp; Investment Company Limited</li> <li>• ICRA Lanka Limited</li> </ul>
<b>Mr. Naresh Takkar</b>	<ul style="list-style-type: none"> <li>• ICRA Techno Analytics Limited</li> <li>• ICRA Online Limited</li> </ul>
<b>Dr. Uddesh Kohli</b>	<ul style="list-style-type: none"> <li>• ALSTOM Projects India Limited</li> <li>• Lanco Infratech Limited</li> <li>• Power Equity Capital Advisors (Pvt.) Limited</li> <li>• PTC India Financial Services Limited</li> <li>• RK Wind Limited</li> <li>• Henkel India Limited</li> <li>• National Energy Trading and Services Limited</li> </ul>
<b>Prof. Deepak Nayar</b>	<ul style="list-style-type: none"> <li>• Steel Authority of India Limited</li> <li>• Birla Corporation Limited</li> </ul>
<b>Mr. Piyush Gunwantrao Mankad</b>	<ul style="list-style-type: none"> <li>• Tata International Limited</li> <li>• Tata Elxsi Limited</li> <li>• DSP Blackrock Investment Managers Limited</li> <li>• Max India Limited</li> <li>• Noida Toll Bridge Company Limited</li> <li>• Kingfisher Airlines Limited</li> <li>• SRF Limited</li> <li>• Heidelberg Cement India Limited</li> <li>• Tata Power Company Limited</li> <li>• Mahindra Forgings Limited</li> <li>• Mahindra &amp; Mahindra Financial Services Limited</li> <li>• United Breweries (Holdings) Limited</li> </ul>
<b>Mr. Amal Ganguli</b>	<ul style="list-style-type: none"> <li>• ML Infomap Private Limited</li> <li>• HCL Technologies Limited</li> <li>• New Delhi Television Limited</li> <li>• Century Textiles and Industries Limited</li> <li>• AVTEC Limited</li> <li>• Hughes Communications India Limited</li> <li>• Maruti Suzuki India Limited</li> </ul>

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Name of Director	Directorship in Other Companies
<p><b>Ms. Jennifer Ann Elliott</b></p>	<ul style="list-style-type: none"> <li>• Tata Communications Limited</li> <li>• AIG Trustee Company (India) Private Limited</li> <li>• Aricent Technologies (Holdings) Limited</li> <li>• Ascendas Property Fund Trustee Private Limited</li> <li>• Aptuit Laurus Private Limited</li> <li>• Tata Teleservices (Maharashtra) Limited</li> <li>• Triveni Turbines Limited</li>   <li>• China Chengxin International Credit Rating Company Limited</li> <li>• Moody's Asia Pacific Limited</li> <li>• Moody's Investors Service (Beijing) Limited</li> <li>• Moody's Investors Service (Korea) Inc.</li> <li>• Korea Investors Service Inc.</li> <li>• PT. Moody's Indonesia</li> <li>• Moody's Japan K.K.</li> <li>• Moody's Investors Service Pty. Limited</li> <li>• Moody's Investors Service Funds Pty. Limited</li> <li>• Moody's Mauritius Holdings Limited</li> <li>• Moody's Investment Company India Private Limited</li> <li>• Asia Securities Industry and Financial Markets Association Limited</li> <li>• Moody's Singapore Pte. Limited</li> <li>• Moody's Company Hong Kong Limited</li> <li>• Moody's China (BVI) Limited</li> <li>• Moody's Investors Service Hong Kong Limited</li> <li>• Moody's Investors Service Singapore Pte. Limited</li> <li>• Moody's Asia Pacific Group (Singapore) Pte. Limited</li> <li>• Moody's Group Australia Pty. Limited</li> <li>• Moody's Indonesia (BVI) Limited</li> <li>• Moody's Investors Service Asia Pacific Pty. Ltd.</li> <li>• Moody's SF Japan K.K.</li> </ul>
<p><b>Mr. Frederic Walter Jacques Drevon</b></p>	<ul style="list-style-type: none"> <li>• Moody's Investors Service Espana S.A.</li> <li>• Midroog Limited</li> <li>• Moody's Investors Service Limited</li> <li>• Moody's Holdings Limited</li> <li>• Moody's Central Europe (BVI) Limited</li> <li>• Moody's Holdings (BVI) Limited</li> <li>• Moody's Investors Service (BVI) Limited</li> <li>• Moody's Deutschland GmbH</li> <li>• Moody's Italia S.r.l.</li> <li>• Moody's Investors Service South Africa (Pty) Limited</li> <li>• Moody's Dubai (BVI) Limited</li> <li>• Moody's Interfax Rating Agency Limited (Russia)</li> <li>• Moody's South Africa (BVI) Limited</li> <li>• Moody's Middle East Limited</li> <li>• Moody's Indonesia (BVI) Limited</li> <li>• Moody's Group UK Limited</li> <li>• Moody's Group Deutschland GmbH</li> <li>• Moody's EMEA Limited</li> <li>• Moody's Group France SAS</li> <li>• Moody's Investors Service Cyprus Limited</li> <li>• Moody's France SAS</li> </ul>

## Corporate Governance Report

### (iii) Board Meetings/Annual General Meeting

During the year 2010-11, the Board of Directors of your Company met five times: on May 18, 2010; August 12, 2010; August 31, 2010; November 9, 2010; and February 2, 2011. The previous Annual General Meeting was held on August 12, 2010.

Details regarding the attendance of Directors at the Board Meetings and the Annual General Meeting held during the year 2010-11 are presented in the following table.

Director	No. of Board Meetings Held	No. of Board Meetings Attended	Whether Last Annual General Meeting Attended
Mr. Dhruva Narayan Ghosh	5	4	Yes
Mr. Pranab Kumar Choudhury	5	5	Yes
Mr. Naresh Takkar	5	5	Yes
Dr. Uddesh Kohli	5	4	Yes
Prof. Deepak Nayyar	5	4	Yes
Mr. Piyush Gunwantrao Mankad	5	4	No
Mr. Amal Ganguli	5	4	Yes
Ms. Jennifer Ann Elliott	5	4	Yes
Mr. Frederic Walter Jacques Drevon	5	3	No

### (iv) Membership Term and Retirement Policy

According to the Articles of Association of your Company, at every Annual General Meeting, one-third of such 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 shall be those who have been longest in office since their last appointment, but as between persons who became Director on the same day those who are to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for 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. The Code of Conduct is available on your Company's website [www.icra.in](http://www.icra.in).

All the members of the Board and the Senior Management personnel of your Company have confirmed their compliance with the Code of Conduct for the year ended March 31, 2011.

## Corporate Governance Report

### C. Board Committees

In compliance with both the mandatory and non-mandatory requirements under the Listing Agreement, and the applicable laws, the Board has constituted the following committees:

- (i) Audit Committee
- (ii) Remuneration Committee
- (iii) Shareholders'/Investors' Grievance Committee
- (iv) ESOS [Employee Stock Option Scheme] Compensation Committee
- (v) Strategy Committee

The Chairman of the Board, in consultation with the Company Secretary and the respective chairmen of these committees, determines the frequency of the meetings of these committees. The recommendations of the committees are submitted to the Board for noting/approval.

#### (i) Audit Committee

The terms of reference of the Audit Committee include:

- (a) Oversight of the Company's financial reporting process, and disclosure of financial information, so as to ensure accuracy of information.
- (b) Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- (c) Approval of payment to statutory auditors for any other service so rendered.
- (d) Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' responsibility statement that is a part of the Directors' Report under Section 217 (2AA) of the Companies Act, 1956;
  - Changes, if any, in accounting policies and practices and the reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related-party transactions; and
  - Qualifications in the draft audit report.
- (e) Reviewing, with the Management, the quarterly financial statements before submission to the Board, performance of statutory and internal auditors, and adequacy of internal control.
- (f) Mandatorily reviewing the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related-party transactions;
  - Management letters/letters of internal control weakness issued by statutory auditors;
  - Internal audit report relating to internal control weakness; and
  - Appointment, removal and terms of remuneration of the internal auditor(s).

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The Audit Committee consists of five Non-Executive Directors, of whom four are Independent Directors. The Chairman of the committee, Mr. Dhruva Narayan Ghosh, is a Non-Executive Independent Director.

The Composition of the Audit Committee is as under:

1. Mr. Dhruva Narayan Ghosh, Chairman
2. Dr. Uddesh Kohli,
3. Prof. Deepak Nayyar,
4. Mr. Amal Ganguli, and
5. Ms. Jennifer Ann Elliott.

The Statutory and Internal Auditors of the Company are invitees to the Audit Committee. The previous Annual General Meeting of the Company was held on August 12, 2010, and it was attended by Mr. Dhruva Narayan Ghosh, Chairman of the committee.

The Audit Committee met four times during the year 2010-11: on May 18, 2010; August 12, 2010; November 9, 2010; and February 2, 2011. The following table presents the details of attendance at the Audit Committee meetings held during the year 2010-11.

Director	No. of Meetings Held	No. of Meetings Attended
Mr. Dhruva Narayan Ghosh, Chairman	4	4
Dr. Uddesh Kohli	4	3
Prof. Deepak Nayyar	4	4
Mr. Amal Ganguli	4	3
Ms. Jennifer Ann Elliott	4	4

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

### (ii) Remuneration Committee

The Remuneration Committee is headed by a Non-Executive Director. The committee consists of:

1. Mr. Dhruva Narayan Ghosh, Chairman,
2. Prof. Deepak Nayyar,
3. Mr. Piyush Gunwantrai Mankad, and
4. Mr. Frederic Walter Jacques Drevon.

During 2010-11, a meeting of the Remuneration Committee was held on August 12, 2010.

The following table presents the details of attendance at the Remuneration Committee meeting held during the year 2010-11.

Director	No. of Meetings Held	No. of Meetings Attended
Mr. Dhruva Narayan Ghosh, Chairman	1	1
Prof. Deepak Nayyar	1	1
Mr. Piyush Gunwantrai Mankad	1	Nil
Mr. Frederic Walter Jacques Drevon	1	Nil

The Company Secretary of your Company is the secretary to this committee.

## Corporate Governance Report

### Remuneration Policy

#### Executive Directors

During the year 2010-11, your Company paid remuneration to its Executive Directors within the limits envisaged under the applicable provisions of the Companies Act, 1956. The remuneration paid to the Executive Directors was approved by the Board and the Remuneration Committee within the limits approved by the shareholders. The Remuneration Committee determines your Company's policy on specific remuneration packages for the Executive Directors.

#### Remuneration of the Executive Directors

The remuneration structure for the Executive Directors of your Company has four components:

- Fixed Pay:** This consists of various heads of pay, such as Basic Salary, House Rent Allowance, Conveyance Allowance and City Compensatory Allowance, and other perquisites;
- Deferred Pay:** This is paid in the form of Deferred Incentive;
- Share of Profit:** This is paid in the form of Commission; and
- Stock Options:** These are granted by the ESOS Compensation Committee under the Employees Stock Option Scheme.

The compensation package of an individual Member of Staff is linked to skills and capabilities, standard of performance, and responsibilities handled.

#### Remuneration Paid/Payable to Executive Directors for the year ended March 31, 2011

(Amounts in Rupees)

Name	Mr. Pranab Kumar Choudhury	Mr. Naresh Takkar
Designation	Vice-Chairman & Group CEO	Managing Director & CEO
Salary	46,80,000	38,10,000
Allowances	61,61,748	56,73,798
Perquisites	9,92,379	7,98,997
Commission	71,85,000	71,85,000
Amortisation of Deferred Employees Compensation	33,41,161	33,41,161
Provident Fund Contribution	6,09,600	4,92,600
Total Remuneration	2,29,69,888	2,13,01,556
Appointment Valid Till	January 31, 2012	June 30, 2011
Notice Period	3 months	3 months
No. of Stock Options Granted During the Year	12,000*	12,000*

\*Subject to approval of the Shareholders

#### Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees of Rs. 20,000 for each meeting attended of the Board or a Board committee.

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### Sitting Fees Paid to Non-Executive Directors during the year 2010-11

(Amounts in Rupees)

S.No.	Name of the Director	Sitting Fees Paid
1	Mr. Dhruva Narayan Ghosh	2,00,000
2	Dr. Uddesh Kohli	1,60,000
3	Prof. Deepak Nayyar	2,40,000
4	Mr. Piyush Gunwantrao Mankad	80,000
5	Mr. Amal Ganguli	1,40,000
6	Ms. Jennifer Ann Elliott	1,60,000
7	Mr. Frederic Walter Jacques Drevon	80,000

The Non-Executive Directors are also paid remuneration by way of Commission, as approved by the shareholders in its meeting held on July 29, 2008, of an aggregate amount not exceeding 1% of the net profits of the Company, for each financial year or part thereof computed in the manner specified under Section 198 (1) of the Companies Act, 1956, and divided among them who were on the Board of the Company at the end of respective financial year or in such a manner as the Board of Directors deems fit.

### Commission Payable to Non-Executive Directors for the year 2010-11

(Amounts in Rupees)

S.No.	Name of the Director	Commission
1	Mr. Dhruva Narayan Ghosh	5,00,000
2	Dr. Uddesh Kohli	5,00,000
3	Prof. Deepak Nayyar	5,00,000
4	Mr. Piyush Gunwantrao Mankad	5,00,000
5	Mr. Amal Ganguli	5,00,000
6	Ms. Jennifer Ann Elliott	5,00,000
7	Mr. Frederic Walter Jacques Drevon	5,00,000

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

### (iii) Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee is headed by a Non-Executive Director. The Committee consists of:

1. Dr. Uddesh Kohli, Chairman,
2. Prof. Deepak Nayyar, and
3. Mr. Pranab Kumar Choudhury

The Company Secretary of your Company is the Compliance Officer.

During 2010-11, a meeting of the Shareholders'/Investors' Grievance Committee was held on February 2, 2011.

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The following table presents the details of attendance at the Shareholders'/Investors' Grievance Committee meeting held during the year 2010-11.

Director	No. of Meetings Held	No. of Meetings Attended
Dr. Uddesh Kohli, Chairman	1	1
Prof. Deepak Nayyar	1	1
Mr. Pranab Kumar Choudhury	1	1

The Shareholders'/Investors' Grievance Committee oversees redressal of shareholder and investor complaints on matters such as transfer of shares, non-receipt of shares, and non-receipt of declared dividends, ensures expeditious transfer of shares and issue of duplicate share certificates, and approves sub-division/transmission of shares. Your Company received five complaints from shareholders/investors during the financial year 2010-11 all of which were redressed to the satisfaction of the shareholders/investors concerned. There was one complaint pending at the beginning and end of the financial year 2010-11.

### (iv) ESOS Compensation Committee

The ESOS Compensation Committee of the Board of Directors of your Company is headed by a Non-Executive Director. The committee consists of:

1. Mr. Dhruva Narayan Ghosh, Chairman,
2. Prof. Deepak Nayyar, and
3. Mr. Frederic Walter Jacques Drevon.

During 2010-11, a meeting of the ESOS Compensation Committee was held on November 9, 2010.

The following table presents the details of attendance at the ESOS Compensation Committee meeting held during the year 2010-11.

Director	No. of Meetings Held	No. of Meetings Attended
Mr. Dhruva Narayan Ghosh, Chairman	1	1
Prof. Deepak Nayyar	1	1
Mr. Frederic Walter Jacques Drevon	1	1

During 2010-11, the ESOS Compensation Committee granted 2,72,500 Options to the eligible Optionees of the Company as per the Employees Stock Option Scheme, 2006.

### (v) Strategy Committee

The Strategy Committee is headed by a Non-Executive Director. This committee considers issues related to competitive strategies, business plans, product development, brand enhancement and visibility, and major challenges in the areas of Human Resource, investors' relationship, etc. The committee consists of:

1. Mr. Piyush Gunwantrao Mankad, Chairman,
2. Ms. Jennifer Ann Elliott, and
3. Mr. Pranab Kumar Choudhury.

The Company Secretary of your Company is the Secretary to this committee.

During 2010-11, no meeting of the Strategy Committee was held.

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### D. General Body Meeting

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

<b>Nature of Meeting</b>	<b>Date and Time</b>	<b>Venue</b>
Seventeenth Annual General Meeting	July 29, 2008 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010
Eighteenth Annual General Meeting	August 4, 2009 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010
Nineteenth Annual General Meeting	August 12, 2010 at 15:00 hours	Air Force Auditorium, Subroto Park; New Delhi 110 010

The following Special Resolutions were passed by the members during the last three Annual General Meetings:

#### **Seventeenth Annual General Meeting held on July 29, 2008**

- To reappoint M/s. Vipin Aggarwal & Associates, Chartered Accountants, as Auditors of your Company for the year 2008-09.
- To approve payment of Remuneration to Non-Executive Directors of the Company by way of Commission.
- To ratify the Employees Stock Option Scheme, 2006, formulated prior to the Initial Public Offer of the Company through Offer for Sale.

#### **Eighteenth Annual General Meeting held on August 4, 2009**

- To reappoint M/s. Vipin Aggarwal & Associates, Chartered Accountants, as Auditors of your Company for the year 2009-10.

#### **Nineteenth Annual General Meeting held on August 12, 2010**

- To reappoint M/s. Vipin Aggarwal & Associates, Chartered Accountants, as Auditors of your Company for the year 2010-11.

#### **Postal Ballot**

For the year ended March 31, 2011, there were no Ordinary or Special Resolutions that needed to be passed by the shareholders through postal ballot.

### E. Disclosures

#### **(i) Related-Party Transactions**

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, management, subsidiary companies or related parties except for those disclosed in the financial statements for the year ended March 31, 2011.

#### **(ii) Details of Non-Compliance**

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

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### **(iii) Whistle Blower Policy**

Your Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report to the management concerns about unethical behaviour or actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. Further, no member of staff has been denied access to the Audit Committee.

### **(iv) Adoption of Mandatory and Non-Mandatory Requirements**

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the non-mandatory requirements relating to the constitution of the Remuneration Committee and adoption of a whistle blower policy.

### **(v) Management Discussion and Analysis Report**

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

## **F. Means of Communication**

1. Your Company's corporate website [www.icra.in](http://www.icra.in) has an "Investors" section, which provides comprehensive information to shareholders. The annual reports and other related information are available there.
2. The quarterly and annual financial results 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](http://www.icra.in).
3. The annual report is dispatched to all shareholders and also made available on its website [www.icra.in](http://www.icra.in).
4. The shareholding pattern, updated every quarter, is displayed on its website [www.icra.in](http://www.icra.in).
5. Press releases issued are also displayed on the website [www.icra.in](http://www.icra.in).

## **G. Auditors' Certificate on Corporate Governance**

The Auditors' certificate with respect to compliance with Clause 49 of the Listing Agreement relating to 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.

## **H. CEO/CFO Certification**

As required under Clause 49 of the Listing Agreement, the CEO/CFO certificate has been annexed to the Directors' Report.

## **I. Reconciliation of Share Capital Audit**

As stipulated by SEBI, 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.

## Corporate Governance Report

### J. General Shareholders' Information

<b>1.</b>	<b>Annual General Meeting</b> Date Time Venue	August 12, 2011 15:00 hours Air Force Auditorium, Subroto Park; New Delhi 110 010
<b>2.</b>	<b>Financial Year</b> Quarterly results will be declared as per the following tentative schedule: <ul style="list-style-type: none"> <li>Financial reporting for the quarter ending June 30, 2011</li> <li>Financial reporting for the half year ending September 30, 2011</li> <li>Financial reporting for the quarter ending December 31, 2011</li> <li>Financial reporting for the year ending March 31, 2012</li> </ul>	Financial year is April 1 to March 31  First fortnight of August 2011  First fortnight of November 2011  First fortnight of February 2012  Second fortnight of May 2012
<b>3.</b>	<b>Dates of Book Closure</b>	August 9, 2011 to August 11, 2011 (both days inclusive)
<b>4.</b>	<b>Proposed Dividend</b>	The Board of Directors has recommended a dividend of Rs. 17 per equity share of the face value of Rs. 10 each for the financial year ended March 31, 2011
<b>5.</b>	<b>Dividend Payment Date</b>	Dividend on equity shares for the year ended March 31, 2011, as recommended by the Directors and approved by the shareholders at the Annual General Meeting, will be paid/despatched on August 19, 2011
<b>6.</b>	<b>Listing on Stock Exchanges</b>	The shares of your Company are listed on: <ul style="list-style-type: none"> <li>The Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Mumbai 400 001</li> <li>The National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex, Bandra (E), Mumbai 400 051</li> </ul> Your Company has paid the annual listing fee for the financial year 2011-12 to both the Exchanges
<b>7.</b>	<b>Stock Code</b>	Bombay Stock Exchange Limited: 532835 National Stock Exchange of India Limited: ICRA ISIN: INE725G01011
<b>8.</b>	<b>Registrar and Share Transfer Agent</b>	M/s. Link Intime India Private Limited (Formerly M/s. Intime Spectrum Registry Limited) A-40, 2nd Floor, Naraina Industrial Area Phase II, Near Batra Banquet Hall New Delhi 110 028, Tel: +91 11 4141 0592 Fax: +91 11 4141 0591

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9.	<b>Share Transfer System</b>	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)
10.	<b>Compliance Officer</b>	Mr. Vijay Wadhwa C.F.O. & Company Secretary ICRA Limited Building No. 8, 2nd Floor, Tower A DLF Cyber City, Phase-II Gurgaon 122 002, Haryana Tel: +91 124 4545300 Fax: +91 124 4050424 Email: investors@icraindia.com
11.	<b>Dematerialisation of Shares and Liquidity</b>	99.99% shares of your Company are held in the electronic mode
12.	<b>National Electronic Clearing Service (NECS)</b>	Under this system, 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 recommend that members opt for NECS, if not done already. Members may please note that NECS details are downloaded from the Depositories and used for payment of dividend. <b><u>Therefore, members are requested to update their bank account and latest address details with their respective depository participants</u></b> (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.
13.	<b>Investor Complaints to be addressed to</b>	Registrar and Share Transfer Agent or to Mr. Vijay Wadhwa, Compliance Officer, at the addresses mentioned earlier

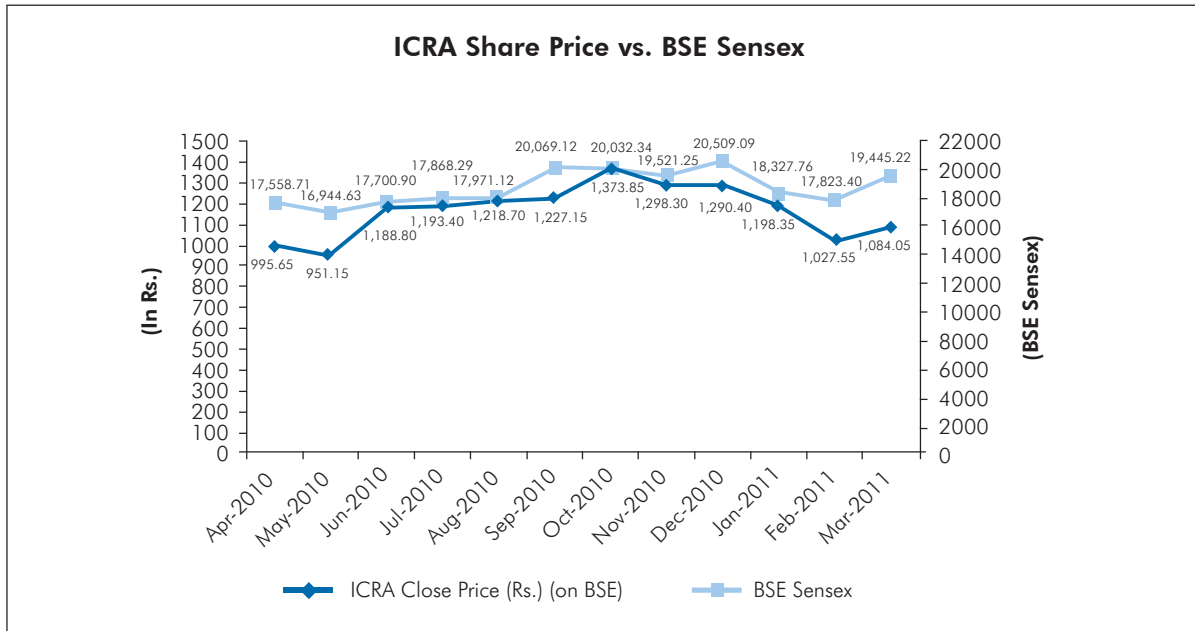
## Corporate Governance Report

### 14. Market Price Data for the year 2010-11

The high and low market price and the volume of ICRA's shares traded on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) during the period from April 1, 2010 to March 31, 2011 are presented in the following table.

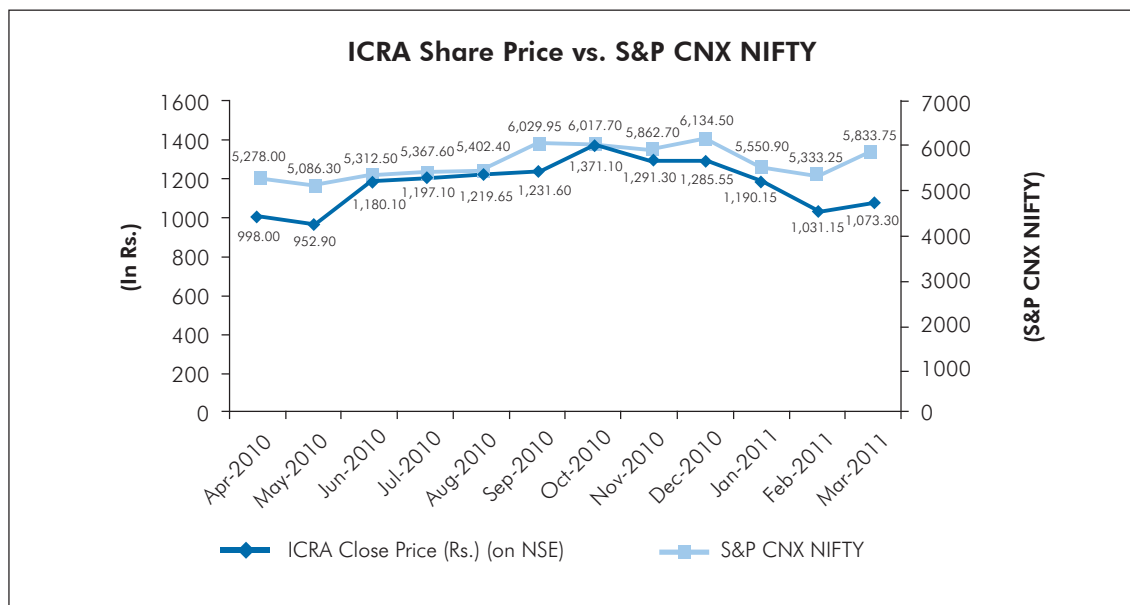
Month	BSE			NSE			Total Volume on BSE and NSE
	Share Price (Rs.)		Volume	Share Price (Rs.)		Volume	
	High	Low		High	Low		
April 2010	1,044.90	881.00	187610	1084.30	871.00	276295	463905
May 2010	1,006.00	950.00	42956	1008.85	946.40	140228	183184
June 2010	1,248.70	941.25	227256	1249.80	941.10	368134	595390
July 2010	1,252.00	1,095.00	111184	1242.00	1094.00	191095	302279
August 2010	1,277.80	1,145.00	246445	1282.80	1139.70	411848	658293
September 2010	1,265.80	1,147.00	87298	1270.00	1175.00	219534	306832
October 2010	1,409.00	1,225.10	95637	1421.00	1223.30	170489	266126
November 2010	1,480.00	1,220.00	31354	1465.00	1225.00	67134	98488
December 2010	1,370.00	1,195.65	55120	1440.65	1181.05	81270	136390
January 2011	1,319.75	1,141.00	207701	1309.95	1128.60	246023	453724
February 2011	1,235.00	933.00	21967	1237.95	931.00	87528	109495
March 2011	1,143.95	1,010.50	28536	1130.00	952.00	61676	90212

### 15. Performance in Comparison with Broad-based Indices



## Corporate Governance Report

Month	ICRA Close Price (Rs.) (On BSE)	BSE Sensex
April 2010	995.65	17,558.71
May 2010	951.15	16,944.63
June 2010	1,188.80	17,700.90
July 2010	1,193.40	17,868.29
August 2010	1,218.70	17,971.12
September 2010	1,227.15	20,069.12
October 2010	1,373.85	20,032.34
November 2010	1,298.30	19,521.25
December 2010	1,290.40	20,509.09
January 2011	1,198.35	18,327.76
February 2011	1,027.55	17,823.40
March 2011	1,084.05	19,445.22



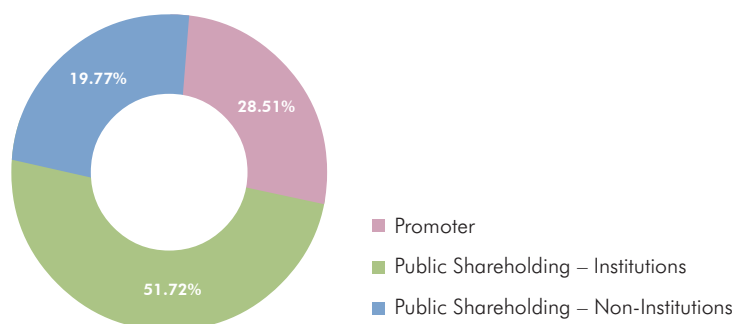
Month	ICRA Close Price (Rs.) (On NSE)	S&P CNX NIFTY
April 2010	998.00	5,278.00
May 2010	952.90	5,086.30
June 2010	1,180.10	5,312.50
July 2010	1,197.10	5,367.60
August 2010	1,219.65	5,402.40
September 2010	1,231.60	6,029.95
October 2010	1,371.10	6,017.70
November 2010	1,291.30	5,862.70
December 2010	1,285.55	6,134.50
January 2011	1,190.15	5,505.90
February 2011	1,031.15	5,333.25
March 2011	1,073.30	5,833.75

## Corporate Governance Report

### 16. Distribution of Shareholding as on March 31, 2011

No. of Equity Shares	No. of Shareholders	%	No. of Shares				%
			Physical	NSDL	CDSL	Total	
Up to 2500	18573	96.59%	345	364520	109129	473994	4.74%
2501 - 5000	291	1.51%		92487	20135	112622	1.13%
5001 - 10000	138	0.72%		85823	21252	107075	1.07%
10001 - 20000	97	0.50%		130747	11877	142624	1.43%
20001 - 30000	26	0.13%		60598	4567	65165	0.65%
30001 - 40000	9	0.05%		31173	0	31173	0.31%
40001 - 50000	17	0.09%		73183	4100	77283	0.77%
50001 - 100000	26	0.14%		185910	8607	194517	1.94%
100001 & Above	52	0.27%		7479927	1315620	8795547	87.96%
<b>Total</b>	<b>19229</b>	<b>100.00%</b>	<b>345</b>	<b>8504368</b>	<b>1495287</b>	<b>10000000</b>	<b>100.00%</b>

### 17. Shareholding Pattern as on March 31, 2011



Shareholding Pattern (As on March 31, 2011)	%
Promoter	28.51
Public Shareholding-Institutions	51.72
Public Shareholding-Non-Institutions	19.77
<b>Total</b>	<b>100.00</b>

#### Statement Showing Shareholding Pattern Name of the Company : ICRA LIMITED Scrip Code: BSE - 532835; NSE - ICRAEQ

Partly paid-up shares	No. of partly paid-up shares	As a % of total No. of partly paid-up shares	As a % of total No. of shares of the Company
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Outstanding convertible securities	No. of outstanding securities	As a % of total No. of outstanding convertible securities	As a % of total no of shares of the Company, assuming full conversion of the convertible securities
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Warrants	No. of warrants	As a % of total No. of warrants	As a % of total no of shares of the Company assuming full conversion of warrants
Held by promoter/promoter group	NIL	NIL	NIL
Held by public	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total paid-up capital of the Company assuming full conversion of warrants and convertible securities</b>	NIL	NIL	NIL

## Corporate Governance Report

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Shares		Shares Pledged or Otherwise Encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)* 100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>							
<b>1</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	2,850,900	2,850,900	28.51	28.51	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(1)</b>	<b>1</b>	<b>2,850,900</b>	<b>2,850,900</b>	<b>28.51</b>	<b>28.51</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>							
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(d-i)	NIL	0	0	0	0.00	0.00	0	0.00
(d-ii)	NIL	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1</b>	<b>2,850,900</b>	<b>2,850,900</b>	<b>28.51</b>	<b>28.51</b>	<b>0</b>	<b>0.00</b>
<b>(B) 1</b>	<b>Public Shareholding<sup>3</sup> Institutions</b>						<b>NA</b>	<b>NA</b>
(a)	Mutual Funds/UTI	22	1,182,592	1,182,592	11.83	11.83		
(b)	Financial Institutions/Banks	12	1,849,307	1,849,307	18.49	18.49		
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	3	1,191,740	1,191,740	11.92	11.92		
(f)	Foreign Institutional Investors	28	948,234	948,234	9.48	9.48		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Any Other (specify)	0	0	0	0.00	0.00		
(h-i)	NIL	0	0	0	0.00	0.00		
(h-ii)	NIL	0	0	0	0.00	0.00		
	<b>Sub-Total (B)(1)</b>	<b>65</b>	<b>5,171,873</b>	<b>5,171,873</b>	<b>51.72</b>	<b>51.72</b>		

## Corporate Governance Report

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in Dematerialised Form	Total Shareholding as a Percentage of Total Number of Shares		Shares Pledged or Otherwise Encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)* 100
<b>(B) 2</b>	<b>Non-institutions</b>						<b>NA</b>	<b>NA</b>
(a)	Bodies Corporate	436	274,077	274,077	2.74	2.74		
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs 1 lakh.	17,661	837,809	837,464	8.38	8.38		
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7	168,910	168,910	1.69	1.69		
(c)	Any Other							
(c-i)	Trusts	8	590,737	590,737	5.91	5.91		
(c-ii)	Non-Resident Indians	294	65,485	65,485	0.65	0.65		
(c-iii)	Overseas Corporate Bodies	0	0	0	0.00	0.00		
(c-iv)	Clearing Members	28	850	850	0.01	0.01		
(c-v)	Hindu Undivided Families	729	39,359	39,359	0.39	0.39		
	<b>Sub-Total (B)(2)</b>	<b>19,163</b>	<b>1,977,227</b>	<b>1,976,882</b>	<b>19.77</b>	<b>19.77</b>		
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>19,228</b>	<b>7,149,100</b>	<b>7,148,755</b>	<b>71.49</b>	<b>71.49</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL (A)+(B)</b>	<b>19,229</b>	<b>10,000,000</b>	<b>9,999,655</b>	<b>100.00</b>	<b>100.00</b>		
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	NA	0.00	NA	NA
(i)	Promotor and Promotor Group	0	0	0	0.00	0.00	0.00	0.00
(ii)	Public	0	0	0	0.00	0.00	0.00	0.00
	<b>TOTAL (C) =C1+C2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>0.00</b>	<b>NA</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>19,229</b>	<b>10,000,000</b>	<b>9,999,655</b>	<b>100.00</b>	<b>100.00</b>		<b>0.00</b>

<sup>1</sup> For determining public shareholding for the purpose of Clause 40A of the Listing Agreement.

<sup>2</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A of the Listing Agreement.

<sup>3</sup> For definition of "Public Shareholding", refer to Clause 40A of the Listing Agreement.

NA - Not Applicable

## Corporate Governance Report

### 18. Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of Shares as on March 31, 2011

Sl.	Name of the Shareholder	Number of Shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	Acacia institutional partners, LP	135000	1.35000
2	Tiger Global Mauritius Fund	149665	1.49665
3	Central Bank of India	158419	1.58419
4	IDFC Small and Midcap Equity (SME) Fund	160000	1.60000
5	SBI Tax Advantage Fund - Series I	162127	1.62127
6	Acacia partners, LP	167357	1.67357
7	Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Tax Relief 96	324000	3.24000
8	Punjab National Bank	501646	5.01646
9	General Insurance Corporation of India	522999	5.22999
10	ICRA Employees Welfare Trust	587534	5.87534
11	Life Insurance Corporation of India	668086	6.68086
12	State Bank of India	999900	9.99900
	<b>TOTAL</b>	<b>4536733</b>	<b>45.36733</b>

On behalf of the Board of Directors

Place : Gurgaon  
Date : May 11, 2011

(D. N. Ghosh)  
Chairman