

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of ICRA Limited will be held on Tuesday, the 29th day of July, 2008 at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110 010 to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended as on that date, together with the Schedules thereon, the Directors' Report and the Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Prof. Deepak Nayyar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Piyush Gunwantrao Mankad, who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit, to pass, with or without modifications, the following Resolution as Special Resolution pursuant to Section 224-A of the Companies Act, 1956:

"RESOLVED that pursuant to the provisions of section 224-A of the Companies Act, 1956, M/s Vipin Aggarwal & Associates, Chartered Accountants, be and are hereby reappointed as Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company."

Special Business

6. Appointment of Mr. Frederic Walter Jacques Drevon as Director of the Company

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Frederic Walter Jacques Drevon, who was appointed as an Additional Director of the Company with effect from April 9, 2008 at the meeting of the Board of Directors of the Company and who holds office till the date of this Annual General Meeting and in whose favour the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as Director liable to retire by rotation."

7. Remuneration to Non- Executive Directors of the Company by way of Commission

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, and the applicable clauses of the Listing Agreement and other applicable laws and such statutory approvals as may be necessary, approval of the Company be and is hereby accorded from financial year ending March 31, 2008, for a period not exceeding five financial years, the Non-Executive Director(s) of the Company on the Board, who are neither in the

whole-time employment of the Company nor as Managing Director(s), in addition to the sitting fees for attending Meetings of the Board of Directors or any Committee thereof, be paid remuneration by way of Commission 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 Act to be divided among them who were on the Board of the Company at the end of respective financial year or in such manner as the Board of Directors deem fit.

RESOLVED FURTHER that the Vice Chairman & Group CEO, the Managing Director and the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds, matters and such other things as may be considered necessary, expedient, usual, incidental or proper to do for carrying out the above resolution."

8. To ratify the Employee Stock Option Scheme, 2006 formulated prior to the Initial Public Offer of the Company through Offer for Sale

To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolutions:-

- i) **"RESOLVED** that pursuant to clause 22.2A and other applicable provisions of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"), the provisions of Income Tax Act, 1961 and rules thereunder, and such other applicable laws, if any, consent of the Company be and is hereby accorded to ratify the Employees Stock Option Scheme, 2006 ("ESOS") of the Company, which is in conformity with the SEBI Guidelines, formulated prior to the initial public offer of the equity shares of the Company through offer for sale."
- ii) **"RESOLVED FURTHER** that the Board of Directors of the Company shall cause the Company to conform to the accounting policies as specified in the SEBI Guidelines."
- iii) **"RESOLVED FURTHER** that such employees (including whole-time directors) of the subsidiary companies of the Company as may be identified by the ESOS Compensation Committee, shall also be granted options under the ESOS, subject to terms and conditions determined by the ESOS Compensation Committee."
- iv) **"RESOLVED FURTHER** that the grant of options in a given year to the eligible employees under the ESOS may be in excess of 1% of the issued capital of the Company, on the terms and conditions determined by the ESOS Compensation Committee."
- v) **"RESOLVED FURTHER** that pursuant to section 115WKA and other applicable provisions of Income Tax Act, 1961 and any other applicable laws, consent of the Company be and is hereby accorded to the ESOS Compensation Committee to include a suitable clause in the ESOS pursuant to which the Company shall be entitled to recover the fringe benefit tax from the respective employees to the extent the Company is liable to pay the fringe benefit tax arising due to or in relation to grant of options, vesting of options and/or exercise of the options as per or under the provisions of the ESOS."
- vi) **"RESOLVED FURTHER** that the consent of the Company be and is hereby accorded to the ESOS Compensation Committee to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolutions."

By Order of the Board of Directors
For ICRA Limited

(Vijay Wadhwa)
Company Secretary

Date: May 28, 2008
Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110 001

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. 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.
3. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
4. Members / proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.
5. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under Item No. 6 to 8 above, is annexed hereto and form part of this notice.
6. Members holding shares in physical form are requested to advise any change in their registered address, to the Company's Registrar and Share Transfer Agent, M/s Intime Spectrum Registry Limited quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address or bank particulars to their respective Depository Participant and not to the Company.
7. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
8. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialised form, they must quote their Client ID Number and their DP ID Number.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from July 26, 2008 to July 28, 2008 (both days inclusive) for determining the name of Members eligible for dividend on Equity Shares.
10. If the shareholders 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 July 25, 2008 and all those Members whose names appear on that date as beneficial owners as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited on close of the business as on that date.
11. Those shareholders who have not yet encashed/ claimed the Dividend of the Company for the Financial Year 2006-07, are requested to encash/ claim the said Dividend immediately. In terms of Section 205C of the Companies Act, 1956 the Company shall be required to transfer the unencashed/ unclaimed Dividend of the Company on the expiry of seven years to the 'Investors Education and Protection Fund' and subsequently the shareholders shall not have right to claim the said dividend amount either against the Company or against the said Fund.
12. Information about the Directors seeking appointment or re-appointment required under Clause 49 of the Listing Agreement is provided in the Annual Report/ Corporate Governance Report.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

Mr. Frederic Walter Jacques Drevon was appointed as an Additional Director of the Company on April 9, 2008 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Drevon holds office up to the date of forthcoming Annual General Meeting. The Company has received notice in writing under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation.

Mr. Frederic Drevon is a Senior Managing Director and the Head of Moody's for Europe, the Middle East and Africa (EMEA). Mr. Frederic oversees Moody's research and ratings business in the region. His responsibilities include regional business development as well as regulatory affairs and compliance. He also maintains direct responsibilities as the Head of the EMEA Securitisation group.

Mr. Frederic Drevon graduated from HEC in France. He worked for 18 months in Mumbai in 1990 for the trade department of the French Embassy. He joined Moody's in 1993 in the Paris-based Structured Finance Group and relocated to Hong Kong in 1998 as Managing Director for Asia. He returned to London in 2000 with responsibility for the London Derivatives team, and the EMEA asset-backed securities and asset-backed commercial paper businesses. In early 2004, Mr. Frederic was promoted to Group Managing Director responsible for Securitisation in EMEA and Asia.

Mr. Frederic Drevon is holding Directorship in the following companies:-

- Moody's Central Europe (BVI) Ltd.
- Moody's Holdings (BVI) Ltd.
- Moody's Investors Service (BVI) Ltd.
- Moody's Dubai (BVI) Ltd.
- Moody's South Africa (BVI) Ltd.
- Moody's Investor Service Ltd.
- Moody's Holdings Ltd.
- Syndicate Underwriting Research Ltd.
- Moody's Deutschland GmbH Ltd.
- Midroog Ltd.
- Moody's Italia S.r.l.
- Moody's Investors Service Espana S.A.
- Moody's Investors Service South Africa (Pty) Ltd.
- Moody's Interfax Rating Agency Ltd. (Russia)
- Moody's Interfax Rating Agency Ltd. (Ukraine)
- Moody's Middle East Ltd.
- Moody's Group UK Ltd.
- Moody's Indonesia (BVI) Ltd.
- Moody's Group France SAS
- Moody's Group Deutschland GmbH

With the joining of Mr. Drevon as Director, the Company would be benefited from his experience and expertise in the area of Moody's Ratings and research business.

Mr. Drevon does not hold any shares in the Company. None of the Directors of the Company except Mr. Drevon is in any way concerned or interested in this Resolution.

The Board of Directors of your Company is of the opinion that his appointment would be beneficial to the Company and hence recommend the Resolution at item no. 6 for your approval.

Item No. 7

The Company at present is paying sitting fees amounting to Rs.20,000/- (Rupees Twenty Thousand Only) per meeting per Non-Executive Director for attending the meetings of the Board of Directors and Committees thereof. However, subsequent to the Listing of shares of the Company on the Stock Exchanges there has been considerable increase in the scope of involvement and responsibilities of the Directors and therefore it is proposed to pay commission to the Non-Executive Director of the Company.

Pursuant to the provisions of Section 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company may pay remuneration to a Non-Executive Director by way of Commission, to such Director or where there is more than one such Director to all of them together, provided the aggregate commission shall not exceed one percent of the net profits of the Company.

Further, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges all fees/ compensation, if any, paid to Non-Executive Directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. The Board of Directors in its meeting held on April 9, 2008 has accorded its approval to the proposal of payment of Commission to the Non-Executive Directors of the Company, subject to the approval of the members, as proposed in the resolution to be passed as a Special Resolution.

All the Directors of the Company except Mr. P.K. Choudhury and Mr. Naresh Takkar, are concerned or interested in this resolution.

The Board of Directors of your Company recommends the Resolution at item no. 7 for your approval.

Item No. 8

The Shareholders in the Fifteenth Annual General Meeting held on June 12, 2006 authorised the ESOS Compensation Committee to prepare and finalise Employees Stock Option Scheme, 2006 (ESOS). Further the Shareholders approved allotment of 906,000 Equity Shares on a preferential allotment basis to the ICRA Employees Welfare Trust established for the purpose of administering the ESOS of the Company at the IPO issue price.

The following are the salient features of the ESOS:-

1. Total number of options is 906,000 (or such other adjusted figure in case of any corporate actions such as bonus, stock split, rights issue, merger and sale of division). Out of the 906,000 options 615,763 options were granted on March 24, 2007 to the eligible employees of the Company and its subsidiary companies. Subsequent to granting of 615,763 options, the grant of 51,341 options lapsed by March 31, 2008 due to resignation of some employees to whom such options were granted. Therefore, the options available for grant in future to the eligible employees under ESOS are 341,578 along with the Options that would lapse, in future, due to the resignation of eligible employees.
2. Such permanent employees (including whole time directors) of the Company and its subsidiaries as may be decided by the ESOS Compensation Committee, from time to time, shall be entitled to participate in the ESOS.
3. Minimum and maximum vesting period shall be one and three year(s) respectively, from the date of grant of the options.
4. Exercise price or pricing formula for the options is Rs. 330 per equity share (i.e. the price at which equity shares were allotted pursuant to the IPO) of the Company.
5. Exercise period for the option shall be over a period of time ending not later than 5 years from the date of vesting and the options granted shall be exercisable in whole or in such instalments, according to the terms of the ESOS at such times and under such conditions as determined by the ESOS Compensation Committee.

6. The appraisal process for determining the eligibility of the employees (including whole time directors) for ESOS shall be based on, inter alia, the following criteria:-
 - (a) Performance of the employee in contributing to business results, organizational strength and market position of the Company;
 - (b) Employee's potential and criticality to the role(s) assigned;
 - (c) Level in the Company/ subsidiary;
 - (d) Any other criteria that may be determined by the ESOS Compensation Committee from time to time.
7. Maximum number of options that may be granted to an employee (including whole time director) shall be 50,000 and in the aggregate to all the employees under the ESOS is stated in paragraph (1) above.
8. The Company is and shall be conforming to the accounting policies prescribed under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines").
9. The Company shall use one of the applicable methods (i.e. intrinsic value or fair value) to value its options.
10. In case the Company calculates the employee compensation cost using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised, if it had used the fair value of the options shall be disclosed in the Directors' report and the impact of this difference on profits and earnings per share of the Company shall also be disclosed in the Directors' report.

Pursuant to clause 22.2A and other applicable provisions of the SEBI Guidelines, no listed Company shall make any fresh grant of options under any employee stock option scheme framed prior to its IPO and prior to the listing of its equity shares (hereinafter referred as 'pre-IPO scheme') unless:- (i) such pre-IPO scheme is in conformity with the SEBI Guidelines; and (ii) such pre-IPO scheme is ratified by its shareholders in general meeting subsequent to the IPO. The ratification of the pre-IPO scheme may be done any time prior to grant of new options under such pre-IPO scheme. As the Company had approved the ESOS prior to its IPO, the ESOS of the Company is required to be ratified by the shareholders of the Company to enable the Company to grant further options under the said ESOS. The ESOS is in conformity with the SEBI Guidelines.

Further, the Finance Act, 2007 had introduced a new provision for the levy of fringe benefit tax on valuation of options allotted or transferred to employees by their employers. The said fringe benefit tax can be recovered by the employer from the respective employees pursuant to the provisions of Section 115 WKA of the Income Tax Act, 1961, to the extent to which such employer is liable to pay the same. Therefore, the ESOS Compensation Committee be authorised to include a suitable clause in the ESOS pursuant to which at the time of granting, vesting or exercising of the options, the fringe benefit tax can be recovered from the respective optionee as per provisions of the Income Tax Act, 1961.

None of the Directors of the Company, except Mr. Naresh Takkar and Mr. P.K. Choudhury to the extent of the options granted/ to be granted, are in any way concerned or interested in this resolution.

The Board recommends the resolutions for your approval.

By Order of the Board of Directors
For ICRA Limited

(Vijay Wadhwa)
Company Secretary

Date: May 28, 2008
Registered Office:
1105, Kailash Building, 11th Floor
26, Kasturba Gandhi Marg
New Delhi 110 001

ICRA Limited

Registered Office: 1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg, Connaught Place, New Delhi 110001

Schedule IX of the Companies Act, 1956
(See Article 62 of the Table A and also Section 176 (6))

Form of Proxy

Regd. Folio No. No. of Shares held.....

DP ID No.

Client ID No.

I/We.....of.....

being a member/members of ICRA Limited hereby appoint

Mr./Ms.....of.....

or failing him Mr./Ms.....of.....

as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the company to be held on Tuesday, the 29th day of July, 2008 at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110 010 and at any adjournment thereof.

Signed thisday of..... 2008

Signature of member.....

Affix
Revenue
Stamp

Note: Proxies in order to be valid must be duly filled in, stamped, and signed and deposited at the Registered Office of the company not less than 48 hours before the time of commencement of the meeting.

ICRA Limited

Registered Office: 1105, Kailash Building, 11th Floor,
26, Kasturba Gandhi Marg, Connaught Place, New Delhi 110001

ATTENDANCE SLIP

I hereby record my presence at the Seventeenth Annual General Meeting of the Company held on Tuesday, the 29th day of July, 2008 at 15:00 hours at Air Force Auditorium, Subroto Park, New Delhi 110 010.

Full Name of the Member (in BLOCK LETTERS).....

Regd. Folio No.

DP ID No.

Client ID No.

No. of Shares held.....

Full Name of the Proxy (in BLOCK LETTERS).....

Member's/ Proxy's Signature.....

Note : Please fill up this attendance slip and hand over at the entrance of the meeting hall. Members are requested to bring their copy of the Annual Report to the meeting.