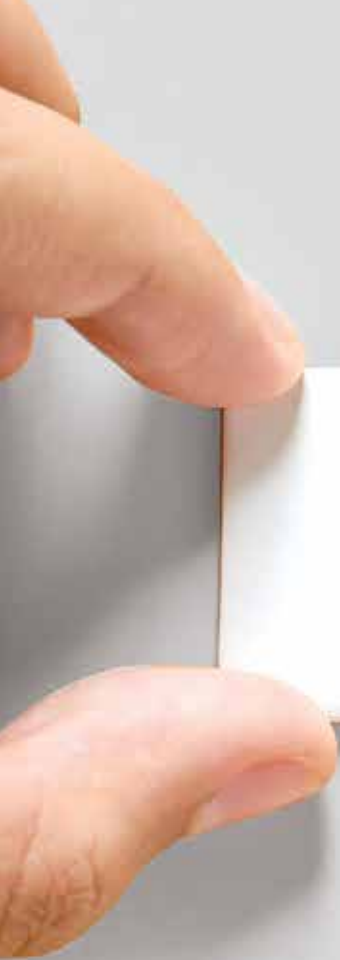




ICRA

A MOODY'S INVESTORS
SERVICE COMPANY



TO BE THE PREFERRED
PARTNER IN PROVIDING
**BEST IN CLASS AND
INDEPENDENT RISK
& INVESTMENT
ANALYTICS SOLUTIONS**

ANNUAL REPORT
2021-22



GROUP ICRA VALUES



I



- Challenge Status Quo
- Encourage Entrepreneurship
- Bring Solution Orientation
- Take calculated risks
- Learn from failures & successes

A



- Setting ambitious targets
- Strive for excellence
- Road less travelled
- Best in Class

M



- Leverage our collective strengths
- Inculcate an unwavering culture of trust & openness
- Be responsible to other stakeholders
- Take empowerment

I



- Culture of compliance
- Doing the right thing
- Communicate openly
- Express your opinions, views & thoughts
- Be true to organisational mandates aligned to decision making
- Be transparent to all stakeholders

C



- Deliver value to the clients consistently (internal/external)
- Meet all our commitments - quality/timelines/adherence to SLA
- Two way communication with the clients
- Win the client through engagement - not merely with an agenda

R



- Active listening and respond with honesty
- Actively seek inputs/views
- Ability to accept divergent views and disagreements
- Be empathetic towards all stakeholders

A



- Respond swiftly/flexibly/quickly/non sequentially
- Leverage opportunities
- Embrace change openly
- Be Proactive

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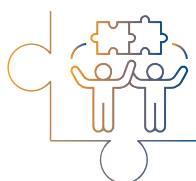


Disclaimer: This document contains statements about expected future events and financials of ICRA Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.



ICRA at a Glance

Incorporated in 1991, ICRA Limited was set up by the leading financial/investment institutions, commercial banks & financial services companies, as an independent and professional Investment Information and Credit Rating Agency. Formerly known as 'Investment Information and Credit Rating Agency of India Limited', today ICRA and its subsidiaries form the ICRA Group of Companies (Group ICRA). It is a public limited company, with its shares listed on the BSE and NSE.



Alliance with Moody's Investors Service

Moody's Investors Service (hereon, referred as 'Moody') is the ultimate parent company of the international Credit Rating Agency. Being the indirect largest shareholder of ICRA, its participation is supported by a Technical Services Agreement, that entails certain technical services provided by Moody's to ICRA. This agreement offers advantages to ICRA's in-house research capabilities, in the form of the Agency's access to Moody's global research base. Within this agreement, Moody's undertakes enrichment programmes for ICRA employees. The e-learning software licensed by Moody's from Intuition, and provision of financial writing training seminars to designated ICRA employees, gives the employees access to financial markets and other relevant courses.

ICRA Limited



ICRA Vision

**TO BE THE PREFERRED PARTNER IN PROVIDING
BEST IN CLASS AND INDEPENDENT RISK &
INVESTMENT ANALYTICS SOLUTIONS**

– GROUP ICRA VISION STATEMENT

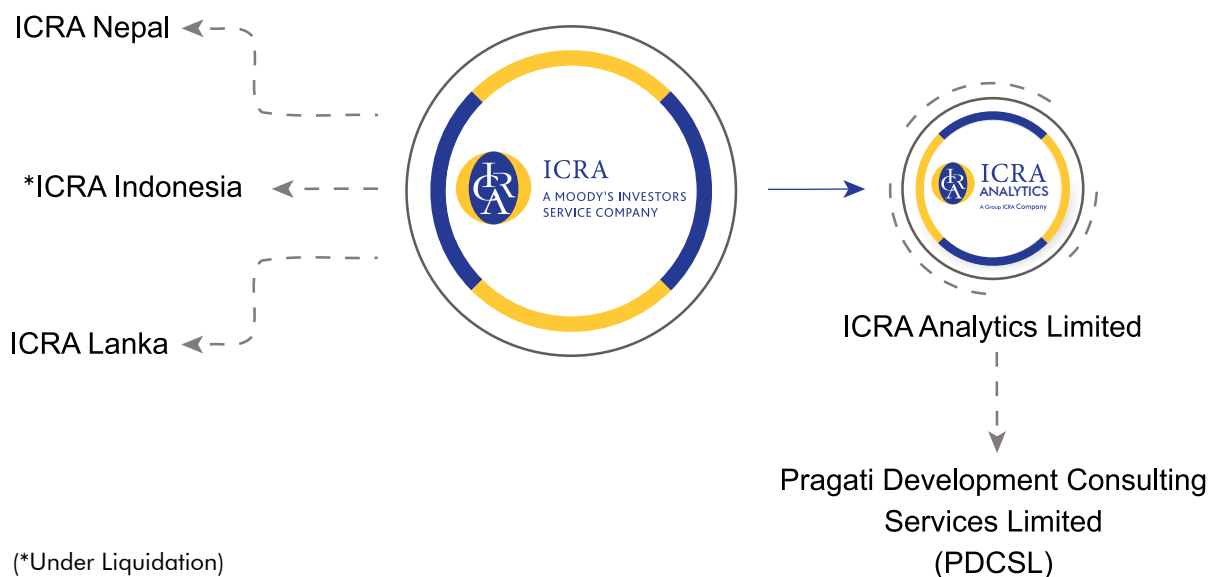


The ICRA Factor

We provide:

- Information and guidance to institutional and individual investors/creditors
- Opportunity to borrowers/issuers for tapping a larger volume of resources, by accessing the wider range of the investing public — the money market and the capital market
- Assistance to regulators in promoting transparency in the financial markets
- A tool to the intermediaries for enabling them to improve efficiency in the funds-raising process

ICRA Group Structure





Range of Services

ICRA Limited

RATING SERVICES

As an early entrant in the Credit Rating business, ICRA Limited (ICRA) is among the most experienced Credit Rating Agencies in the country. ICRA rates rupee-denominated debt instruments issued by manufacturing companies, commercial banks, Non-Banking Finance Companies (NBFCs), 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. Other services include credit risk rating of debt Mutual Funds, an Independent Credit Evaluation (ICE) of the residual debt in entities under the RBI's framework for resolution of stressed assets, and rating of security receipts issued by Asset Reconstruction Companies (ARCs), as per RBI.

INDUSTRY RESEARCH

ICRA provides research services across the economy, industry and companies, complementing the credit-rating services. ICRA research covers over 55 industries and the reports are tailored to meet the requirements of banks, mutual funds, insurance companies, PEs or venture funds and corporates.

The reports bring forth in-depth analysis across the following areas: business and profitability outlook, industry analysis, competitive landscape, impact of regulatory environment, benchmarking of companies, industry credit profile, and company profile of listed players, among others.

ICRA's 'Credit Perspectives' provide detailed analysis on the 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, and financial outlook among others.

THE SERVICES SPECTRUM

Rating Services

- Credit Rating
- Bank Loan Rating
- Structured Finance Rating
- Issuer Rating
- Mutual Fund Rating
- Industry Research
- Monitoring of Public Issue Proceeds

Industry Research

www.icra.in

ICRA Limited

ICRA Lanka Limited

RATING SERVICES

ICRA Lanka Limited (ICRA Lanka) is a wholly-owned subsidiary of ICRA. It offers a wide range of rating services in the Sri Lanka market. ICRA Lanka uses ICRA's accumulated experience in the areas of credit rating, grading, and investment information. Its rating focuses on entities in the financial and corporate sectors, besides long-term, medium-term, 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, NBFCs, financial institutions, manufacturing, construction and service companies among others. It also rates structured obligations and sector-specific debt obligations. The other services offered include credit risk rating of debt mutual funds, insurance financial strength rating of insurance companies, structured finance rating and line of credit rating.

THE SERVICES SPECTRUM

- Credit Rating
- Bank Loan Rating
- Structured Finance Rating
- Issuer Rating
- Mutual Fund Rating
- Insurance Financial Strength Rating

www.icralanka.com

ICRA Nepal Limited

RATING SERVICES

ICRA Nepal Limited (ICRA Nepal) is a subsidiary of ICRA. It 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 and bank loan line of credit rating. The rating/grading service with current focus in the banking and finance, insurance and hydro-electricity sector is also being offered to construction, trading, aviation, manufacturing companies among others.

THE SERVICES SPECTRUM

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

www.icranepal.com



ICRA Analytics Limited

ICRA Analytics Limited (hereafter, referred to as 'ICRA Analytics' or 'the Company') is a wholly-owned subsidiary of ICRA Limited with an experience of over 20 years in executing 10,000+ assignments. ICRA Analytics has acquired significant expertise across multiple domains, and serves banks, NBFCs, fund managers, intermediaries, investors and corporates. The domain expertise complemented with functional competence has helped ICRA Analytics design and implement products, services and solutions in risk management, IFRS & U.S. GAAP accounting, bond valuation, financial and risk advisory.

Other than expanding reach to unserved client segments, ICRA Analytics added new offerings to its portfolio, like the expected credit loss tool for NBFCs and banks rating and treasury tracker for corporate treasuries, grading and ESG data enrichment services.

The Company has successfully augmented its capability platform with new-age technologies such as analytics, automation, and cloud. These are leveraged to launch contemporary cloud-hosted products with enhanced analytical proficiency for all client segments.

The process and compliance orientation evinced through the extant ISO27001:2013 and ISO9001:2015 certifications for entire Company enabling it to continue making improvements in productivity, operations and security posture. Based on the certification exercise carried out during the year, ICRA Analytics has been re-certified as a 'Great Place to Work' for FY 2021-22 and FY2022-23. Sustained focus on upskilling and engaging with the talent pool of 800+ trained and qualified personnel continue to remain a key initiative for the Company, as it remains committed to adding value to its customers through innovation and efficiency.

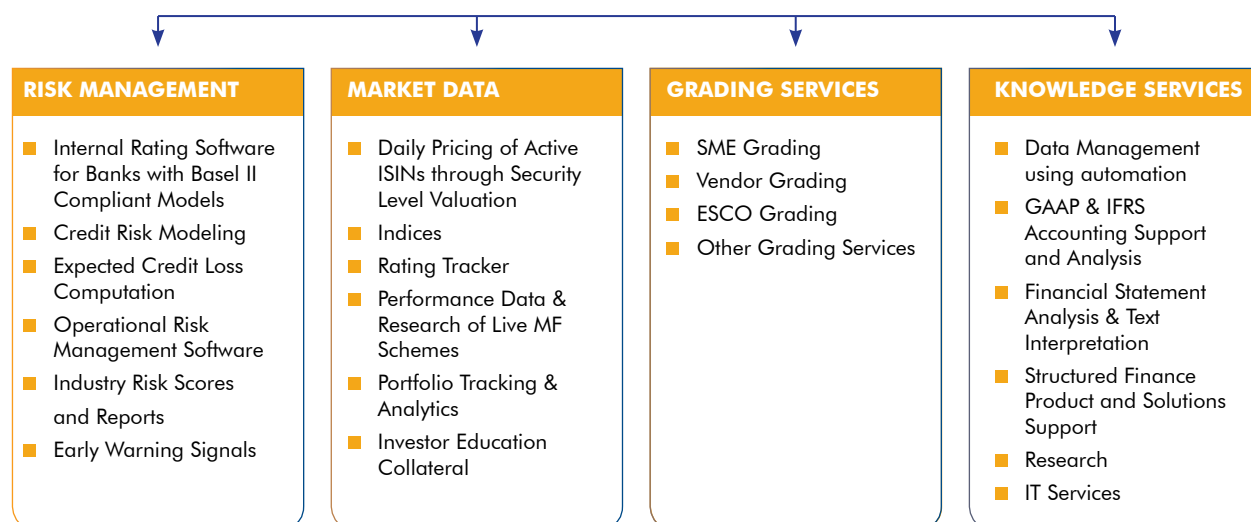
ICRA Analytics has been recognized again as the top exporter of IT-enabled services and having the highest percentage of women employees in IT/IT-enabled services for FY21 amongst companies in West Bengal with export turnover less than Rs. 1000 million.



**ICRA
ANALYTICS**
A Group ICRA Company



The Services Spectrum



www.icraanalytics.com

High Impact Research



Indian Gold Jewellery, January 2022



Retail-NBFC Credit Trends, April 2022



Down the PLI Path, February 2022



Indian Corporate Sector, February 2022



Indian Brokerage Industry, March 2022



Cross-sectoral strategy, March 2022

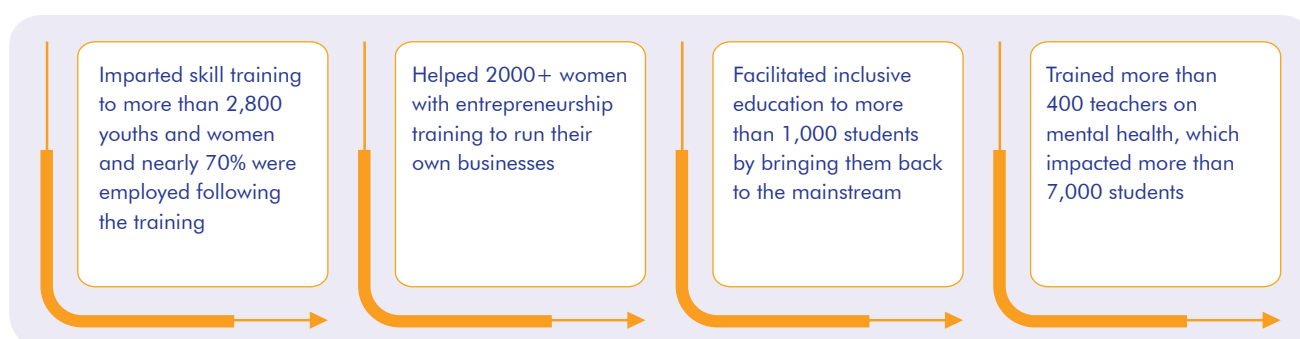


Corporate Social Responsibility at ICRA



ICRA believes in integrating social and environmental concerns in its business operations. For ICRA, Corporate Social Responsibility (CSR) has been an important milestone.

ICRA's CSR milestone



We, at ICRA, firmly believe that companies should wholeheartedly contribute towards CSR. We aim to constantly stay a step ahead in dealing with positive changes, create new value systems and contribute broadly to society. ICRA envisions to create stronger communities and enrich the lives of the less privileged through its mission of promoting education, empower youths with employable skills and livelihood and support the environment. To accomplish its mission, the following programmes have been conceptualised this financial year.

Skill Development Programmes



Digital Inclusion for Young Aspirants (DIYA)

This is a unique technology-driven skill development programme that creates a pathway towards digital age career opportunities for underprivileged youth and Women at Risk members like acid - attack victims, those facing domestic violence or other vulnerable categories. The training programme offers a fully digitised learning experience with employer-driven courseware delivered in a high-tech, blended-learning environment. Despite Covid-19 challenges, the programme managed to achieve the desired objective by adopting alternative tools and methods. The trainings were conducted online, integrated with cutting-edge technology of Cloud Learning Management System. It made learning more interesting

and enabled students to learn at their own pace while being safe at home. Other than the foundation training in IT skills, students were also trained in workplace English, workplace readiness web designing, digital marketing and subject-specific training like financial management, retail management, Tally and hardware and networking via various online medium and applications. This programme has been implemented in collaboration with the Anudip Foundation for Social Welfare in the rural areas of West Bengal.

Till date, the programme has benefitted around 2,833 youths with nearly 70% employment records.

ICRA Limited



Interaction with Women at Risk Candidates



Convocation Ceremony of DIYA students

■ Women Entrepreneurship Programme

ICRA is deeply committed to skill building and education with a special focus on empowering women. In collaboration with the Friends of Women's World Banking, India (FWWB), ICRA runs this programme in four districts of Gujarat: Gandhinagar, Ahmedabad, Kutch, and Mehsana.

The main aim of this programme is to equip women with financial education, digital literacy, business management skills, who are already involved in income-generating

activities at the household level, as well as women who show potential to take up any such activity. ICRA-FWWB programme supports the women to acquire business acumen, technical skills and reach out to larger markets, thereby helping them to create sustainable units. During the Covid-19 pandemic, initially trainings were imparted through text messages via group messaging, audio and video calls, etc. later, with the approval of the local government authority and following proper Covid-19 guidelines, skill training was imparted physically to the women in small groups.

The ICRA-FWWB programme has reached out to more than 2,000 women in the last three years, out of whom 50 per cent started new businesses while 12 per cent of the women diversified and approximately 5 per cent of the women expanded their existing businesses. This programme has benefited the women beneficiaries from low-income households.



Women receiving financial literacy training



Women during business orientation exercise



Enterprise development training



Education Programmes

Residential Learning Camp

Poverty and lack of quality school facilities in villages keep many children away from schools. These children then become a part of the young workforce, with physical and psycho-social effects. As many tend to migrate for work, they are left to fend for themselves without family and adult support, making them vulnerable to the menace of trafficking.

ICRA, in collaboration with Seva Mandir, runs a programme which aims to educate out-of-school children and ensures completion of their education. Over a period of one cycle, three camps are conducted, each with a duration of 55-60 days. These provide a conducive environment for learning with a customised curriculum that works on the principle of multi-grade /multi-level teaching.



RLC encompasses interactive learning, nutrition support and sports for overall development of children

This child-centric curriculum helps students bridge their learning gap at their own pace.

During Covid -19, these camps were organised in the villages where these students resided, instead of a residential facility. Teachers divided these children into small hamlets of 5-6 and visited them regularly on-site with the permission of local authorities for imparting education, monitoring, follow-up, distribution of study material and dry ration and also medical kits, etc. The teachers have a close affinity with the children, their families and the community, thus ensuring smooth flow of operations as per the guidelines.

This programme till date has benefitted approximately 900 children in Udaipur, in collaboration with Seva Mandir.



Morning assembly at the Residential Learning Camp, Kaya Village

Sponsorship Programme

ICRA supports to the students at the VIDYA School, Gurugram and Deepalaya in Mewat district of Haryana. Both the NGO-run schools house classrooms, laboratories, computers and a library. The quality of education and facilities are at par with some of the best public schools in the city. Both schools provide over 1,100 slum and/or village children with quality education along with the best infrastructure and facilities.

The aim is to provide opportunity for the rural village community to acquire recognised education in English medium curriculum, promote and provide quality and relevant education at an affordable cost and provide adequate opportunities that help the enrolled children to acquire academic learning, bring out their latent talents and other innate qualities. This will aid children to utilise

the opportunities of India's emerging economy and lead India into the future. The net outcomes shall be educated, healthy, well-developed all-round personalities who can look forward to better prospects of life and become self-reliant and responsible.

Like all other programmes during the Covid scenario, digital classes and online tutorials were conducted through various medium for the students. Almost 24x7 assistance was given by the teachers to the students who have accessibility issues. Students were also engaged virtually in physical activities like yoga, exercises, dance, music, etc, for their physical and mental well being.

ICRA provides holistic development to approximately 241 students through continuous educational support sponsorship through this programme.

ICRA Limited

Achievements:

- The VIDYA school has transformed the methodology of instruction to reduce the learning gaps of the children. With the introduction of new changes in curriculum, the teaching faculty and the management are gearing up to prepare the students to face challenges that may arise due to variations in the teaching-learning process.

They are currently providing high-quality public school education at par with the nation's best institutions to over 1000 underprivileged children from the nearby slum areas. The school recently received the Brainfeed Award for School Excellence in April 2022.

- The Deepalaya School bagged nine 1st positions and two 2nd positions in the district level art and craft competitions, handwriting and group dances held in the month of October 2021. A total of 19 students participated in these competitions.

Three students bagged first position in the Legal Literacy Competition at the District level and four secured first position and one bagged the fourth position at the block level.

Four students from our school participated in the district level national painting competition (on the spot) organised by the Haryana Child Welfare Council and stood second and third.



Glimpse of holistic development of the students under sponsorship programmes



Reinventing CSR with Employee Engagement



At ICRA, we believe, the employees are not only the backbone of a company, but they also constitute the nerve centre of all these projects. We firmly believe that collective action accelerates the desired outcomes and, therefore, the community, the implementation partner and ICRA plan to work cohesively towards a result-oriented initiative - both

qualitatively and quantitatively. Each employee gets an opportunity to engage with these projects, thereby getting associated with the beneficiaries and adding value to the project with their skills and knowledge.

In the last two years of our employee volunteering initiatives, we have observed tremendous changes. A wave of change-makers, full of enthusiasm, emerged as CSR Champions who facilitate our volunteering initiatives at various locations. These champions identify, create and implement initiatives with great vigour - a great start to the Citizen Corporate Responsibility campaign. In these pandemic times various virtual activities were organised to connect employees with our ground level programmes.



Employees taking training sessions on soft skills for students enrolled under skill development programme

Employee Engagement Activities at ICRA



Diwali Mania - online games for all employees



Happy Hour for new joiners - informal group connect for new hires



Happy Feet Challenge



Children's day celebration - for all kids of the employees



Virtual Cultural Meet



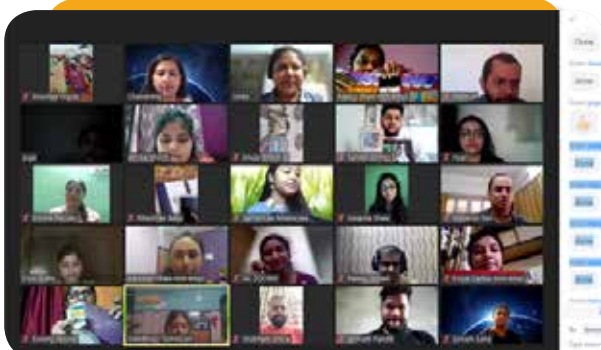
Musical evening by Nandi sisters



Employees enjoying the dance therapy session



Virtual Game challenge for all employees



Meet & Greet - fun activity with the new joiners



ICRA's Got Talent - by employee's family members and employees



Singing performance by employee



Live sketching by employee during ICRA's Got Talent

ICRA Limited



Speed painting by employee



New joiner introduction session - Mumbai



Employees celebrating Women's Day with #BreaktheBias pose



Ice-breaker games during new hire introduction session



Welcome Note by the leadership team during new joiner session



Rangtakshari - Holi Antakshari played in hybrid mode amongst employees



Vision & Values Workshop - Vision presentations



Vision & Values Workshop - Q&A session



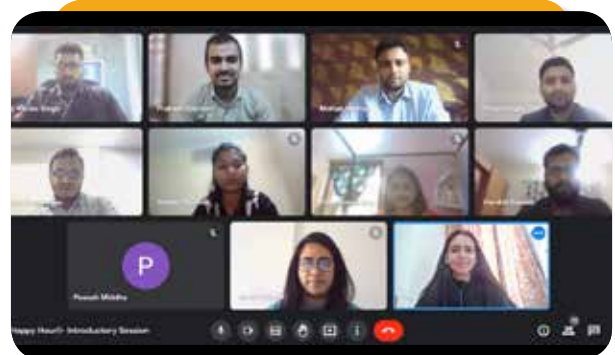
Vision & Values Workshop - Delhi Group photo



Vision & Values Workshop - Q&A session



Vision & Values Workshop - Kolkata Group photo



Happy Hour - Introductory Session

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.

He is on the Boards of ITC Limited, Jubilant Pharma Limited, Singapore, Davenport Management Consultants Services Private Limited and IIT Delhi Endowment Management Foundation.

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.

He is the founder of Women on Corporate Boards programme in India under which high potential women are mentored individually by Corporate Leaders to prepare them for Board careers. Women from this programme are serving on over 200 corporate Boards.

Mr. Duggal is a Trustee of Chennai Mathematical Institute (CMI). CMI is a Centre of Excellence for Teaching and Research in Mathematical Sciences.

A Mechanical Engineer from the prestigious Indian Institute of Technology, Delhi (recipient of Distinguished Alumni Service Award in 2019). 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 a number of listed companies including a Private Bank, NBFC, Real Estate Company and chairs a number of their key committees.

Ms. Agarwal is the founder partner of Vaish & Associates, Chartered Accountants and has over 35 years of experience in audit, tax and related services including succession planning, management of family trusts and business valuations. She was also a partner in Deloitte Haskins & Sells until 2000.

Ms. Agarwal was the national president of the women wing of FICCI and currently co chairs their 'FLO women directors' programme and has been on boarding aspiring women directors for several years as India chair of a global women directors forum. Ms. Agarwal also Co Chairs the Corporate Affairs committee of the PHD Chamber of Commerce & Industry.

Ms. Agarwal is life trustee in Vaish Associates Public Welfare trust which works in the field of education and health care.

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



Ms. Radhika Vijay 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 companies and led their Equity and Debt offerings in Domestic as well as International Capital Markets. She now offers advisory services as RH Financial, but is primarily engaged as an Independent Director on multiple Boards.

She is on the Boards of Directors of Bajaj Finance Limited, Bajaj Finserv Limited, EIH Associated Hotels Limited, Navin Fluorine International Limited, Pipeline Infrastructure Limited, Rain Industries Limited and Torrent Power 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.



Mr. Michael Foley

Mr. Michael Foley is a Non-Executive, Non-Independent Director of ICRA Limited. Mr. Foley, Vice Chairman, Asia Pacific, is a senior member of the Moody's Investors Service Regional Management team, and the CEO of Moody's Investors Service Singapore Pte Limited. Mr. Foley supports efforts to provide best in class credit ratings, research, data, analytics and insights for cross border and domestic credit markets in Asia Pacific.

Previously, Mr. Foley spent 7 years as the global head of Moody's Banking, Insurance and Managed Investment rating businesses. Mr. Foley joined Moody's from the Board of Governors of the Federal Reserve in Washington, D.C. where he was the Senior Associate Director of Banking Supervision and Regulation from 2008 until 2012. While at the Federal Reserve, he managed a group responsible for the supervision of large, complex domestic and foreign banking organisations.

Prior to his role at the Federal Reserve, Mr. Foley spent 14 years at Moody's in a number of roles. His last position, in 2007, was Managing Director, Fundamental Business Management. From 2002 to 2006, Mr. Foley was Managing Director, Regional Head for EMEA, where he had responsibility for Moody's offices in Europe, as well as for Moody's affiliate relationships, and matrix responsibility for EMEA ratings and research activities. From 1997 to 2001, Mr. Foley was a Managing Director in Corporate Finance managing ratings for telecom, media and technologies, energy, utilities, healthcare and basic industries. He was also a Managing Director in Finance, Securities and Insurance from 1996 to 1997 and a Vice President in the Financial Institutions Group from 1993 to 1996.

Before Moody's, Mr. Foley worked at KPMG Peat Marwick and the Federal Reserve in Washington, D.C.

ICRA Limited



Ms. Wendy Huay Huay Cheong

Ms. Wendy Huay Huay Cheong is a Non-Executive, Non-Independent Director of ICRA Limited. Ms. Cheong is Managing Director-Regional Head of Asia Pacific for Moody's Investors Service (MIS), based in Hong Kong. In this role, Ms. Cheong is responsible for developing and supporting Moody's growth strategy in both developed and emerging markets in the region. Ms. Cheong is the senior representative for Moody's in Asia Pacific and she is responsible for managing regional operations, overseeing policy and regulatory outreach, coordinating Moody's global initiatives, and providing oversight and coordination of affiliates, joint ventures and MIS domestic market strategies in the region.

Ms. Cheong joined Moody's in 2010 and has held various senior positions, including Chief of Staff to the President of Moody's Investors Service; Representative Director for MIS in Hong Kong, while also serving as Senior Vice President – Head of APAC Strategy & Business Management; and Director and Senior Product Strategist at Moody's Analytics.

Ms. Cheong is a member of Moody's Global Diversity Council and founded the Moody's Women's Employee Resource Group in Asia Pacific. She held leadership roles in several external women in finance organisations, including 100 Women in Finance and the Women in Finance Association of the Asia Securities Industry

and Financial Markets Association (ASIFMA). She is currently a member of the Asian Venture Philanthropy Network (AVPN), a leading network of over 600 organisations across 34 countries that mobilises capital for impact investing.

Before joining Moody's, Ms. Cheong held senior strategy, sales and marketing positions at Prudential PLC, as well as at Singapore Telecoms in Hong Kong and Singapore. She holds a BA in Southeast Asian Studies from the National University of Singapore.



Ms. Shivani Priya Mohini Kak

Ms. Shivani Priya Mohini Kak is a Director of ICRA Limited under the category of Non-Executive, Non-Independent Director.

Ms. Kak is Managing Director, Head of Investor Relations Finance, Moody's Corporation.

Ms. Kak heads the Investor Relations Team and is responsible for managing effective communications with the analytical community, as well as existing and potential shareholders. Prior to this role, she managed the US Structured Finance Relationship Management team within the Commercial Group.

She joined Moody's in 2008 as a European RMBS analyst in the Structured Finance team. She moved to the Commercial department in 2011, to focus on Structured Finance business development, including secondments to both the Hong Kong and New York offices. She also spent time in the Product Management Group with global responsibility for product related requests and initiatives linked to Structured Finance and investor requested products. Prior to joining Moody's, she was a Director at Lehman Brothers, specialising in Structured Finance origination and structuring.

Ms. Kak holds an MBA from the Johnson School at Cornell University and a B.Sc. (Hons) in Russian and European Studies from the University of Surrey.



Mr. Stephen Arthur Long

Mr. Stephen Arthur Long¹ is an Additional Director of ICRA Limited under the category of Non-Executive, Non-Independent Director.

Mr. Long is a Managing Director and regional head of Europe, Middle East and Africa for Moody's Investors Service. He also serves as MIS's country manager for the United Kingdom. He is responsible for core business strategy, governance and oversight in the EMEA region. He is also responsible for policy and regulatory outreach and for overseeing and growing Moody's investments in domestic credit rating agencies in EMEA.

Before becoming regional head of EMEA, Mr. Long was co-responsible for Moody's global bank ratings and was based in Hong Kong where he primarily focused on bank ratings in the Asia Pacific.

Prior to joining Moody's, Mr. Long worked at J.P. Morgan in London, Tokyo and Hong Kong in a variety of senior credit, research and rating advisory roles. He worked at Standard & Poor's from 1990 to 1996 in London and Paris as a bank analyst. He began his career as a banking regulator at the Bank of England.

Mr. Long is a graduate of the University of Oxford, where he read Philosophy, Politics and Economics.



Mr. Ramnath Krishnan

Mr. Ramnath Krishnan is the Managing Director & Group CEO of ICRA.

Mr. Krishnan joined ICRA in July 2020 as President of Ratings, and was appointed as Chief Rating Officer in November 2020, positions he held until October 22, 2021.

Mr. Krishnan is a senior, experienced banker, with over 33 years of experience in banking in India, Malaysia and Mauritius. He has been a corporate banker, and Country Head of Risk and has understanding of different stages of credit cycle. Prior to joining ICRA Mr. Krishnan was a Chief Risk Officer with RBL Bank, prior to which he spent 23 years with HSBC, holding senior positions at HSBC Bank in corporate credit, wholesale, private and investment banking in India and as Chief Risk Officer at HSBC Malaysia.

Mr. Krishnan holds a Bachelor of Arts in Economics from Loyola College, Chennai and is a Cost & Works Accountants and Chartered Accountant.

¹ The Board of Directors has appointed Mr. Long as an Additional Director with effect from May 13, 2022 under the category of Non-Executive and Non-Independent Director.

Senior Management



Mr. Ramnath Krishnan
Managing Director & Group CEO



Mr. Amit Kumar Gupta
Chief Financial Officer & General Counsel



Ms. Sheetal Sandhu
Group HR Head



Mr. K. Ravichandran
Executive Vice President & Chief Rating Officer



Mr. Anand Iyer
Group Chief Technology Officer



Mr. L. Shivakumar
*Executive Vice-President &
Head Institutional Corporate Group*



Mr. Jayanta Chatterjee
*Executive Vice-President & Head Strategic
and Emerging Corporate Group*



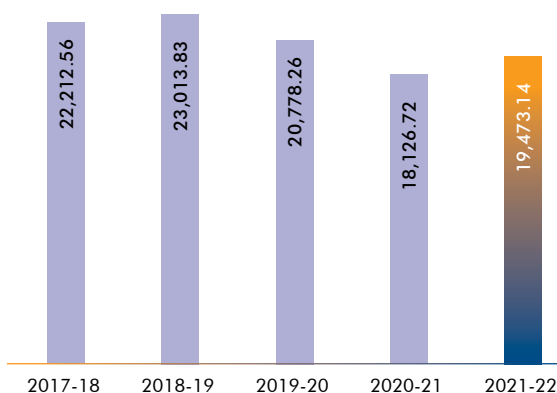
Mr. S. Shakeb Rahman
Company Secretary & Compliance Officer



ICRA: Key Trends

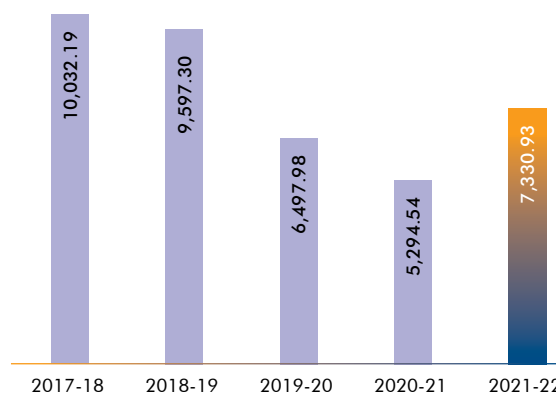
TREND IN OPERATING INCOME

(in ₹ Lakh)



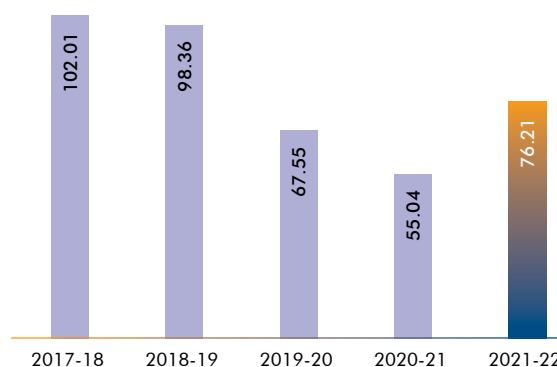
TREND IN PROFIT AFTER TAX

(in ₹ Lakh)



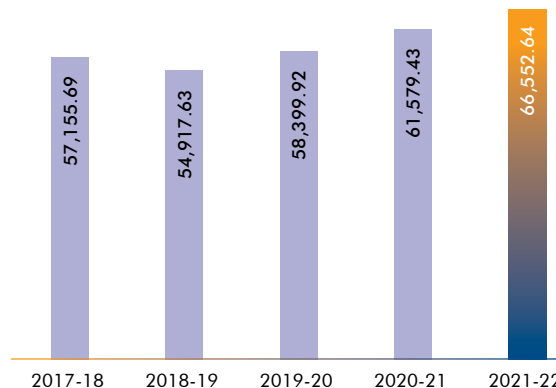
TREND IN EPS (BASIC)

(in ₹)



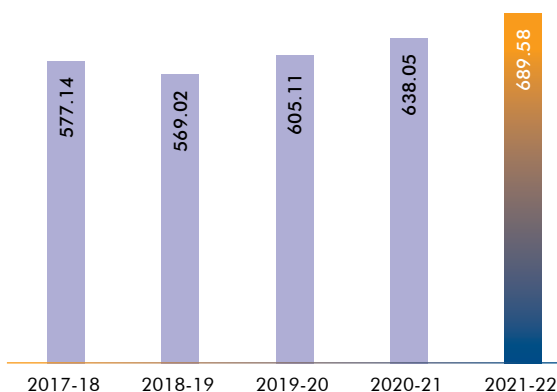
TREND IN NET WORTH

(in ₹ Lakh)



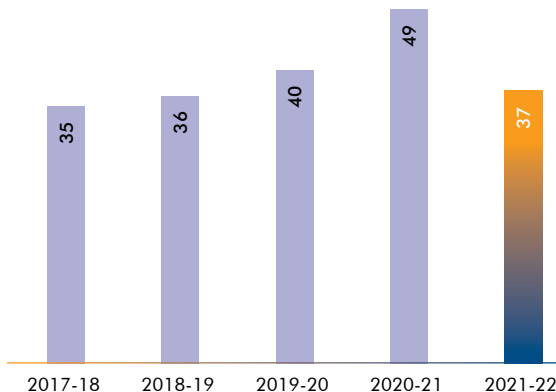
TREND IN BOOK VALUE PER SHARE

(in ₹)

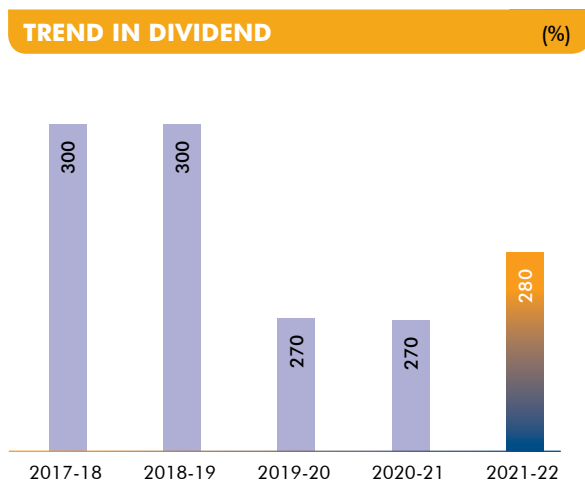


TREND IN DIVIDEND PAYOUT RATIO

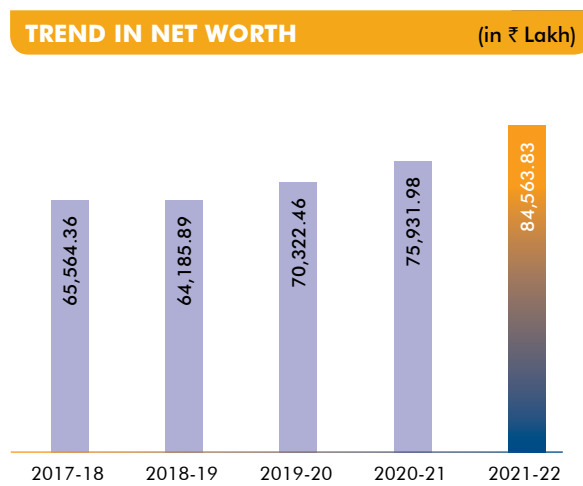
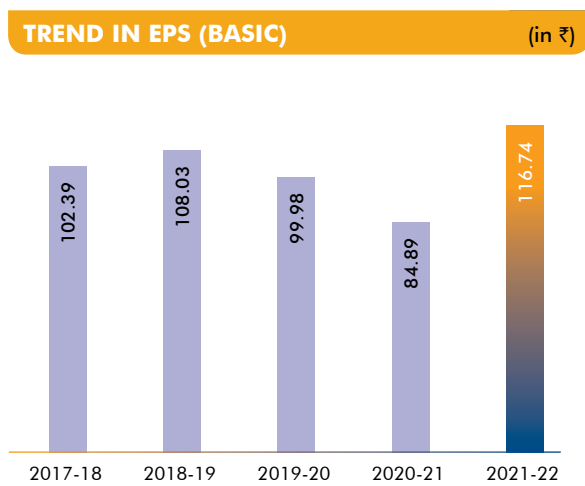
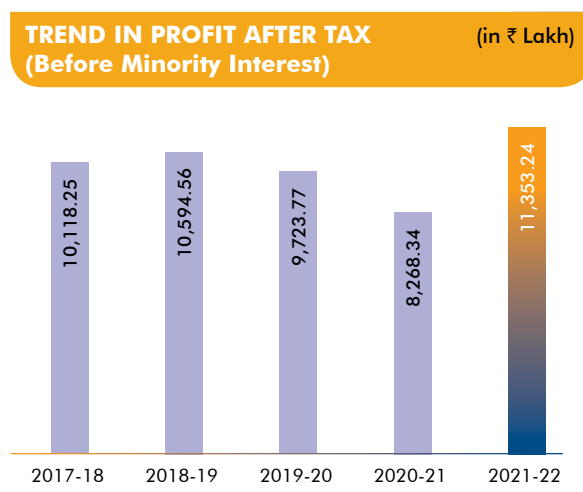
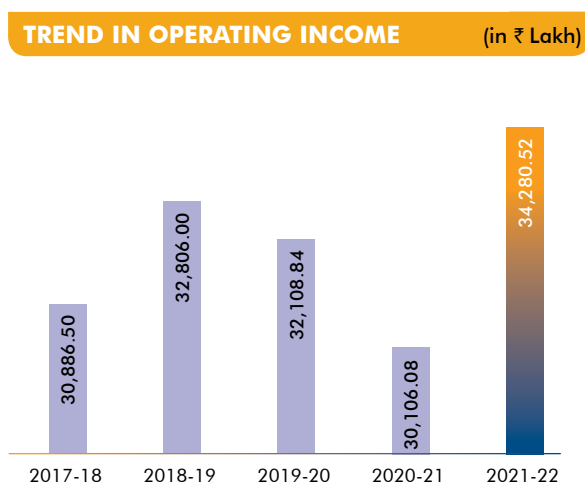
(%)



ICRA Limited



Group ICRA: Key Trends





Corporate Information

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

Mr. Michael Foley

Non Executive and Non Independent Director

Ms. Wendy Huay Huay Cheong

Non Executive and Non Independent Director

Ms. Shivani Priya Mohini Kak

Non Executive and Non Independent Director

Mr. Stephen Arthur Long¹

Additional Director, Non Executive and

Non Independent Director

Mr. Ramnath Krishnan

Managing Director & Group CEO

Audit Committee

Ms. Ranjana Agarwal, *Chairperson*

Ms. Radhika Vijay Haribhakti

Mr. Arun Duggal

Ms. Wendy Huay Huay Cheong

Nomination and Remuneration Committee

Ms. Radhika Vijay Haribhakti, *Chairperson*

Ms. Ranjana Agarwal

Ms. Wendy Huay Huay Cheong

Stakeholders Relationship Committee

Ms. Shivani Priya Mohini Kak, *Chairperson*

Ms. Ranjana Agarwal

Mr. Arun Duggal

Mr. Ramnath Krishnan

Corporate Social Responsibility Committee

Ms. Ranjana Agarwal, *Chairperson*

Ms. Shivani Priya Mohini Kak

Mr. Michael Foley

Mr. Ramnath Krishnan

Strategy Committee

Ms. Wendy Huay Huay Cheong, *Chairperson*

Mr. Michael Foley

Mr. Stephen Arthur Long*

Mr. Ramnath Krishnan

Risk Management Committee

Mr. Stephen Arthur Long, *Chairman**

Ms. Ranjana Agarwal

Ms. Radhika Vijay Haribhakti

Ms. Shivani Priya Mohini Kak

Mr. Ramnath Krishnan

Ratings Sub-Committee

Mr. Michael Foley, *Chairman*

Mr. Arun Duggal

Mr. Stephen Arthur Long*

Statutory Auditors

B S R & Co. LLP

Chartered Accountants

Chief Financial Officer & General Counsel

Mr. Amit Kumar 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

B-710, Statesman House,

148, Barakhamba Road, New Delhi-110001

Corporate Office

Building No. 8, 2nd Floor, Tower A,

DLF Cyber City, Phase II,

Gurugram -122002, Haryana

¹The Board of Directors has appointed Mr. Long as an Additional Director with effect from May 13, 2022 under the category of Non-Executive and Non-Independent Director.

*Effective from May 13, 2022

ICRA Limited

FINANCIAL HIGHLIGHTS OF ICRA LIMITED - TEN YEARS AT A GLANCE

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1 Operating Income	14,859.41	16,289.93	18,124.53	19,536.63	21,090.00	22,212.56	23,013.83	20,778.26	18,126.72	19,473.14
2 Non-Operating Income	1,624.12	1,728.71	2,492.54	2,369.31	4,882.74	5,074.27	4,452.79	4,057.40	3,632.27	4,542.19
3 Total Income	16,483.53	18,018.64	20,617.07	21,905.94	25,972.74	27,286.83	27,466.62	24,835.66	21,758.99	24,015.33
4 PBDIT (before prior period adjustments & exceptional items)	7,498.60	8,437.01	9,898.97	10,109.57	13,049.42	14,853.37	13,353.41	9,909.06	7,863.90	10,019.98
5 Depreciation	(210.74)	(245.20)	(369.08)	(355.60)	(320.27)	(265.78)	(243.42)	(537.64)	(524.55)	(534.35)
6 Finance Cost	-	-	-	-	(3.89)	(3.46)	(3.32)	(166.22)	(173.06)	(150.76)
7 Prior Period Adjustments	-	-	(764.82)	-	-	-	-	-	-	-
8 Exceptional Items	-	-	(1,151.95)	(345.52)	681.29	-	-	-	-	-
9 Profit Before Tax	7,287.86	8,191.81	7,613.12	9,408.45	13,406.55	14,584.13	13,106.67	9,205.20	7,166.29	9,334.87
10 Tax Provision	(1,249.53)	(2,318.66)	(2,571.24)	(3,261.90)	(3,609.22)	(4,551.94)	(3,509.37)	(2,707.22)	(1,871.75)	(2,003.94)
11 Profit After Tax	6,038.33	5,873.15	5,041.88	6,146.55	9,797.33	10,032.19	9,597.30	6,497.98	5,294.54	7,330.93
12 Other Comprehensive Income, Net of Tax	-	-	-	-	(47.95)	(21.98)	(23.11)	(53.84)	25.46	47.20
13 Total Comprehensive Income for the Year	6,038.33	5,873.15	5,041.88	6,146.55	9,749.38	10,010.21	9,574.19	6,444.14	5,320.00	7,378.13
14 Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	990.33	990.33	965.12	965.12	965.12	965.12
15 Securities Premium	7,680.85	8,459.63	8,608.94	8,703.56	4,966.98	5,078.29	-	-	-	-
16 Net Worth	32,236.74	35,565.46	37,698.58	40,836.19	50,232.39	57,155.69	54,917.63	58,399.92	61,579.43	66,552.64
17 Dividend (%)	220%	230%	240%	250%	270%	300%	300%	270%	270%	280%
18 Basic Earnings Per Share (Rs.)	60.38	58.73	51.44	62.53	99.50	102.01	98.36	67.55	55.04	76.21
19 Book Value Per Share (Rs.)	322.37	355.65	376.99	408.36	507.23	577.14	569.02	605.11	638.05	689.58

Notes:

- (1) The figures from financial years 2016-17 onwards are as per Ind AS
- (2) Other comprehensive income, net of tax has not been considered while calculating net worth



FINANCIAL HIGHLIGHTS OF GROUP ICRA - TEN YEARS AT A GLANCE

(Rs. in lakh)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1 Operating Income	25,141.06	28,296.22	2,191.42	34,115.48	33,303.44	30,886.50	32,806.00	32,108.84	30,106.08	34,280.52
2 Non-Operating Income	1,791.31	1,934.69	2,623.23	2,707.79	3,959.20	4,935.53	4,479.57	4,796.75	4,284.66	4,087.55
3 Total Income	26,932.37	30,230.91	34,814.65	36,823.27	37,262.64	35,822.03	37,285.57	36,905.59	34,390.74	38,368.07
4 PBDIT (before prior period adjustments & exceptional items)	7,687.48	10,473.51	12,516.88	12,812.66	14,085.59	16,443.31	15,773.53	14,381.07	12,398.09	16,145.98
5 Depreciation	(483.19)	(601.02)	(965.36)	(957.69)	(853.82)	(752.52)	(562.24)	(1,029.01)	(991.86)	(781.21)
6 Finance Cost	-	(81.78)	(198.30)	(55.15)	(3.89)	(10.36)	(7.48)	(204.47)	(205.72)	(156.14)
7 Prior Period Adjustments	-	-	(896.63)	-	-	-	-	-	-	-
8 Exceptional Items	-	-	(413.15)	-	-	-	-	-	-	-
9 Profit Before Tax	7,204.29	9,790.71	10,043.44	11,799.82	13,227.88	15,680.43	15,203.81	13,147.59	11,200.51	15,208.63
10 Tax Provision	(1,323.48)	(2,898.37)	(3,485.10)	(4,156.90)	(4,350.23)	(5,562.18)	(4,609.25)	(3,423.82)	(2,932.17)	(3,855.39)
11 Profit After Tax (before minority interest)	5,880.81	6,892.34	6,558.34	7,642.92	8,877.65	10,118.25	10,594.56	9,723.77	8,268.34	11,353.24
12 Other Comprehensive Income, Net of Tax	-	-	-	-	(60.78)	0.01	(38.14)	(62.53)	1.72	(37.70)
13 Total Comprehensive Income for the Year	5,880.81	6,892.34	6,558.34	7,642.92	8,816.87	10,118.26	10,556.42	9,661.24	8,270.06	11,315.54
14 Equity Share Capital	1,000.00	1,000.00	1,000.00	1,000.00	990.33	990.33	965.12	965.12	965.12	965.12
15 Securities Premium	7,680.85	8,459.63	8,608.94	8,703.56	4,966.98	5,078.29	-	-	-	-
16 Net Worth	33,923.75	38,793.86	42,877.56	47,623.77	55,007.64	65,564.36	64,185.89	70,322.46	75,931.98	84,563.83
17 Basic Earnings Per Share (Rs.)	59.16	68.92	66.77	77.56	89.95	102.39	108.03	99.98	84.89	116.74
18 Book Value Per Share (Rs.)	339.24	387.94	428.78	476.24	555.45	662.05	665.06	728.64	786.76	876.20

Notes:

- (1) The figures from financial years 2016-17 onwards are as per Ind AS
- (2) Other comprehensive income, net of tax has not been considered while calculating net worth

ICRA Limited

Directors' Report

To,

The Members,

ICRA Limited

Your Directors have the pleasure in presenting the 31st Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2022.

Financial Performance

During its 31st year of operations, your Company has earned a net profit of Rs. 73.31 Crores as against Rs. 52.94 Crores during the previous year. Your Company's basic earnings per share for the year ended March 31, 2022 was Rs. 76.21, as against Rs. 55.04 in the previous year. The financial results of your Company (standalone and consolidated) for the year ended March 31, 2022 are presented in the following tables.

Standalone		
Particulars	2020-21 (Rs. Crores)	2021-22 (Rs. Crores)
Revenue from operations	181.27	194.73
Other income	36.32	45.42
Total income	217.59	240.15
Total expenses	145.93	146.80
Profit before tax	71.66	93.35
Total tax expense	18.72	20.04
Profit for the year	52.94	73.31
Total other comprehensive income, net of tax	0.26	0.47
Total comprehensive income for the year	53.20	71.73

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

1 Crores = 10 million

Consolidated		
Particulars	2020-21 (Rs. Crores)	2021-22 (Rs. Crores)
Revenue from operations	301.06	342.81
Other income	42.85	40.88
Total income	343.91	383.68
Total expenses	231.91	231.59
Profit before tax	112.00	152.09
Total tax expense	29.32	38.55
Profit for the year	82.68	113.53
Total other comprehensive income, net of tax	0.02	(0.38)
Total comprehensive income for the year	82.70	113.16

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

1 Crores = 10 million



Directors' Report

Review of Operations

Rating Services

Market and Business Overview

The credit rating business continued to face headwinds in terms of a Covid-19 pandemic-induced disruption to economic activity in Q1 FY2022 and Q4 FY2022, amidst the second and the third waves respectively, resulting in constrained credit demand. A heightened risk aversion had its impact across the corporate bond market, bank lending, structured finance and also in terms of flows into debt mutual funds, albeit there was some improvement over the low base of FY2021. But a broad resumption in economic activity, post the lifting of the less-restrictive lockdowns, supported by the Fiscal and Monetary Policy interventions, allowed businesses to recover, even as the recovery remains uneven and incomplete thus far.

The pandemic and the associated lockdowns affected activity in many sectors in FY2022, especially in the contact-intensive parts of the non-agricultural economy. While the YoY growth in Q1 FY2022 was high on a low base, the GDP remained below pre-pandemic levels. The two subsequent quarters did see a revival in economic activity. With the widening coverage of the Covid-19 vaccines, business and household sentiment improved. However, non-Government investment activity remained muted with a modest rise in capacity utilisation levels. While there was a fresh spike in Covid-19 infections in January 2022 led by the Omicron variant, which resulted in the re-imposition of localised restrictions, the rapid abatement of the third wave boosted economic activity in the later part of Q4 FY2022. Thereafter, the escalation of the geo-political conflict between Russia and Ukraine, and its impact on availability and prices of raw materials, has injected uncertainty into the macroeconomic outlook.

The bond issuances contracted in FY2022 by 19 % compared to the high base of FY2021, which was supported by regulatory measures such as targeted long-term repo operations (TLTROs) by the RBI and the Partial Credit Guarantee (PCG) scheme of the GoI for purchase of bonds issued by the NBFCs. The rising yields in the second half of FY2022 coupled with geo-political uncertainty shifted some borrowers to banks. Despite that the bond issuances recovered to pre-pandemic levels in absolute terms. Bank bond issuances constituted a higher proportion of FY2022 bond issuances compared with that in the previous year as Additional Tier I issuances got rolled over where call options were falling due. The outstanding stock of the commercial paper saw a small dip as low yields led to continued investor disinterest, except in highly rated borrowers.

Bank credit growth to large industries continued to be muted, reflecting a lack of demand. The 8% increase was supported by credit growth to Non-Banking Finance Companies / Housing Finance Companies and medium and small industries, the latter segments being supported by the Emergency Credit Line Guarantee Schemes of Government of India.

Unlike the previous year, FY2022 saw localised lockdowns in various parts of the country during which your Company was able to transact business in a seamless manner. Your Company was able to add some prominent and leading companies to its list of clients, and it also rated some novel transactions involving –

- First cross collateralised loan structure for retail malls
- Two of the largest Electric 2-wheeler Original Equipment Manufacturers
- Several SPVs of a group running Electric Vehicle (EV) bus operations
- First PTC transaction attempted by an NBFC-Peer-to-Peer lending platform
- First PTC transaction attempted by a co-working company
- Securitisation of trade receivables for a supplier to a large readymade garments company

Your Company's growth in the last financial year was led by the focus on the growth segments of the economy and being selective in certain unremunerative situations such as the small bank loan segment and entities that adopt only tender-based criteria for selecting rating agencies. Adoption of this approach has helped in improving the overall yield. The structured finance business saw improved traction over the previous year but has not yet returned to pre-pandemic levels. In terms of ratings quality, your Company has been appreciated for its accuracy and timely rating actions and continues to be a rating agency of choice for the issuers and investors.

ICRA Limited**Directors' Report****Corporate Sector**

For the third year in succession, bank credit to the corporate sector remained muted in FY2022, driven by a lack of meaningful pick-up in investment activity. Borrowings through the bond route were restricted to PSUs and entities backed by strong promoters. Investor risk aversion and high systemic liquidity resulted in credit spreads on AAA and AA category corporate bonds witnessing a sharp compression with the spreads at lower than the average of the last five years. However, despite compression on credit spreads and finer rates in debt capital markets, the YoY issuances from the corporate sector declined by 28% in FY2022. The decline was driven by lower issuances from the PSUs in the corporate sector and against a high base of TLTRO led issuances from corporates in FY2021. Buoyant equity capital markets and private equity-led funding also supported the funding requirements of corporates. Leaner working capital cycle because of pent-up demand, supply chain dislocation and relatively softer commodity prices during FY2022 were other reasons for lower working capital demand, thereby moderating overall credit growth. However, rising commodity prices, which have further increased after the Russia-Ukraine conflict, are likely to pose higher working capital requirements and may result in improved credit demand. The private sector capital expenditure is also expected to revive in the latter half of FY2023, which could also be a positive for credit demand from corporates.

Financial Sector

Debt investors continued to remain cautious as asset quality concerns continued into FY2022 with the second phase of Covid in the first quarter and a minor scare caused by the third Covid wave in the last quarter of FY2022. The collection efficiencies dipped sharply in the first quarter of FY2022 before improving in the rest of the year. The restructuring window provided by the Reserve Bank of India helped lenders keep a lid on the reported asset quality indicators. With a significant slowdown in incremental business in the first quarter, the growth in assets under management were negligible in the first half. Despite a pick-up in the second half, the annual growth of the AUM for NBFCs/HFCs is estimated to be around 6-8% in FY2022. NBFCs/HFCs continue to focus on long-term resources, improve their Asset Liability Management (ALM) profile and maintain relatively limited usage of commercial papers (adjusted for the record levels of CP issuances for IPO financing). With a pick-up in disbursements by NBFC/HFCs, CP issuances could improve in FY2023, subject to investor appetite.

Heightened volatility around the second and third Covid-19 waves and expectations of a rise in interest rates slowed the growth in the AUM of debt MF schemes. While the overall AUM of debt MF schemes declined in FY2023, the AUM of shorter duration schemes improved marginally. Your Company continues to enhance its presence in the debt mutual fund scheme ratings with additions of more schemes from the existing fund houses.

Structured Finance

The domestic securitisation volumes witnessed an uptick to about Rs. 1.2 lacs crore in FY2022 as against about Rs. 0.9 lacs crore in FY2021 supported by the revival in sentiments as the impact of Covid-induced lockdowns reduced and disbursements of NBFCs and HFCs scaled up. Nonetheless, the volumes remained lower than pre-pandemic levels (Rs. 2 lacs crore volumes seen in FY2020) as the second wave of the pandemic had a bearing on securitisation undertaken in the first half of the fiscal. Adequate liquidity available in the system, especially for the higher rated entities, also led to lower need for securitisation of their assets. Growth in securitisation is expected to continue in line with the economic and credit growth in the country, further accelerated by new originators venturing into securitisation to support their funding needs.

The investor preference for retail loan pools of secured asset classes remained high with mortgage-backed loans being the dominant asset class in securitisation during the year followed by securitisation of commercial vehicle loans. Securitisation of unsecured asset classes, mainly microfinance loans and business loans, had witnessed a sharp decline in the post-Covid era. However, healthy demand for microfinance loan pools was seen in Q4 FY2022 as the concerns around asset quality abated for microfinance entities following a rebound in collections coupled with the need for such loan pools to meet priority sector lending (PSL) targets for banks.

In FY2022, your Company continued to maintain its position as a leading credit rating agency (CRA) in the Structured Finance segment. Your Company saw a sharp increase in the number of fresh transactions rated / loss estimation reports prepared during the year as the overall market size improved and also managed to deepen its presence by carrying out assignments



Directors' Report

for new originators, a few of which only recently entered the securitisation market. In FY2022, your Company was involved in rating relatively new structures such as the Revolver Structure for merchant loan receivables as well as securitisation of trade receivables. Your Company remained a leading agency for rating covered bond issuances during the year, though the issuances scaled down significantly in the second half of the fiscal. Your Company remains a thought leader in Structured Finance and continues to publish, on a periodic basis, reports on the securitisation market and new products and structures.

Outlook

On the near-term outlook for the economy, ICRA pegs the expansion in Indian GDP (at constant 2011-12 prices) in FY2023 at 7.2%, following the elevated commodity prices and fresh supply chain issues arising from the Russia-Ukraine conflict, as well as the renewed lockdowns in parts of China. Higher prices of fuels and items such as edible oils are likely to compress disposable incomes in the mid to lower income segments, constraining the demand revival in FY2023. However, the prescient extension of free foodgrains under the Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) until September 2022 may continue to offer some respite to the food budgets of vulnerable households. In the mid to upper income segments, normalisation of behaviours after the third wave is set to result in a pivot of consumption towards the contact-intensive services that were avoided during the pandemic, constraining the growth in demand for goods in FY2023. Even though exports of some items from India will rise to meet global demand amidst the supply crunch, ICRA expects a gradual rise in capacity utilisation to ~74-75% in Q3 FY2023, back-ending the broad-basing of private sector capacity expansion. The key upside to our projections is a faster-than-expected pick-up in Government spending, even as the execution risk has shifted to the state governments.

Inflation is expected to print well above the mid-point of the Monetary Policy Committee's medium-term target band of 2-6%. With the focus shifting to inflation management over supporting growth, and the modification in the wording on the policy stance, the Monetary Policy Committee (MPC) has clearly telegraphed an imminent change in the stance. We foresee a shallow rate hike cycle, with the repo rate being increased by 25 bps each in August and September 2022, entailing a negative real policy rate throughout FY2023. However, G-sec yields have already climbed, mirroring global trends, and we expect other interest rates to follow suit. The trajectory of the commodity prices and the borrowing costs would in turn have a bearing on the capital expenditure budgets and the viability of infrastructure investments ongoing and in the pipeline.

In FY2023, bank credit is expected to continue its momentum and is likely to grow at 8.9-10.1% compared to 9.7% in FY2022; however, the developments around the global impact of the Ukraine – Russia war would be an event to keep a close eye on. The high Government borrowings for FY2023 coupled with expectations of rise in the yield may restrict issuance of bonds until yields stabilise at higher levels. Cut down in extra budgetary resources by the Government also means lower issuances by PSUs, which may be a positive for other issuers. The issuances are, however, likely to be dominated by better rated entities as the impact of withdrawal of various regulatory stimulus is likely to pose challenges for many issuers. Hence despite the continued regulatory thrust to deepen the bond markets both by the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI), larger issuers will continue to account for a majority of the issuances.

With no budgeted capital infusion by GoI into the public sector banks in FY2023, around Rs. 25000 crore of Additional Tier 1 (AT1) instruments with call options in FY2023 and banks' increasing appetite for housing and infrastructure assets, we can witness higher issuances in FY2023. We continue to expect the financial institutions to drive the bond issuance volumes as they scale up. With improvement in investor risk appetite and most NBFCs having resumed lending from Q3 FY2021, we expect bond issuances by the NBFCs and the HFCs to scale up and refinance existing debt, subject to investor appetite.

The significant investment outlay envisaged under the National Infrastructure Pipeline (NIP) wherein an investment of Rs. 111 trillion is expected during 2020-2025 in major infrastructure sub sectors - notably in Power, Roads, Railways and Urban Infrastructure - will give a fillip to the economy. While a large share of the funding will be coming from the Central and state allocations and public-sector infrastructure NBFCs, the corporate bond market is also expected to play a modest role, wherein Central PSUs in Power and Roads are expected to mobilise resources from the capital markets. Moreover, asset monetisation through InvITs is expected to gain traction in the next five years, which will benefit both the bond market issuances as well as bank loans through refinancing. Besides the infrastructure companies, general corporates in capital intensive sectors such as Oil & Gas, Metals, Telecom and Cement, are also expected to borrow from the capital markets. However, there is a risk of significant supply of Government bonds crowding-out corporate bonds.

ICRA Limited**Directors' Report**

The securitisation market is poised for a healthy growth in FY2023 supported by improving economic conditions and growing business activities of NBFCs and HFCs. The higher disbursements seen in H2 FY2022 would also increase the quantum of eligible loans available to securitise in the current year after taking care of RBI's requirements for minimum holding period. The securitisation volumes though would remain exposed to any sharp rise in Covid-19 infections that may lead to lockdowns or restrictions by the Government which would disrupt business activities. ICRA expects securitisation volumes to continue to be supported by the requirement of banks to meet their PSL requirements. The increase in the purchase of non-PSL pooled loans is also a healthy trend that will result in healthy growth in issuance volumes. Any significant traction in the priority sector loan certificates (PSLCs) market or widespread adoption of the loan co-origination framework by banks for sourcing PSL assets could, however, restrict issuance volumes in the medium to long term.

Overall, your Company will benefit from the anticipated pick-up in the debt market and the infrastructure space.

Trends in Credit Quality of ICRA-rated Companies

The credit quality of India Inc. experienced a rebound in FY2022, on the heels of two consecutive years of pressures caused first by the slowdown in economic growth in FY2020 and then by the pandemic scarring in FY2021. As businesses and policymakers adapted to the challenges, and as the economic repair-work progressed, the incremental downside credit risks ebbed in FY2022.

- As a result, the instances of downgrades¹ of ICRA-assigned ratings in FY2022 (at 184 entities) reflected a downgrade rate² of a mere 6%. This was substantially lower than the recent high of 13% seen in FY2020 and the past 10-year average of 9%.
- In contrast, the upgrade rate³ of 19%, corresponding to upgrades of 561 entities, stood at a multi-year high vis-à-vis the past 10-year average of 11%.

Many corporate sectors are on a path to recovery. Further, there exists additional opportunities in sectors like Steel, Agricultural Produce, Textiles, and Electronics Goods to scale up exports. The Production-Linked Incentive (PLI) Scheme too promises to enhance the supply chain resilience, support import substitution, and create other positive externalities. At the same time, banks as well as Non-Banking Finance Companies (NBFCs) are currently comfortably capitalised while facing manageable asset quality pressures. In effect, with both the real sector and the financial sector in a relatively good health, the year FY2023 could well have been a year of moving beyond the 'rebound' growth.

However, following the Russia-Ukraine conflict, the risk of supply chain disturbances and the commodity price turmoil have raised the spectre of inflation across the globe. As policy rates, risk premia, and bond yields adjust on the upside, the capital flows search for safe havens, and currencies find their equilibrium, the policymakers and regulators would be induced to take centre stage as they attempt to strike a balance between growth and inflation. This means that India Inc. may have to continue to grapple with the challenge of rising input costs, energy costs, shipping and other logistics costs, besides potential supply disruptions. This could quickly translate into asset quality pressures for the financial sector. Further, the possibility of resurgence of a debilitating Covid wave cannot be ruled out. While the credit quality of India Inc. has improved substantially over the past one year, there are looming risks which stoke scepticism and would warrant a careful monitoring of the operating environment as the new fiscal beckons.

¹ The count of downgrades excludes the entities whose ratings were downgraded because of their non-cooperation with ICRA unless it was a case of a downgrade to the [ICRA]D category.

² Downgrade Rate is defined as the number of entities downgraded in the period of analysis as a percentage of the total number of rated entities as of the beginning of the period. The calculation of the downgrade rate excludes the [ICRA]D rated entities.

³ Upgrade Rate is defined as the number of entities upgraded in the period of analysis as a percentage of the total number of rated entities as of the beginning of the period. The calculation of the upgrade rate excludes the [ICRA]AAA and the [ICRA]A1+ rated entities.

NOTE: The data in this section does not include the ratings assigned to securitisation transactions, nor does it capture ratings that were in the 'Issuer Not Cooperating' (INC) category at the beginning of the year



Directors' Report

Rating accuracy trends

The performance of any credit rating system is measured by metrics like default rates, stability rates and average default position. ICRA's robust methodologies and their consistent application over the years is reflected in the low default rates in the investment grade suggesting that ICRA's ratings have done well to distinguish between safer and riskier credits. The default rates along the rating scale, from AAA to C, have shown ordinality which reflects the ability at differentiating among credits across the risk spectrum. This apart, ICRA's ratings have demonstrated a healthy one-year rating stability depicted across all investment grade rating categories—a high rating stability suggests that ICRA's rating decisions do not get influenced by the stage of the business cycle but remain strongly focused on assessing the credit worthiness of entities through the cycle. Finally, the average default position (ADP) of ICRA-assigned ratings—a measure of the tendency of a rating agency to commit type-1 and type-2 errors—remains healthy and has systematically improved over the years.

Latest short-run average default rates for long-term instruments (reflects an average of two years; computation approach as defined by SEBI)

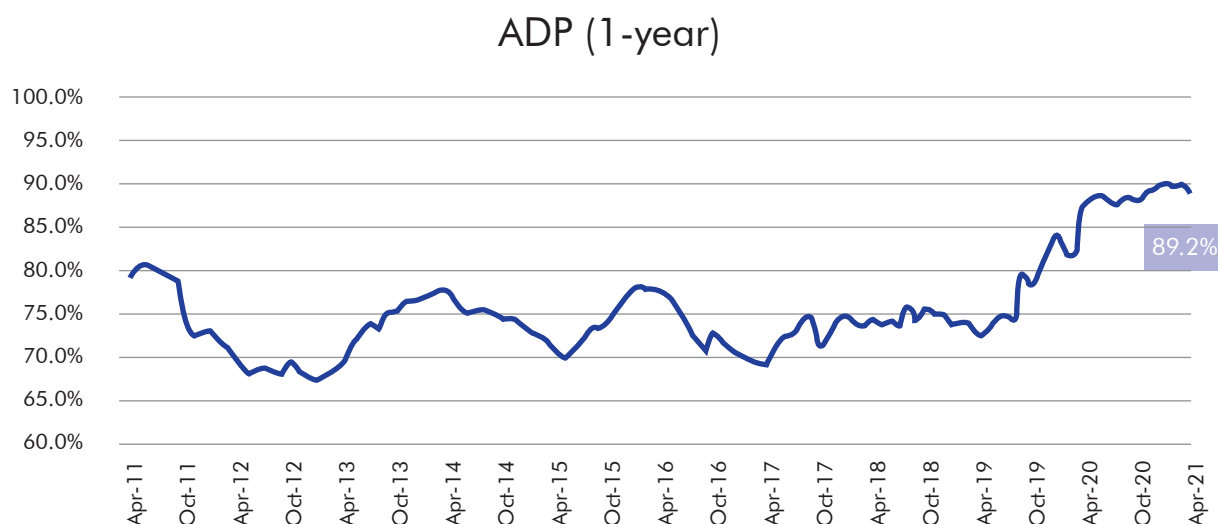
Rating Category	1-Year Default Rate	2-year Cumulative Default Rate	3-year Cumulative Default Rate
AAA	0.1%	1.0%	1.6%
AA	0.1%	0.6%	1.2%
A	0.2%	0.6%	1.4%
BBB	1.0%	2.7%	4.5%
BB	2.7%	5.9%	8.7%
B	3.8%	7.9%	11.7%
C	10.1%	16.6%	22.8%

Latest short-run average default rates for short-term instruments (reflects an average of two-years; computation approach as defined by SEBI)

Rating Category	1-Year Default Rate
A1+	0.1%
A1	0.0%
A2	0.4%
A3	0.6%
A4	3.1%

Latest five-year average of one-year rating transition rates for long-term ratings (computation approach as defined by SEBI)

Rating Category	AAA	AA	A	BBB	BB	B	C	D
AAA	97.9%	0.8%	0.0%	0.7%	0.2%	0.0%	0.0%	0.5%
AA	2.2%	94.4%	3.0%	0.2%	0.1%	0.0%	0.0%	0.2%
A	0.2%	5.1%	90.1%	3.9%	0.2%	0.1%	0.1%	0.3%
BBB	0.0%	0.3%	6.7%	87.6%	3.9%	0.1%	0.1%	1.4%
BB	0.0%	0.1%	0.1%	5.1%	87.1%	2.4%	0.1%	5.1%
B	0.0%	0.0%	0.0%	0.0%	6.8%	83.6%	0.4%	9.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	14.9%	58.7%	26.4%

ICRA Limited**Directors' Report****Trend in the ADP of ICRA-assigned Ratings****Industry Research**

The research reports of your Company continue to be well appreciated by various stakeholders for their analytical content. Your Company introduced multiple thematic reports across sectors covering relevant events and their impact on the industry which were particularly appreciated by the clients. These reports helped in positioning your Company as a thought leader. Some of these reports were – The Climate Series reports - India's goals for COP26, Impact of Productivity-Linked Incentive on India's Manufacturing Sector, Commodity Risks Due to Russia Ukraine face-off, Impact of Coal Prices on India Inc., Impact of Semiconductor Chip Shortage on Auto sector, Electrifying India's Bus Fleet, Impact of RBI's Regulatory Changes on MFIs, thematic reports on Commercial Vehicle Financing Companies, Captive NBFCs, and Bank Brokerages.

During the year FY2022, your Company has grown its client base by nearly 27% adding entities across sectors – Banks, NBFCs as well as a consulting firm. A high renewal rate amongst the existing clients underscores the quality of your Company's research reports. Your Company continues to actively engage with the investor community by regularly holding interactive sessions on macro economy, industries and rating round-ups through its webinar series, including a few high impact ones with Moody's Investors Service, thereby building a strong market franchise.

Your Company also enhanced the quality of the Credit Perspective Reports (CPRs) by making them more exhaustive and adding Rating Framework Overview, Business and Financial Outlook for the next 12-24 months, and the Environment-Social-Governance (ESG) commentary for listed entities, making ICRA CPRs more valuable for the investors.

ICRA Research has an ongoing coverage on more than 55 industries, including several sub-segments within the corporate, financial and structured finance sectors. ICRA remained a thought leader in the structured finance sector, publishing regular research notes on the securitisation market and credit quality trends across asset classes.

Franchise Development

Your Company took several initiatives to strengthen its franchise through outreach efforts even as the year, like the previous year, saw only virtual seminars and conferences. Your Company was quick to reach out to the market participants through webinars, the frequency of which was increased to address the evolving credit themes either on account of Covid-induced lockdown or geo-political risks. The timely series of webinars was appreciated for the coverage on various sectors. Some of these were coupled with media interactions to promote your Company's visibility and brand.



Directors' Report

Automation Initiatives at ICRA

ICRA is pursuing several technology initiatives across various functions with the objective of improving operating efficiencies, enhancing the quality of deliverables and improving the internal controls through automation. Significant efforts and investments have been made in the recent past to improve the technology stack to improve operational effectiveness and productivity through system-generated reports for financial comparison, consolidation and benchmarking, besides aiding the regulatory reporting requirements. ICRA has also implemented a customer relationship management (CRM) solution to achieve efficiencies for the business development, invoicing and revenue recognition, improving the lead to opportunity conversion, and generating automated reports along with data analytics. ICRA has also sharpened the focus on technology to capture early warning signals to closely monitor the developments in the rated entities and further improve timeliness of rating actions.

Change in Nature of Business

During 2021-22, there was no change in the nature of business of your Company. Pursuant to the SEBI (Credit Rating Agencies) (Amendment) Regulations, 2018 along with its subsequent amendment(s) and clarifications issued by SEBI from time to time in this matter, a credit rating agency shall not carry out gradings and other related non-rating activities with effect from May 30, 2020. Accordingly, from this date, your Company does not accept any new business under these activities. During this year, SEBI mandated the credit rating agencies to monitor the end use of equity issue proceeds, which was hitherto being done by banks.

Subsidiary Companies (including step-down subsidiaries)

At the beginning of the year 2021-22, your Company had five subsidiaries, including one step-down subsidiary. There are no associates and/or joint ventures, as defined under the Companies Act, 2013.

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

As of March 31, 2022, your Company had the following subsidiaries, including the step-down subsidiary:

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

⁵Formerly known as ICRA Online Limited

*liquidation initiated by the Company

Highlights of performance of subsidiary companies and their contribution to the overall performance of the Company during the year 2021-22 are provided in the Management Discussion and Analysis Report.

The consolidated financial statements of Group ICRA, consisting of ICRA Limited, its subsidiaries, including step-down subsidiary, for the year 2021-22, 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.

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.

ICRA Limited

Directors' Report

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, eight meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report attached as *Annexure-II* to this Report. The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on board meetings and general meetings.

Human Resource Development & Training

Human Resources (HR) continued to provide a variety of training & development opportunities in the year under review with an aim to build employee capacity to meet strategic needs and align with the Company's strategic plan and overall mission.

A fundamental belief of our management philosophy is to invest in our employees and enable them to develop new skills and capabilities which will benefit them as well as the Company. A variety of training and development programmes were provided in areas of domain, functional and behavioural skills, with emphasis placed on improving knowledge, skills and attitude.

Organisation Training Matrix: A Division and organisation-wide Training Matrix has been created based on the KSA mapping exercise, Training Need Identification (TNI) and Individual Development Plan (IDP). Key themes and priority for the year 2021-22 were identified basis the Organisation Training Matrix.

Business Outcome:

- Creation of a learning-oriented customised roadmap across levels for respective groups /divisions. Each Division head provided a sign-off on respective Divisions Training Matrix
- Creation of the Organisation Training Matrix which provides the organisation with employee training plans per division, per designation/role created
- Execution of the domain, functional and behavioural training need as per the Matrix
- Incorporation of new training needs on an ongoing basis as per business requirement

The training identified in the Organisation Training Matrix is being delivered to the employees as per the employee mapping in the Training Matrix. Details mentioned below under Domain, Functional and Behavioural organisation level training needs.

1. Domain Skills (Internal):

a. Analytical Bootcamp Programme is a certified structured development programme for new hires across levels through well-defined learning paths, equipping them with fundamental business and professional skills to help them grow in their roles.

• Bootcamp Programme Coverage:

- **Domain-specific skills** as per the requirement of the functions and teams
- **Functional skills:** Defined modules for communication skills, MS office, etc
- **Behavioural skills:** Fundamentals on People Development Programme covered topics like Being Proactive, Giving and Receiving Feedback, Time Management

Business Outcome: Improved employee retention through learning & development and capability building for future business growth

b. Analytical Domain Skills Yearly Calendar is released on a quarterly basis and employees are invited for the workshops as per mapping in the Training Matrix

2. Functional Skills Identified in the Organisation Training matrix

Being executed at an organisation level across departments - BD, Analytical and Corporate



Directors' Report

3. Behavioural Skills Identified in the Organisation Training matrix

Designed and executed internally at an organisation level across departments: BD, Analytical and Corporate

a. Transform Programme for Senior Level Leadership

Business Outcome: Understanding how to create a culture of high performance and effectiveness; to be able to provide constructive development feedback, manage perceptions

Objective: Team Effectiveness

- Line Managers to feel responsible for feedback for team members and themselves
- Develop individuals to reach the highest level of performance on specific goals or tasks
- Increase the frequency and quality of conversation about performance and development
- Impart knowledge and skills to give feedback to other people about their job performance, behaviour and competencies

New hires go through a systematic on-boarding programme, designed to equip them adequately with the right skills and competencies to achieve their best potential. Apart from this, all employees, including the new hires, are trained online on the Code of Business Conduct, Conflict of Interest, Anti-Bribery & Corruption, Prevention of Sexual Harassment at Workplace & Information Security.

ICRA continues to focus on building a strong talent pipeline across levels through regular in-house Domain, Functional and Behavioural training, online learning platforms, team building and external programmes. Since employees attend external workshops also, we have started the practice of knowledge-sharing sessions. The approach is to build a culture whereby participants share knowledge and learnings from the external training attended. Post completion of the programme they must share the knowledge learnt across levels on the topics relevant to business need. Developing and strengthening capabilities of all employees has remained an ongoing priority. Deserving employees, 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's talent management strategy is focused on building leaders of tomorrow. We invest through world class leadership development programmes to build the talent bank in the organisation. The Company has a robust talent review programme and ensures a succession plan towards critical positions, annually.

ICRA Lighthouse is a resource capability enhancement initiative created with the objective of helping mentees benefit from the experience of mentors in various aspects of professional development. It is a platform wherein mentees will get a chance to interact with their mentors to discuss on a wide range of topics related to an individual's work profile, receive advice on overcoming workplace challenges, and tips to improve professional skills and competencies in addition to guidance on career progression. The current batch started its mentoring journey in October 2021 and completed in April 2022. Participation in this Programme is voluntary for both mentors and mentees.

Objective: It is a resource capability enhancement initiative

All Mentors & Mentees are trained on the benefits of mentoring; core attributes and skills; stages of mentoring; evaluating progress

Programme Duration: Six months

Stages of Mentoring

- Stage I: Initiating the relationship – Knowing each other & contracting
- Stage II: Building on the relationship - Setting Goals
- Stage III: Deepening the relationship - working towards the goals
- Stage IV: Ending the formal mentoring and planning for the future

ICRA Limited

Directors' Report

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. Employee morale has been high, resulting in a positive contribution to your Company's progress.

Employees Stock Option Scheme (ESOS)

The members of your Company in the Annual General Meeting held on August 9, 2018, by passing a special resolution, adopted a new scheme called the Employees Stock Option Scheme 2018 ('**ESOS 2018**'), in compliance with SEBI (Share-based Employee Benefits) Regulations, 2014, under which an aggregate of 31,950 stock options were proposed to be granted. Permanent employees (excluding promoters and Independent Directors) of your Company and its subsidiaries are eligible to participate in the ESOS 2018. An estimated 31,950 stock options (shares of which are with the ICRA Employees Welfare Trust) may be granted under the ESOS 2018.

During the year, there were no changes in the ESOS 2018. A certificate from the Secretarial Auditors of your Company certifying that the schemes are implemented in accordance with the Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable and Securities and Exchange Board of India (Share-Based Employee Benefits) Regulations, 2014 to the extent applicable, prior to its repealment and the resolutions passed by the members of the Company will be made available in electronic mode to the members of the Company for inspection at the Annual General Meeting.

The disclosures in terms of Regulation 14 of the SEBI (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021 read with Circular No CIR/CFD/POLICY CELL/2/2015, dated June 16, 2015, issued by SEBI, are available on the Company's website; the web-link for the same is:

[https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=27&Title=Corporate%20Governance&Report=Disclosure%20by%20Board%20of%20Directors%20\(ESOP\)_2022_March.pdf](https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=27&Title=Corporate%20Governance&Report=Disclosure%20by%20Board%20of%20Directors%20(ESOP)_2022_March.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.

With 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.

Annual Return

In terms of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the Company's website at

<https://www.icra.in/InvestorRelation/ShowInvestorCommunicationReport/?Id=525&Title=Annual%20Return&Report=Annual%20Return%20FY%202021-22.pdf>

Corporate Governance

The report of the Board of Directors of your Company on Corporate Governance is presented as a separate section (*Annexure II*) 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, the Risk Management Committee and other



Directors' Report

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is annexed to the Directors' Report.

Your Company has obtained a certificate from a practising company secretary that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Management Discussion & Analysis

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

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, the policy for determination of legitimate purposes, and policy for enquiry in case of the leak of unpublished price sensitive information in compliance with the said regulations and the same have 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 the 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.

Share Capital

As on March 31, 2022, the Company's issued, subscribed and paid-up equity share capital stood at Rs. 9,65,12,310 (Nine Crores Sixty-Five Lakh Twelve Thousand Three Hundred and Ten Only) divided into 96,51,231 equity shares of Rs. 10/- each.

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

As your Company is not involved 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 the 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.

Update Regarding Certain Matters

During the year ended March 31, 2022, the Company was dealing with following matters which arose in current and/or previous periods:

- (a) The Securities and Exchange Board of India ("SEBI") had enhanced the penalty amount from Rs. 25 lacs to Rs. 1 Crores during the quarter ended September 30, 2020 in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's customer and the customer's subsidiaries. The Company had deposited the enhanced penalty amount under protest and had filed an appeal with the Securities Appellate Tribunal contesting the said order. The said appeal is under review. On this matter, the Company also co-operated with other government agencies in relation to queries received from them. Basis the foregoing and the legal counsel opinion obtained, the Company does not foresee any significant adverse implications on the Company.
- (b) The Company had received an anonymous complaint during the quarter ended September 30, 2021, making certain allegations around conflict of interest against two senior officials of the Company, who are no longer in employment.

ICRA Limited

Directors' Report

The Company had appointed an external firm to examine the allegations. During the year ended March 31, 2022, the Company has concluded the examination thereof and finalised the necessary action plan. The findings did not indicate any adverse financial impact.

Directors and Key Managerial Personnel

During 2021-22, Mr. N. Sivaraman, Managing Director & Group CEO of your Company resigned from the Board of your Company, inclusive of membership in any and all committees of the Board effective from October 22, 2021. Further, Mr. David Brent Platt, 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. Platt was effective from February 18, 2022. The Board places on record its appreciation for their valuable contribution and guidance throughout their tenure.

The Board of Directors of your Company had appointed Mr. Ramnath Krishnan as an Additional Director and as Managing Director & Group CEO of your Company effective from October 23, 2021, subject to approval of the members. The approval from the members was obtained through Postal Ballot on March 26, 2022 for appointment of Mr. Krishnan as Managing Director & Group CEO, and a Director not liable to retire by rotation.

The Board of Directors of your Company had appointed Ms. Shivani Priya Mohini Kak as an Additional Director of your Company under the category of Non-Executive Non-Independent. Ms. Kak's appointment was effective from February 18, 2022. The approval from members was obtained through Postal Ballot on March 26, 2022 for appointment of Ms. Kak under the category of Non-Executive Non-Independent Director, liable to retire by rotation.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of your Company, Mr. Michael Foley is due to retire by rotation, and being eligible, has offered himself for reappointment, subject to approval by the Members of the Company at the forthcoming Annual General Meeting.

On May 9, 2022, Dr. Min Ye had resigned as Non-Executive and Non-Independent Director (inclusive of membership in any and all committees of the Board of Directors) of your Company, effective from May 13, 2022. The Board of Directors of your Company in its meeting held on May 12, 2022, had appointed Mr. Stephen Arthur Long as an Additional Director under the category of "Non-Executive and Non-Independent Director". Mr. Long's appointment is effective from May 13, 2022. Mr. Long is not related to any Director on the Board of the Company, and he is not debarred from holding the office of director pursuant to the Securities and Exchange Board of India order or any other authority. The Nomination and Remuneration Committee and the Board of Directors of your Company recommend the appointment of Mr. Long under the category of Non-Executive Non-Independent Director, liable to retire by rotation.

The resolutions seeking Mr. Long's appointment as Director have been included in the Agenda of the Annual General Meeting.

Proposals for the above appointments form a part of the Agenda for the forthcoming Annual General Meeting and the resolutions are recommended for your approval. The profiles of Mr. Foley and Mr. Long are presented in the Notice of the 31st Annual General Meeting, as required under the Companies Act, 2013, secretarial standards issued by the Institute of Company Secretaries of India on general meetings and the Listing Regulations.

Except for Ms. Ranjana Agarwal, who is serving as a Non-Executive Chairperson and Independent Director on the Board of ICRA Analytics Limited, an unlisted material subsidiary of the Company, and who receives remuneration by way of commission, no other Directors are in receipt of any remuneration or commission from any of the subsidiaries of the Company.

During 2021-22, Mr. Vipul Agarwal, Group Chief Financial Officer of your Company had resigned and was relieved from the services of the Company and from position of Group Chief Financial Officer and a designated Chief Investor Relations Officer, with effective date of March 10, 2022.

The Board of Directors at its meeting held on January 25, 2022, had approved the appointment of Mr. Amit Kumar Gupta as a Chief Financial Officer for an interim period, effective from March 10, 2022. Mr. Gupta continues to hold his current key managerial position of General Counsel of the Company.

The Nomination and Remuneration Committee of your Company is in the process of identifying the full-time Group Chief Financial Officer.



Directors' Report

Independent Directors' Declaration

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 read with Schedule IV of Companies Act, 2013, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with rules made thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company. 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

Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test or avail the exemption from that, as applicable.

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, 2022, 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 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, to safeguard the assets of the Company and to prevent and detect 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.

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 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

ICRA Limited

Directors' Report

Board, the contribution and attendance record of the concerned Director shall be considered in respect of such reappointment. Each Independent Director 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 the 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 Company's business.

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.

The Board of Directors acknowledges that Independent Directors on the Board have integrity and possess expertise and experience, including proficiency.

Auditors

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of your Company, at the 28th Annual General Meeting to hold office until the conclusion of the 33rd Annual General Meeting. As per the explanatory statement circulated to the members along with the notice of the Annual General Meeting, the annual fee for the financial year ending March 31, 2020 was proposed at 47,00,000 (Rupees Forty-Seven Lakh only), plus out-of-pocket expenses and taxes at the applicable rates, for the purpose of the statutory audit of the Company.

It was mentioned in the notice of the Annual General Meeting, that the Board of Directors and the Audit Committee shall be given the power to alter and vary the terms and conditions arising out of an increase in the scope of work, amendment in Auditing Standards or regulations and such other requirements resulting in change in scope of work. Any such change in the terms and conditions of appointment and remuneration of Statutory Auditors would be intimated in the Directors' Report of the Company in the relevant year.

The disclosures relating to fees paid/payable to Statutory Auditors have been made in the Corporate Governance Report annexed to this Report.

Comments on Auditors' Report

The Statutory Auditors have, in their report to the Members of the Company on the standalone financial statements of the Company, mentioned that the Company has not carried out physical verification of its property, plant and equipment during the year ended March 31, 2022.



Directors' Report

In this regard we wish to submit that the physical verification of the Company's property, plant and equipment during the year ended March 31, 2022 could not be carried out due to COVID-19 pandemic.

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

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. Chandrasekaran Associates, Company Secretaries, as the Secretarial Auditor of the Company for the financial year 2021-22 in terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the Listing Regulations. The Secretarial Audit Report for financial year 2021-22 has been annexed to this Report (Annexure IV). The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

The Secretarial Audit Report issued by the material subsidiary of the Company, ICRA Analytics Limited, is also annexed to this Report (Annexure IV-A).

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. 28 per equity share for the financial year ended March 31, 2022. 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, July 29, 2022; and (ii) all those members whose names appear on that date as beneficial owners as furnished by the 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 pay-out 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 uploaded on the website of your Company at:

<https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport/7>

Transfer to Investor Education and Protection Fund

The Company sends reminder letters to all members whose dividends are unclaimed 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 2021-22, the unclaimed dividend amount of Rs. 1,32,066 towards the unpaid dividend account of the Company for the FY 2013-14 was transferred to the 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 read with 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 30 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

ICRA Limited

Directors' Report

218 equity shares to the demat account of the Authority in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. All benefits accruing on such shares viz. bonus shares, split, consolidation, fraction shares etc., except any right issue, shall also be credited to such a 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 the 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 the 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 Risk Management Committee monitor and review the risk management plan.

Risks and concerns are discussed in Section E of the Management Discussion and Analysis 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, as amended, have been annexed to this report (Annexure V).

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 2021-22. The Business Responsibility Report describes the initiatives taken by the Company from the environmental, social and governance perspective. The Business Responsibility Report has been annexed to this report (Annexure VI) 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, 2022. Considering the amendments to definition of the related parties effective from April 1, 2022, under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**"), transactions between the unlisted material subsidiary of the Company, ICRA Analytics Limited ("ICRA Analytics"), and Moody's Corporation (including its affiliates) ("Moody's entities") for providing data outsourcing, research and IT support services, were approved by the Members of the Company as per the Listing Regulations, as the transaction(s) exceeds 10% of the annual consolidated turnover of previous financial year. The transactions are in the ordinary course of business of the concerned subsidiary and at an arm's length basis. Except this transaction, 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. 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 VII).



Directors' Report

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 an Internal Committee for prevention and redressal of sexual harassment at the workplace, separately for all the branches. The Company has not received any complaint during the financial year ended March 31, 2022. The disclosures in relation The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 have also been made in the Corporate Governance Report.

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.

Maintenance of Cost Records

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

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, 2022. During the year no security has been provided as per Section 186 of the Companies Act, 2013.

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 to report unethical/illegal/improper behaviour. Your Company has made employees aware of the Whistle-Blower Policy to enable them to report instances of leak of unpublished price sensitive information.

The said 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 FY 2021-22, the Board accepted all the recommendations of the Audit Committee.

Secretarial Standards

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, Government of India.

Litigations

There are certain pending cases against your Company which are sub judice in court.

Besides this, the Company has filed an appeal before the Hon'ble Securities Appellate Tribunal (the '**SAT**'), challenging the adjudication order in respect of an adjudication proceeding initiated by SEBI in relation to the credit ratings assigned to one of the Company's customer and the customer's subsidiaries (the '**Impugned Order**') and deposited the penalty amount of INR 25 lacs as imposed vide the Impugned Order without prejudice to such appeal.

Further, the Securities and Exchange Board of India (SEBI), vide its order dated September 22, 2020, has enhanced the penalty amount to INR 1 crore on ICRA under Section 15HB of SEBI Act, 1992. The Company has filed an appeal challenging the SEBI enhancement order before the SAT and has deposited the additional penalty amount of INR 75 lacs, without prejudice to the rights and contentions of the Company.

ICRA Limited

Directors' Report

Covid-19

The first quarter of FY21-22 saw a sharp fall in economic activity across sectors – manufacturing as well as services - due to the lockdown imposed by the Central and the state Governments. The subsequent quarters saw a rebound in the economic activity as the lockdown was lifted. While the impact of this on the economy is still evolving, there is keenness on the part of the Government to ensure minimum disruption to economic activity while significantly ramping up vaccination efforts.

Rating opportunities in the near term are going to depend, among other things, on the revival in economic activity, trajectory of interest rates and Government spending to revive manpower intensive sectors that in turn would spur consumption.

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

As on date of this Report, there has been no impact on the business due to non-fulfilment of any obligations by any party to existing contracts/agreements, except a few cases which are sub judice.

Your Company extended remote work for all employees across all locations for a major part of the year. In March 2022, the employees returned to working in offices across all locations. Your Company has demonstrated its ability to provide seamless delivery of high-quality and timely services to its clients even during the lockdown and with the employees working remotely.

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 the staff of your Company.

For and on behalf of the Board of Directors

(Arun Duggal)

Place: Gurugram
Date: May 12, 2022

Chairman
DIN: 00024262



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 FY 2021-22 and the percentage increase in remuneration of each Director and Key Managerial Personnel during the FY 2021-22:**

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	1.51:1	Nil
Ms. Ranjana Agarwal	Independent Director	1.21:1	Nil
Ms. Radhika Vijay Haribhakti	Independent Director	1.21:1	Nil
Dr. Min Ye	Non-Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Mr. David Brent Platt*	Non-Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Mr. Michael Foley	Non-Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Ms. Wendy Huay Huay Cheong	Non-Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Ms. Shivani Priya Mohini Kak**	Non-Executive and Non-Independent Director	Not Applicable ¹	Not Applicable ¹
Mr. Ramnath Krishnan***	Managing Director & Group CEO	Not Applicable	Not Applicable
Mr. N. Sivaraman****	Managing Director & Group CEO	Not Applicable	Not Applicable
Mr. Amit Kumar Gupta*****	Chief Financial Officer & General Counsel	Not Applicable	(-)3%
Mr. Vipul Agarwal*****	Group Chief Financial Officer	Not Applicable	Not Applicable
Mr. S. Shakeb Rahman	Company Secretary	Not Applicable	(-)7%

¹Non-Executive Non-Independent Directors have waived sitting fees and also waived commission payable to them for the FY 2021-22.

*Ceased to be a Director with effect from February 18, 2022.

**Appointed as Director with effect from February 18, 2022.

***Appointment is effective from October 23, 2021.

****Ceased to be a Managing Director & Group CEO with effect from October 22, 2021.

*****Appointed as Chief Financial Officer with effect from March 10, 2022.

*****Ceased to be a Group Chief Financial Officer with effect from March 10, 2022.

- (ii) The percentage increase in the median remuneration of employees for the FY 2021-22 was 22.5% (change in TCC i.e. including TFP, STI/IP I, LTIP/IP II, any one-time bonus).
- (iii) The number of permanent employees on the rolls of the Company as of March 31, 2022 was 390.
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel (including KMP) in the financial year was 22.4% (change in TCC i.e. including TFP, STI/IP I, LTIP/IP II, any one-time bonus). The increase in the managerial remuneration was not applicable during the period under review, as the managerial personnel were appointed for part of the year. The compensation strategy has taken into account (i) the findings of the compensation benchmarking survey; and (ii) minimise attrition and enhance our ability to attract talent.
- (v) The remuneration paid during the FY 2021-22 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

(Arun Duggal)

Chairman

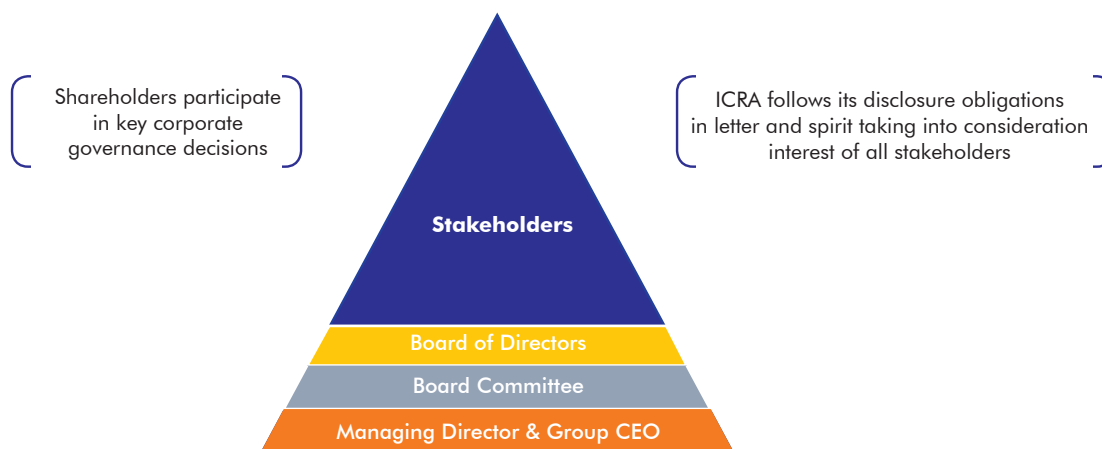
DIN: 00024262

Place: Gurugram

Date: May 12, 2022

ICRA Limited**Annexure II****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

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors with a balanced structure.

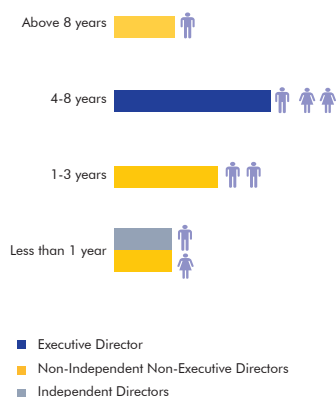
As on the date of this report, the Board consists of eight members, one of whom is an Executive Director. Of the seven Non-Executive Directors, including four women Directors, three are Independent Directors and four Non-Executive Non-Independent Directors. The Chairman of the Board is a Non-Executive 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.

Your Company believes that diverse backgrounds and perspectives improve Board decision-making and effectiveness. The Board has diversity with respect to gender, ethnicity, race, nationality, and age. It reviews its composition, diversity, structure, and other characteristics of effectiveness.

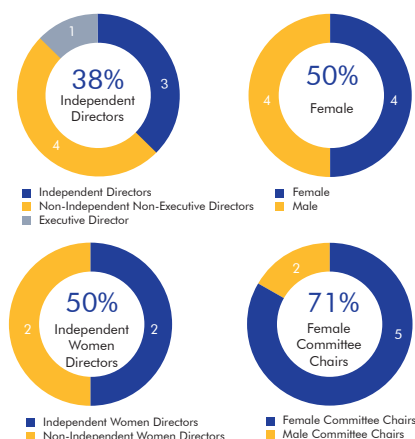


Corporate Governance Report

Board Tenure



Independence and Diversity



In compliance with Regulation 17A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), none of the Directors of your Company are serving in more than seven listed entities and none of the Independent Directors of your Company serve as Independent Director in more than seven listed entities. It also specifies that the Managing Director or Whole-time Director in any listed entity, would not serve as an Independent Director in more than three listed entities. The Managing Director of your Company does not serve as an Independent Director in any listed entity.

None of the Directors on the Board of your Company are members of more than ten 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 the date of this report 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:

Name of Director	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/ Chairperson ³	Directorship in Other Companies (Category)
Mr. Arun Duggal DIN: 00024262	Chairman Non-Executive Independent Director	None	3	3	1	<ul style="list-style-type: none"> ITC Limited (Non-Executive Independent Director) Jubilant Pharma Limited, Singapore (Non-Executive Independent Director) IIT Delhi Endowment Management Foundation

ICRA Limited**Corporate Governance Report**

Name of Director	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/ Chairperson ³	Directorship in Other Companies (Category)
Ms. Ranjana Agarwal DIN: 03340032	Non-Executive Independent Director	None	5	5	1	<ul style="list-style-type: none"> Indo Rama Synthetics (India) Limited (Non-Executive Independent Director) ICRA Analytics Limited (Chairperson, Non-Executive Independent Director) Joyville Shapoorji Housing Private Limited (Non-Executive Independent Director) KDDL Limited (Non-Executive Independent Director) RBL Bank Limited (Non-Executive Independent Director)
Ms. Radhika Vijay Haribhakti DIN: 02409519	Non-Executive Independent Director	None	7	9	2	<ul style="list-style-type: none"> ElH Associated Hotels Limited (Non-Executive Independent Director) Navin Fluorine International Limited (Non-Executive Independent Director) Pipeline Infrastructure Limited (Non-Executive Independent Director) Rain Industries Limited (Non-Executive Independent Director) Torrent Power Limited (Non-Executive Independent Director) Bajaj Finance Limited (Non-Executive Independent Director) Bajaj Finserv Limited (Non-Executive Independent Director)
Dr. Min Ye DIN: 06552282	Non-Executive Non-Independent Director	None	7	None	None	<ul style="list-style-type: none"> China Cheng Xin International Credit Rating Co., Limited (Director) Korea Investors Service, Inc. (Director) Mioying Holdings Inc. (Director) Moody's Asia Pacific Limited (Director) Moody's China (B.V.I.) Limited (Director) Moody's Investors Service (Beijing), Limited (Director) Moody's (China) Limited (Director)
Mr. Michael Foley DIN: 08583960	Non-Executive Non-Independent Director	None	3	None	None	<ul style="list-style-type: none"> Moody's Singapore Pte. Ltd (Director) Moody's Investors Service Singapore Pte. Ltd (Director) Vietnam Investors Service and Credit Rating Agency Joint Stock Company (Member of the Board of Management)



Corporate Governance Report

Name of Director	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/ Chairperson ³	Directorship in Other Companies (Category)
Ms. Wendy Huay Huay Cheong DIN: 08927070	Non-Executive Non-Independent Director	None	17	1	None	<ul style="list-style-type: none"> Korea Investors Service, Inc. (Director) Malaysian Rating Corporation Berhad (Director) MARC Ratings Berhad (Director) MARC Solutions Sdn. Bhd. (Director) Moody's Credit Ratings (China) Limited (Director) Moody's Investors Service Hong Kong Limited (Director) Moody's Investors Service Pty Limited (Director) Moody's (Japan) K.K. (Director) Moody's SF Japan K.K. (Director) Moody's Group Australia Pty Limited (Director) Moody's China (BVI) Limited (Director) Moody's Asia Pacific Limited (Director) Moody's Company Hong Kong Limited (Director) Moody's Singapore Pte. Ltd (Director) Moody's Investors Service (Korea) Inc. (Director) Moody's Investors Service Singapore Pte. Ltd (Director) Vietnam Investors Service and Credit Rating Agency Joint Stock Company (Member of the Board of Management)
Ms. Shivani Priya Mohini Kak ¹ DIN: 09486147	Non-Executive Non-Independent Director	None	None	1	1	None
Mr. Ramnath Krishnan ⁴ DIN: 09371341	Managing Director & Group CEO	None	1	1	None	<ul style="list-style-type: none"> ICRA Analytics Limited (Non-Executive Director)

Notes:

¹Ms. Shivani Priya Mohini Kak was appointed as a Director with effect from February 18, 2022.

²Including private companies and foreign companies.

³Including membership/chairmanship only of the Audit Committee(s) and Stakeholders Relationship Committee(s).

⁴Mr. Ramnath Krishnan was appointed as Managing Director & Group CEO with effect from October 23, 2021.

None of the Directors of your Company were holding any shares of your Company as on March 31, 2022.

ICRA Limited

Corporate Governance Report

(iii) Board Meetings/Annual General Meeting

During the FY 2021-22, the Board of Directors of your Company met eight times – on April 8, 2021, May 6, 2021, July 28, 2021, October 23, 2021, October 25, 2021, January 25, 2022, February 17, 2022 and March 24, 2022. The agenda papers, along with the explanatory notes for the Board meetings, were sent in advance to the Directors. At some instances, documents were presented at the meeting and presentations were also made by the respective executives to the meeting on matters within their respective functional areas or areas of expertise. Due to the Covid-19 pandemic, all meetings of the Board of Directors throughout the year were held through video conferencing ('VC') or other audio-visual means ('OAVM'), pursuant to the amendments made by the Ministry of Corporate Affairs ('MCA') from time to time. Adequate safeguards on security and confidentiality of discussions were ensured and all procedures stipulated under the Secretarial Standards and other legal requirements were complied with in the conduct of these meetings.

In compliance with the General Circular No. 20/2020 dated May 5, 2020, issued by the MCA, the previous Annual General Meeting was held through VC on July 29, 2021. Details regarding the attendance of Directors at the Board meetings and the Annual General Meeting held during the FY 2021-22 are presented in the following table.

Name of the Director	Attended the last AGM held on July 29, 2021	Board Meetings								% of attendance	No. of meetings attended through video/audio conferencing
		No. (1) April 8, 2021	No. (2) May 6, 2021	No. (3) July 28, 2021	No. (4) October 23, 2021	No. (5) October 25, 2021	No. (6) January 25, 2022	No. (7) February 17, 2022	No. (8) March 24, 2022		
Mr. Arun Duggal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	8/8
Ms. Ranjana Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	8/8
Ms. Radhika V. Haribhakti	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	8/8
Dr. Min Ye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	8/8
Mr. Michael Foley	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	8/8
Ms. Wendy Huay Huay Cheong	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	8/8
Ms. Shivani Priya Mohini Kak ¹	NA	NA	NA	NA	NA	NA	NA	NA	Yes	100%	1/1
Mr. Ramnath Krishnan ²	NA	NA	NA	NA	NA	Yes	Yes	Yes	Yes	100%	4/4
Mr. David Brent Platt ³	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	100%	7/7
Mr. N. Sivaraman ⁴	Yes	Yes	Yes	Yes	NA	NA	NA	NA	NA	100%	3/3

¹Ms. Ms. Shivani Priya Mohini Kak was appointed as a Director with effect from February 18, 2022.

²Mr. Ramnath Krishnan was appointed as a Managing Director & Group CEO with effect from October 23, 2021.

³Mr. David Brent Platt ceased to be a Director with effect from February 18, 2022.

⁴Mr. N. Sivaraman ceased to be a Managing Director & Group CEO with effect from October 22, 2021.

Not applicable: NA

Capacity of Board Member

Independent

Non-independent – Non-Executive/Executive

The necessary quorum was present at all the meetings.



Corporate Governance Report

(iv) Membership Term and Retirement Policy

As per the provisions of the Companies Act, 2013, at every Annual General Meeting, one-third of such a 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. As on the date of this report, there are four Directors on the Board of your Company whose office is liable to retire by rotation.

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 people 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 Code of Conduct 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, 2022.

(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 executives of ICRA and Group ICRA entities apprise the Independent Directors of the 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 encourages Independent Directors to attend relevant external training programmes. At various Board/committee meetings, presentations are made to the Board/committee by external experts and/or a senior management of your Company on topics such as Indian economy, debt markets, global regulatory environments, and 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:

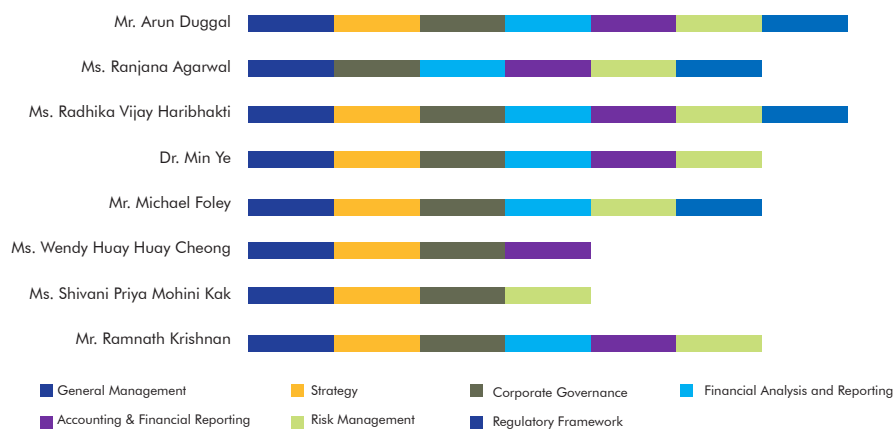
https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=17&Title=Corporate%20Governance&Report=Familiarisation%20Programme_FY%202021-22.pdf

(vii) Skills, expertise and competence of the Board of Directors

The Board of Directors of your Company comprises professionals who bring to the fore a vast range of skills and experience from various sectors, which enhance the governance framework and the Board's decision-making. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for the Board to function effectively. The Board has identified the below mentioned skills, expertise and attributes in the context of the Company's business and activities:

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The Board of Directors who have such skills, expertise and competence are:

**(viii) Independent Directors**

In the opinion of the Board of Directors of your Company, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the management.

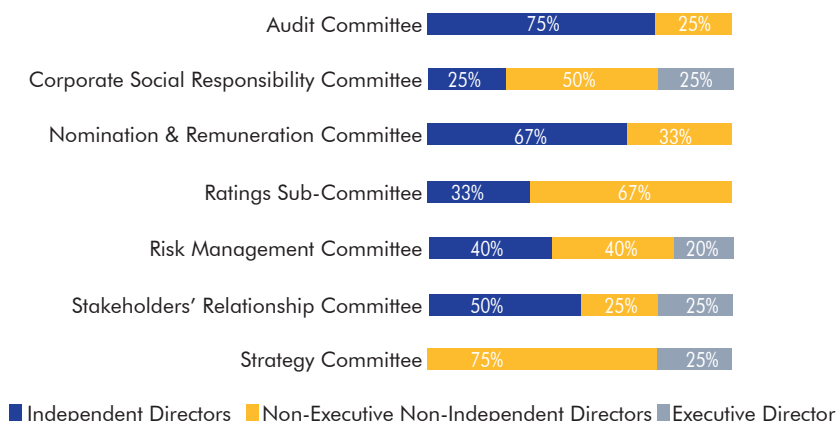
C. Board Committees

In compliance with the requirements under the Companies Act, 2013, the Listing Regulations, and other applicable laws, the Board has constituted the following committees of the Board. 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.



Corporate Governance Report

ICRA has seven Board committees	
Committees	Number of members
Audit Committee	4
Corporate Social Responsibility Committee	4
Nomination & Remuneration Committee	3
Ratings Sub-Committee	3
Risk-Management Committee	5
Stakeholders' Relationship Committee	4
Strategy Committee	4



The following table presents the composition of the various committees as on March 31, 2022 and the number of meetings held by each committee during the FY 2021-22.

Committees	Composition	Chairperson's classification	No. of meetings held
Audit Committee	<ul style="list-style-type: none"> Ms. Ranjana Agarwal, Chairperson Ms. Radhika Vijay Haribhakti Mr. Arun Duggal Ms. Wendy Huay Huay Cheong 	ID	6
Corporate Social Responsibility Committee	<ul style="list-style-type: none"> Ms. Ranjana Agarwal, Chairperson Ms. Shivani Priya Mohini Kak Mr. Michael Foley Mr. Ramnath Krishnan 	ID	2
Nomination and Remuneration Committee	<ul style="list-style-type: none"> Ms. Radhika Vijay Haribhakti, Chairperson Ms. Ranjana Agarwal Ms. Wendy Huay Huay Cheong 	ID	7
Ratings Sub-Committee	<ul style="list-style-type: none"> Mr. Michael Foley, Chairperson Mr. Arun Duggal Dr. Min Ye 	NED	4
Risk Management Committee	<ul style="list-style-type: none"> Mr. Michael Foley, Chairman Ms. Ranjana Agarwal Ms. Radhika Vijay Haribhakti Ms. Shivani Priya Mohini Kak Mr. Ramnath Krishnan 	NED	2
Stakeholders' Relationship Committee	<ul style="list-style-type: none"> Ms. Shivani Priya Mohini Kak, Chairperson Ms. Ranjana Agarwal Mr. Arun Duggal Mr. Ramnath Krishnan 	NED	1
Strategy Committee	<ul style="list-style-type: none"> Ms. Wendy Huay Huay Cheong, Chairperson Dr. Min Ye Mr. Michael Foley Mr. Ramnath Krishnan 	NED	1

ID-Independent Director

NED-Non-Executive Director

NA-Not Applicable

Audit Committee

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 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 statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approve the payment to statutory auditors for any other services rendered by the statutory auditors;
4. Review, 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 to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
 - 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;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
5. Review, with the management, the quarterly financial statements before submission to the Board for approval;
6. Review, 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 make appropriate recommendations to the Board to take steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
8. Approve or subsequently modify any transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;



Corporate Governance Report

10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluate the internal financial controls and risk management systems;
12. Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Review 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. Discuss with internal auditors of any significant findings and follow up thereon;
15. Review 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. Discuss with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussions to ascertain any area of concern;
17. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Review the functioning of the whistle-blower mechanism;
19. Approve the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Attend, through the Chairman, the Annual General Meeting of the Company, to answer shareholders' queries;
21. Review the utilisation of loans and/or advances from/investment by the Company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments existing as on the date of coming into force of this provision i.e., April 1, 2019;
22. Carry out any other function as is mentioned in terms of reference of the 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 terms of appointment, including remuneration, and removal of the chief internal auditor; 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

ICRA Limited**Corporate Governance Report**

The Audit Committee met six times during the FY 2021-22: on May 6, 2021, July 28, 2021, October 25, 2021, January 25, 2022, February 17, 2022 and March 24, 2022. Due to the Covid-19 pandemic, all meetings of the Audit Committee throughout the year were held through video conferencing or other audio-visual means (VC/OAVM). The following table presents, besides the composition of the Audit Committee as on March 31, 2022, the details of attendance at the meetings held during the FY 2021-22.

Composition of Audit Committee			Audit Committee Meetings						% of attendance	No. of meetings attended through video/audio conferencing
Name of the Director	Category	Position	No. (1) May 6, 2021	No. (2) July 28, 2021	No. (3) October 25, 2021	No. (4) January 25, 2022	No. (5) February 17, 2022	No. (6) March 24, 2022		
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes	Yes	100%	6/6
Mr. Arun Duggal	Chairman, Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes	100%	6/6
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes	100%	6/6
Ms. Wendy Huay Huay Cheong	Non-Executive Non-Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes	100%	6/6

The necessary quorum was present at 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.

The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on July 29, 2021.

Corporate Social Responsibility Committee

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

The terms of reference of the CSR Committee include:

- recommend projects to be undertaken as well as allocation of funds to the Board
- recommend the amount of expenditure to be incurred on the activities referred to in corporate social responsibility policy
- submit an annual report on corporate social responsibility to the Board
- monitor the implementation of corporate social responsibility policy from time to time and set up a transparent monitoring mechanism in relation to the same
- undertake impact assessment through an independent agency as required under the Companies Act, 2013
- review the CSR policy annually and recommend any proposed changes to the Board for approval
- review and assess the adequacy of the Charter for the Committee periodically, and recommend appropriate changes to the Charter to the Board for approval



Corporate Governance Report

During the FY 2021-22, the CSR Committee met twice: May 5, 2021 and January 24, 2022. Due to the pandemic, all meetings of the Corporate Social Responsibility Committee throughout the year were held through video conferencing or other audio-visual means (VC/OAVM).

The following table presents the composition of the CSR Committee as on March 31, 2022 and the details of attendance at the CSR Committee meeting held during the FY 2021-22.

Composition of Corporate Social Responsibility Committee			Corporate Social Responsibility Committee Meetings		% of attendance	No. of meetings attended through video/audio conferencing
Name of the Director	Category	Position	No. (1) May 5, 2021	No. (2) January 24, 2022		
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	Yes	Yes	100%	2/2
Mr. David Brent Platt ¹	Non-Executive Non-Independent Director	Member	Yes	Yes	100%	2/2
Mr. Michael Foley	Non-Executive Non-Independent Director	Member	Yes	Yes	100%	2/2
Ms. Shivani Priya Mohini Kak ²	Non-Executive Non-Independent Director	Member	NA	NA	NA	NA
Mr. N. Sivaraman ³	Executive Director	Member	Yes	NA	100%	1/1
Mr. Ramnath Krishnan ⁴	Executive Director	Member	NA	Yes	100%	1/1

¹Mr. David Brent Platt ceased to be a member with effect from February 18, 2022.

²Ms. Shivani Priya Mohini Kak was appointed as member with effect from February 18, 2022.

³Mr. N. Sivaraman ceased to be a member with effect from October 22, 2021.

⁴Mr. Ramnath Krishnan was appointed as member with effect from October 26, 2021.

Not applicable: NA

The necessary quorum was present at all the meetings. The Company Secretary of your Company is the Secretary to the CSR Committee.

Nomination and Remuneration Committee

The Board of Directors of your Company has formed the Nomination and Remuneration Committee, headed by Ms. Radhika Vijay Haribhakti, Independent Director.

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 terms of reference of the Nomination and Remuneration Committee include:

- identify persons who are qualified to become Directors and who can be appointed in senior management and recommend to the Board their appointment and removal

Corporate Governance Report

- 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) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - (iii) the 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) recommend to the Board all remuneration, in whatever form, payable to senior management
- d) review the Company's succession plan on an annual basis and recommend to the Board for approval
- e) formulate the criteria for evaluation of Independent Directors and the Board
- f) specify the manner for effective evaluation of performance of the Board, its committees and individual Directors to be carried out either by the Board, by the Committee or by any an independent external agency and review its implementation and compliance
- g) devise the policy on Board diversity
- h) formulate the criteria for determining qualifications, positive attributes and independence of a Director
- i) attend through the chairperson, the general meeting of the Company to answer shareholders' queries
- j) 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
- k) determine the eligibility of an employee for participation under any employee stock option scheme and grant options thereunder based on, inter alia, the following criteria:
 - (i) identify performance of the employee in contributing to business results, organisational strength and market position of the Company
 - (ii) identify employee's potential and criticality to the role(s) assigned
 - (iii) determine the level in the Company/Subsidiary, and
 - (iv) Any other criteria that may be determined by the Committee from time to time.
- l) determine the quantum of options to be granted under any employee stock option scheme per employee and in aggregate
- m) determine the number of shares to be covered by each such option granted under any employee stock option scheme
- n) approve forms of agreement for use under any employee stock option scheme
- o) 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
- p) 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



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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.

- q) formulate the conditions under which any options granted pursuant to any employee stock option scheme that have vested in employees may lapse in case of termination of employment for misconduct
- r) 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
- s) appoint such agents as it shall deem appropriate for the proper administration of any employee stock option scheme
- t) 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
- u) make any other determination and 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
- v) Review and assess the adequacy of the Charter for the Committee periodically and recommend appropriate changes to the Charter to the Board for approval

The Nomination and Remuneration Committee met seven times during the FY 2021-22: on May 6, 2021, July 28, 2021, October 23, 2021, October 25, 2021, January 25, 2022, February 17, 2022 and March 24, 2022. Due to COVID-19 pandemic, all meetings of the Committee, throughout the year were held through video conferencing or other audio-visual means (VC/OAVM).

The following table presents the composition of the Nomination and Remuneration Committee as on March 31, 2022 and the details of attendance at the meetings held during the FY 2021-22.

Composition of Nomination and Remuneration Committee			Nomination and Remuneration Committee Meetings							% of attendance	No. of meetings attended through video/audio conferencing
Name of the Director	Category	Position	No. (1) May 6, 2021	No. (2) July 28, 2021	No. (3) October 23, 2021	No. (4) October 25, 2021	No. (5) January 25, 2022	No. (6) February 17, 2022	No. (7) March 24, 2022		
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	7/7
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	7/7
Ms. Wendy Huay Cheong	Non-Executive Non-Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100%	7/7
Dr. Min Ye ¹	Non-Executive Non-Independent Director	Member	Yes	Yes	Yes	Yes	NA	NA	NA	100%	4/4

¹Dr. Min Ye ceased to be a member with effect from October 26, 2021.

Not applicable: NA

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The necessary quorum was present at all the meetings.

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

The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on July 29, 2021.

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_July%2028,%202020.pdf

Executive Directors

During the FY 2021-22, your Company paid remuneration to its Executive Directors within the limits envisaged under the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The remuneration mix for the Executive Directors shall be as per their terms of appointments approved by the members of the Company, which shall include fixed pay, deferred pay and perquisites.

Remuneration Paid/Payable to Executive Director/erstwhile Executive Director for the year ended March 31, 2022

(in Rs. lacs)

Name	Mr. Ramnath Krishnan ¹	Mr. N. Sivaraman ²
Designation	Managing Director & Group CEO	Erstwhile Managing Director & Group CEO
Salary	48.61	75.35
Allowances	80.07	124.12
Variable Pay	59.18	-
Perquisites	-	-
Provident Fund Contribution	5.83	9.04
Gratuity	@	@
Compensated absences	@	8.90
Total Remuneration	193.69	217.41
Appointment Valid Till	October 22, 2024	Not Applicable ²
Notice Period	Three months	Not Applicable ²
Severance Pay	Three months basic salary and allowances, but excluding perquisites and annual bonus, in lieu of notice by him or the Company.	Not Applicable ²
No. of Stock Options Granted During the Year	Nil	Not Applicable ²

¹Mr. Ramnath Krishnan was appointed as Managing Director & Group CEO with effect from October 23, 2021.

²Mr. N. Sivaraman ceased to be a Managing Director & Group CEO with effect from October 22, 2021.

@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 are not included above.



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Non-Executive Directors

Remuneration for Independent Directors

The Independent Directors receive remuneration by way of sitting 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, the 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 a 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 a 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.

Sitting fees and commission paid/payable to Non-Executive Directors including Independent and Non-Independent Directors during the FY 2021-22

(in Rs. lacs)

Name of Director	Sitting Fee paid	Commission paid/payable
Mr. Arun Duggal	15.00	25.00
Ms. Ranjana Agarwal	20.25	20.00
Ms. Radhika Vijay Haribhakti	18.00	20.00
Dr. Min Ye	Nil*	Nil*
Mr. David Brent Platt ¹	Nil*	Nil*
Mr. Michael Foley	Nil*	Nil*
Ms. Wendy Huay Huay Cheong	Nil*	Nil*
Ms. Shivani Priya Mohini Kak ²	Nil*	Nil*

*Non-Executive Non-Independent Directors have waived sitting fee and commission payable to them for the FY 2021-22.

¹Mr. David Brent Platt ceased to be a Director with effect from February 18, 2022.

²Ms. Shivani Priya Mohini Kak was appointed as a Director with effect from February 18, 2022.

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.

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Corporate Governance Report

Ratings Sub-Committee

The Board of Directors of your Company has formed the Ratings Sub-Committee, headed by Mr. Michael Foley, Non-Executive Director.

The terms of reference of the Ratings Sub-Committee include:

- i. Reviewing ratings activity which could include, for example, instances of default by rated issuers or issuances, instances of rapid rating migration, rating performance measures and metrics, assessments of contagion and correlation risk, and comparative market views (including other credit rating agencies);
- ii. Reviewing reports on the effectiveness of ICRA's policies and procedures for determining credit ratings, and the effectiveness of internal controls as they relate to the credit rating process;
- iii. Reviewing the process for developing, vetting, and approving methodologies and analytical methods, including quantitative data and models, that ICRA uses to determine credit ratings;
- iv. Reviewing the establishment, maintenance, and enforcement of ICRA's policies and procedures to address, manage, and disclose any conflicts of interest;
- v. Reviewing, with the management, report of external audit of rating process;
- vi. Reviewing reports and findings from the credit policy function;
- vii. Reviewing the compensation and promotion policies of ICRA to assess consistency with commercial/analytic separation and rating quality objectives;
- viii. Reviewing the reports submitted by the chairperson(s) of each rating committee on an annual basis which would, inter alia, include:
 - a. Ratings assigned by the rating committees
 - b. Sharp changes in ratings
- ix. Reviewing and assessing the adequacy of the Charter for the Ratings Sub-Committee periodically and recommending appropriate changes to the Charter to the Board for approval;
- x. Reviewing, addressing and considering any other matters pursuant to any legal/regulatory requirement.

The Committee shall not certify, clear and/or approve any ratings/rating decisions. This will remain a responsibility of rating committees. However, the Committee, including its authorised participants/attendees, if any, as may be deemed necessary by the Committee, may in compliance with applicable law and the Company's codes and policies, seek and/receive information, including unpublished price sensitive information, about a specific individual rating, if the same (i) is necessary for discharging its responsibilities as per the terms of reference of this Committee; or (ii) is pursuant to any legal/regulatory requirement.

The Ratings Sub-Committee met four times during the FY 2021-22- on May 5, 2021, July 27, 2021, October 25, 2021 and January 24, 2022. Due to the Covid-19 pandemic, all meetings of the Committee, throughout the year were held through video conferencing or other audio-visual means (VC/OAVM).

The following table presents the composition of the Ratings Sub-Committee as on March 31, 2022 and the details of attendance at the Committee meeting held during the FY 2021-22.



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Composition of Ratings Sub – Committee			Ratings Sub - Committee Meetings				% of attendance	No. of meetings attended through video/audio conferencing
Name of the Director	Category	Position	No. (1) May 5, 2021	No. (2) July 27, 2021	No. (3) October 25, 2021	No. (5) January 24, 2022		
Mr. Michael Foley	Non-Executive Non-Independent Director	Chairman	Yes	Yes	Yes	Yes	100%	4/4
Mr. Arun Duggal	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	100%	4/4
Dr. Min Ye	Non-Executive Non-Independent Director	Member	Yes	Yes	Yes	Yes	100%	4/4

Risk Management Committee

The Board of Directors of your Company has formed a Risk Management Committee, headed by Mr. Michael Foley, Non-Executive Director.

The Risk Management Committee consists of five Non-Executive Directors, two of whom are Independent Directors.

The terms of reference of the Risk Management Committee include:

- review and approve the risk management framework of the Company.
- review and assess the effectiveness of the Company's enterprise-wide risk assessment processes and recommend improvements, where appropriate.
- review, as appropriate, management's corrective actions for deficiencies that arise with respect to the effectiveness of the Company's enterprise-wide risk assessment programmes.
- evaluate significant risk exposures of the Company and assess the management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as cyber security, business continuity planning and disaster recovery planning and testing).
- obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- coordinate its activities with the audit committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).
- form and delegate authority to sub-committees when appropriate.
- make regular reports to the Board, including with respect to risk management and minimisation procedures.
- monitor all enterprise risks; in doing so, the Committee recognises the responsibilities delegated to other Board committees by the Board and understands that the other Board committees may emphasise specific risk monitoring through their respective activities.
- review the risk management policy annually and recommend any proposed changes to the Board for approval.
- have access to any internal information necessary to fulfil its oversight role. The Committee shall also have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

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- I. review and assess the adequacy of the Charter for the Committee periodically and recommend appropriate changes to the Charter to the Board for approval.

The Risk Management Committee met twice during the FY 2021-22: on July 27, 2021 and January 24, 2022. Due to the pandemic, all meetings of the Committee, throughout the year were held through video conferencing or other audio-visual means (VC/OAVM).

The following table presents the composition of the Risk Management Committee as on March 31, 2022 and the details of attendance at the Committee meeting held during the FY 2021-22.

Composition of Risk Management Committee			Risk Management Committee Meetings		% of attendance	No. of meetings attended through video/audio conferencing
Name of the Director	Category	Position	No. (1) July 27, 2021	No. (2) January 24, 2022		
Mr. David Brent Platt ¹	Non-Executive Non-Independent Director	Chairman	Yes	Yes	100%	2/2
Mr. Michael Foley ²	Non-Executive Non-Independent Director	Chairman	Yes	Yes	100%	2/2
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	Yes	Yes	100%	2/2
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Member	Yes	Yes	100%	2/2
Ms. Shivani Priya Mohini Kak ³	Non-Executive Non-Independent Director	Member	NA	NA	NA	NA
Mr. N. Sivaraman ⁴	Executive Director	Member	Yes	NA	100%	1/1
Mr. Ramnath Krishnan ⁵	Executive Director	Member	NA	Yes	100%	1/1

¹Mr. David Brent Platt ceased to be the Chairman with effect from February 18, 2022.

²Mr. Michael Foley was appointed as the Chairman of Risk Management Committee with effect from February 18, 2022, prior to this date Mr. Foley was a member of Risk Management Committee.

³Ms. Shivani Priya Mohini Kak was appointed as a member with effect from February 18, 2022.

⁴Mr. N. Sivaraman ceased to be a member with effect from October 22, 2021.

⁵Mr. Ramnath Krishnan was appointed as a member with effect from October 26, 2021.

Not applicable: NA

The necessary quorum was present at all the meetings.

The Company Secretary of your Company is the Secretary to the Risk Management Committee.

Stakeholders' Relationship Committee

The Board of Directors of your Company has formed the Stakeholders Relationship Committee.

The Stakeholders' Relationship Committee consists of four Directors. The Chairperson of the Committee, Ms. Shivani Priya Mohini Kak, is a Non-Executive, Non-Independent Director.

The terms of reference of the Stakeholders' Relationship Committee include:

- (a) looking into various aspects of interest of shareholders, debenture holders, and other security holders.



Corporate Governance Report

- (b) resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (c) reviewing measures taken by the Company for effective exercise of voting rights by shareholders.
- (d) reviewing adherence to the service standards adopted by the Company in respect of the various services being rendered by the registrar and share transfer agent of the Company.
- (e) reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- (f) reviewing and assess the adequacy of the Charter for the Committee periodically and recommend appropriate changes to the Charter to the Board for approval.

The Stakeholders' Relationship Committee met once during the FY 2021-22: on July 27, 2021. Due to COVID-19 pandemic, all meetings of the Committee, throughout the year were held through video conferencing or other audio-visual means (VC/ OAVM).

The following table presents the composition of the Stakeholders' Relationship Committee as on March 31, 2022 and the details of attendance at the Committee meeting held during the FY 2021-22.

Composition of Stakeholders Relationship Committee			Stakeholders Relationship Committee Meetings	% of attendance	No. of meetings attended through video/audio conferencing
Name of the Director	Category	Position	No. (1) July 27, 2021		
Mr. Michael Foley ¹	Non-Executive Non-Independent Director	Chairman	Yes	100%	1/1
Ms. Shivani Priya Mohini Kak ²	Non-Executive Non-Independent Director	Chairperson	NA	NA	NA
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	Yes	100%	1/1
Mr. Arun Duggal	Non-Executive Independent Director	Member	Yes	100%	1/1
Mr. N. Sivaraman ³	Executive Director	Member	Yes	Yes	1/1
Mr. Ramnath Krishnan ⁴	Executive Director	Member	NA	NA	NA

¹Mr. Michael Foley ceased to be the Chairman and a member with effect from February 18, 2022.

²Ms. Shivani Priya Mohini Kak was appointed as a Chairperson with effect from February 18, 2022.

³Mr. N. Sivaraman ceased to be a member with effect from October 22, 2021.

⁴Mr. Ramnath Krishnan was appointed as a member with effect from October 26, 2021.

Not applicable: NA

The necessary quorum was present at the meetings.

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on July 29, 2021.

Mr. S. Shakeb Rahman, Company Secretary & Compliance Officer, is the Secretary to the Stakeholders' Relationship Committee.

The Company Secretary of your Company is the Compliance Officer.

ICRA Limited**Corporate Governance Report**

Your Company received 13 complaints from Shareholders/Investors during the FY 2021-22. All complaints were redressed to the satisfaction of the Shareholders/Investors and no complaint was pending as on March 31, 2022.

The details of the complaints received and resolved during the FY 2021-22 are as follows:

S. No.	Complaint relating to/received from	Pending as on April 1, 2021	Received during the year	Resolved during the year	Pending as on March 31, 2022
1.	Transfer/Transmission/Split/Duplicate Share Certificates	Nil	Nil	Nil	Nil
2.	Non-receipt of Dividend	Nil	6	6	Nil
3.	Dematerialisation/Re-materialisation of Shares	Nil	2	2	Nil
4.	Complaint received from:				
	(a) Securities and Exchange Board of India/SCORES	Nil	Nil	Nil	Nil
	(b) Stock Exchanges:	Nil	1*	1*	Nil
	(i) BSE Limited (BSE)	Nil	Nil	Nil	Nil
	(ii) National Stock Exchange of India Limited (NSE)	Nil	Nil	Nil	Nil
	(c) Registrar of Companies (ROC)	Nil	Nil	Nil	Nil
	(d) Reserve Bank of India	Nil	Nil	Nil	Nil
5.	Legal	Nil	Nil	Nil	Nil
6.	Non-receipt of Refund Order	Nil	1	1	Nil
7.	Non-receipt of Electronic Credits	Nil	Nil	Nil	Nil
8.	Non-receipt of Annual Report	Nil	2	2	Nil
9.	Miscellaneous	Nil	1	1	Nil
	Total	Nil	13	13	Nil

**non-receipt of Dividend*

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 FY 2021-22, the Company has not received any complaint through SCORES.

Strategy Committee

The Board of Directors of your Company has formed a Strategy Committee, headed by Ms. Wendy Huay Huay Cheong, Non-Executive, Non-Independent Director.

The Strategy Committee met once during the FY 2021-22: on January 24, 2022. Due to the Covid-19 pandemic, this meeting of the Committee was held through video conferencing or other audio-visual means (VC/OAVM).



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The following table presents the composition of the Strategy Committee as on March 31, 2022 and the details of attendance at the Committee meeting held during the FY 2021-22.

Composition of Strategy Committee			Strategy Committee Meetings	% of attendance	No. of meetings attended through video/audio conferencing
Name of the Director	Category	Position	No. (1) January 24, 2022		
Ms. Wendy Huay Huay Cheong	Non-Executive Non-Independent Director	Chairperson	Yes	100%	1/1
Dr. Min Ye	Non-Executive Non-Independent Director	Member	Yes	100%	1/1
Mr. David Brent Platt ¹	Non-Executive Non-Independent Director	Member	Yes	100%	1/1
Mr. Michael Foley ²	Non-Executive Non-Independent Director	Member	NA	NA	NA
Mr. N. Sivaraman ³	Executive Director	Member	NA	NA	NA
Mr. Ramnath Krishnan ⁴	Executive Director	Member	Yes	100%	1/1

¹Mr. David Brent Platt ceased to be a member with effect from February 18, 2022.

²Mr. Michael Foley was appointed a member with effect from February 18, 2022.

³Mr. N. Sivaraman ceased to be a member with effect from October 22, 2021.

⁴Mr. Ramnath Krishnan was appointed a member with effect from October 26, 2021.

Not applicable: NA

The necessary quorum was present at the meeting.

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 such companies in the best interest of their stakeholders. The Company monitors the performance of its subsidiary companies using, *inter alia*, the following means:

- Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- 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.
- 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.

ICRA Limited**Corporate Governance Report****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-Eighth Annual General Meeting	September 28, 2019 at 15:30 hours	Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi-110003	The following Special Resolutions were passed by the Members: <ul style="list-style-type: none"> • Re-appointment of Mr. Arun Duggal as an Independent Director of the Company for second term. • Re-appointment of Ms. Ranjana Agarwal as an Independent Director of the Company for second term. • Re-appointment of Ms. Radhika Vijay Haribhakti as an Independent Director of the Company for second term.
Twenty-Ninth Annual General Meeting	September 23, 2020 at 16:00 hours	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue of the meeting: Registered Office)	The following Special Resolution was passed by the Members: <ul style="list-style-type: none"> • Appointment of Mr. N. Sivaraman (DIN: 00001747) as a Managing Director & CEO of the Company and as CEO of ICRA Group.
Thirtieth Annual General Meeting	July 29, 2021 at 15:30 hours	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") (Deemed venue of the meeting: Registered Office)	The following Special Resolution was passed by the Members: <ul style="list-style-type: none"> • Approval for the continuation of Mr. Arun Duggal (DIN: 00024262) as a Non-Executive and Independent Director of the Company

Postal Ballot

During FY 2021-22, the Board of Directors pursuant to Section 110 and 108 of the Companies Act, 2013 (the "Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), and other applicable laws and regulations, if any, read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the MCA (hereinafter collectively referred to as "MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "SEBI Circulars") had sought the approval of the Members of the Company for the following resolution(s) by way of Postal Ballot ("Postal Ballot") through remote e-voting process only ("remote e-voting").

S. No.	Type of Resolution	Particulars
1	Ordinary Resolution	To appoint Ms. Shivani Priya Mohini Kak (DIN: 09486147) as a Non-Executive and Non-Independent Director of the Company
2	Ordinary Resolution	To appoint Mr. Ramnath Krishnan (DIN: 09371341) as a Director of the Company not liable to retire by rotation
3	Special Resolution	To appoint Mr. Ramnath Krishnan (DIN: 09371341) as a Managing Director & CEO of the Company and as CEO of ICRA Group
4	Ordinary Resolution	To approve the Material Related Party Transactions of the Company



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The Board of Directors had appointed Mr. Sachin Agarwal (FCS 7715), Proprietor of M/s. A. Sachin & Associates, Company Secretaries, as the scrutiniser to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner ("Scrutiniser"). The Scrutiniser has submitted the report after completion of the scrutiny of the votes cast through remote e-voting.

The details of special resolution passed through Postal Ballot including the voting results are as follows:

Particulars	Remote e-voting		Percentage
	Number of shareholders	Votes	
Assent votes	222	7,537,159	99.99548
Dissent votes	18	341	0.00452
Particulars of invalid votes			
Number of shareholders			-
Votes			-

The summary of voting result of special resolution, as per shareholding pattern of the Company on cut-off date, is as under:

Category	Mode of Voting	No. of shares held (1)	No. of votes cast (2)	% of votes cast on outstanding shares (3) = [(2)/(1)] * 100	No. of votes - in favour (4)	No. of votes – against (5)	% of votes in favour on votes cast (6) = [(4)/(2)] * 100	% of votes against on votes cast (7) = [(5)/(2)] * 100
Promoter and Promoter Group	Remote e-Voting	5,005,622	5,005,622	100.0000	5,005,622	-	100.0000	-
Public-Institutions	Remote e-Voting	3,522,955	2,512,336	71.31332	2,512,283	53	99.99789	0.00211
Public-Non-Institutions*	Remote e-Voting	1,090,704	19,542	1.79169	19,254	288	98.52625	1.47375
	Total	9,619,281	7,537,500	78.35825	7,537,159	341	99.99548	0.00452

*excludes Non-Promoter-Non-Public shareholding

F. Disclosures

(i) Related-Party Transactions

Considering the amendments to definition of the related parties effective from April 1, 2022, under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), transactions between the unlisted material subsidiary of the Company, ICRA Analytics Limited ("ICRA Analytics"), and Moody's Corporation (including its affiliates) ("Moody's entities") for providing data outsourcing, research and IT support services, were approved by the Members of the Company as per the Listing Regulations, as the transaction(s) exceeds 10% of the annual consolidated turnover of previous financial year. The transactions are in the ordinary course of business of the concerned subsidiary and at an arm's length basis.

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 Company's interest.

Related-party transactions are disclosed in the financial statements for the year ended March 31, 2022 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>.

ICRA Limited

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(ii) Details of Non-Compliance

There has been no instance of non-compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(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 establishing 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>

(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 the '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 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 the preservation and archiving 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 prescribe various corporate governance recommendations in line with the Corporate Governance Committee constituted by the SEBI.



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During the FY 2021-22, 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) read with Part E of Schedule II of the Listing Regulations:

- (i) Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.
- (ii) Board: The Chairman being a Non-Executive and Independent Director. Your Company reimburses a part of the expenses for maintaining the office to the Chairman.

(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 read with Section 149 (8) and read with Schedule-IV of the Companies Act, 2013, one separate meeting of the Independent Directors of the Company was held through Video Conferencing/ Other Audio-Visual Means (VC/OAVM) on January 24, 2022, without the attendance of the Executive Director and Non-Independent Directors. The Company Secretary has facilitated the Independent Directors in holding the meeting.

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 covers 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.

(xii) Disclosures in relation to complaints relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosures in relation to Anti-Sexual Harassment Policy and constitution of Internal Complaints Committee have been made in the Directors' Report. As required under the Listing Regulations, the disclosures in relation to complaints relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided below:

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending as on end of the financial year: Nil

(xiii) Disclosures relating to fees paid/payable to statutory auditors

Total fees for all services paid/payable for the FY 2021-22 by your Company and its subsidiaries in India to BSR & Co. LLP, Chartered Accountants (including all entities in network firm/network entity), on a consolidated basis are as under.

ICRA Limited**Corporate Governance Report**

Particulars	Amount (In Rs.)
Audit fees	3,952,679
Limited review fees	1,778,616
Tax audit fees	981,872
Other certification services fees	115,539
Reimbursement of expenses	166,993
Total	6,995,699

(xiv) Certificate from Company Secretary in practice

As required under Schedule V of the Listing Regulations, your Company has obtained a certificate from a company secretary in practice, that none of the Directors on the Board of your Company as on March 31, 2022 are debarred or disqualified from being appointed or continuing as Directors of your Company by the Securities and Exchange Board of India or the Ministry of Corporate Affairs, or any such authority. A certificate from a company secretary in practice for the FY 2021-22 has been annexed to this report.

(xv) Disclosure regarding Commodity price risk and hedging activities

Your Company is not exposed to any commodity price risk and hence the disclosures under Regulation 34(3) read with clause 9(n) and 10 (g) of Part C of Schedule V of Listing Regulations and SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not applicable.

The detailed discussion of the Company's risks and concern are provided in the Management Discussion & Analysis Report.

(xvi) Details of utilisation of funds raised through preferential allotment or qualified institutions placement

No disclosure or reporting is required with respect to the utilisation of funds of Preferential Allotment/QIP.

(xvii) Recommendation of the Committees of the Board of Directors

During the FY 2021-22, the Board of Directors had accepted all recommendations of the Committees of the Board of Directors.

(xviii) Disclosures with respect to demat suspense account/ unclaimed suspense account

There are no shares lying in the demat suspense account or unclaimed suspense account, therefore, disclosures in terms of Regulation 39 (4) of the Listing Regulations read with Schedule V are not applicable.

(xix) Loans and Advances

During the FY 2021-22, there is no loan given to firms/companies in which directors are interested.

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 the 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



Corporate Governance Report

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) Schedule of analyst or institutional investor meet and presentations and submission to stock exchange
- (p) New name and the old name of the Company
- (q) Advertisements as per regulation 47 (1)
- (r) Separate audited financial statements of each subsidiary
- (s) Secretarial compliance report
- (t) Policy for determination of materiality for disclosures
- (u) Contact details of key managerial personnel who are authorised for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s)
- (v) Disclosures as per regulation 30 (8)
- (w) Dividend distribution policy
- (x) Annual return

ICRA Limited**Corporate Governance Report****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), 17(1A) & 17(1B)	Yes
Meeting of board of directors	17(2)	Yes
Quorum of board meeting	17(2A)	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
Maximum number of directorships	17A	Yes
Composition of audit committee	18(1)	Yes
Meeting of audit committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Quorum of nomination and remuneration committee meeting	19(2A)	Yes
Meeting of nomination & remuneration committee	19(3A)	Yes
Composition of stakeholder relationship committee	20(1), (2) & (2A)	Yes
Meeting of stakeholder relationship committee	20(3A)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	Yes
Meeting of risk management committee	21(3A)	Yes
Quorum of risk management committee meeting	21(3B)	Yes
Meeting of risk management committee	21(3C)	Yes
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)	Yes
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of board of directors of unlisted material subsidiary	24(1)	Yes
Other corporate governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Secretarial audit with respect to listed entity and its material unlisted subsidiaries incorporated in India	24A	Yes
Alternate directorship & tenure	25(1) & (2)	Yes
Appointment, re-appointment or removal of an independent director	25(2A)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarisation of independent directors	25(7)	Yes
Declaration from independent director	25(8) & (9)	Yes
Directors and officers Insurance	25(10)	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
Other corporate governance requirements	27	Yes



Corporate Governance Report

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 SEBI (Depositories and Participants) Regulations, 2018, a Reconciliation of the 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. Mandatory Dematerialisation of Equity Shares

The Securities and Exchange Board of India (SEBI) has amended regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), whereby transfer of securities of a listed company would not be processed unless the securities are held in the dematerialised form. The said regulation came into effect from April 1, 2019. As on March 31, 2022, about 99.99% of the equity shares issued by the Company are held in dematerialised form. The remaining members holding shares in the physical form are requested to arrange the dematerialisation of their shares at the earliest to avoid any inconvenience in future for transferring those shares.

L. General Members' Information

1	Annual General Meeting	
	Date	Thursday, August 4, 2022
	Time	3:30 p.m. (IST)
	Mode	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
		Deemed venue of the meeting: Registered Office
2	Financial Year	Financial Year is April 1, 2022 to March 31, 2023
	Quarterly results will be declared as per the following tentative schedule:	
	• Financial reporting for the quarter ending June 30, 2022	First fortnight of August 2022
	• Financial reporting for the half year ending September 30, 2022	Second fortnight of October 2022
	• Financial reporting for the quarter ending December 31, 2022	Second fortnight of January 2023
	• Financial reporting for the year ending March 31, 2023	First fortnight of May 2023
3	Dates of Book Closure	Saturday, July 30, 2022 to Wednesday, August 3, 2022 (both days inclusive)
4	Proposed Dividend	Rs. 28 per share
5	Dividend Payment Date	On or before Friday, August 19, 2022

ICRA Limited**Corporate Governance Report**

6	Listing on Stock Exchanges	<p>The shares of your Company are listed on:</p> <ul style="list-style-type: none"> • 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 <p>Your Company has paid the annual listing fee for the FY 2022-23 to both the Exchanges.</p>
7	Stock Code	<p>BSE Limited: 532835</p> <p>National Stock Exchange of India Limited: ICRA</p> <p>ISIN: INE725G01011</p> <p>CIN: L74999DL1991PLC042749</p>
8	Registrar and Share Transfer Agent	<p>M/s. Link Intime India Private Limited Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Tel: +91 11 4141 0592 Fax: +91 11 4141 0591 Email Id: delhi@linkintime.co.in</p>
9	Share Transfer System	<p>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. The Company obtains from a practising Company Secretary a certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the certificate with the Stock Exchanges.</p>
10	Compliance Officer	<p>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</p>
11	Dematerialisation of Shares and Liquidity	<p>99.99% shares of your Company are held in the electronic mode.</p>



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12	Payment of Dividend	<p>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.</p>
13	Green Initiative	<p>To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their depository participants in case the shares are held by them in electronic form and with the Company's Registrar and Share Transfer Agent in case the shares are held by them in physical form.</p> <p>In compliance with the Ministry of Corporate Affairs and the Securities and Exchange Board of India ("SEBI") Circulars, Notice of the Annual General Meeting along with the Annual Report FY 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company's Registrar and Share Transfer Agent/Depositories. Members may note that the Notice and Annual Report FY 2021-22 will also be available on the Company's website viz. www.icra.in.</p>
14	Bank Details for Electronic Shareholding	<p>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.</p>

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15	KYC Details	<p>The Members are requested to note that the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 prescribed common and simplified norms for processing investor's request by Registrars to an Issue and Share Transfer Agents ("RTAs") and norms for furnishing PAN, KYC details and nomination ("SEBI Circular"). A copy of the SEBI Circular has been uploaded on the investors' section of the Company's website, https://www.icra.in/, and the following documents have appended with the said SEBI Circular:</p> <p>Form No. ISR-1 - request for registering PAN, KYC details or changes / updation thereof</p> <p>Form No. ISR-2 - confirmation of signature of securities holder by the banker</p> <p>Form No. ISR-3 - declaration form for opting-out of nomination by holders of physical securities</p> <p>Form No. SH-13 - nomination form</p> <p>Form No. SH-14 - cancellation or variation of nomination</p> <p>In light of the SEBI Circular, the Members of the Company holding shares in physical form shall provide the following documents/details to Link Intime India Private Limited, the RTA of the Company:</p> <ol style="list-style-type: none"> 1. Permanent Account Number ("PAN"). 2. Nomination (for all eligible folios) in Form No. SH-13 or submit declaration to "Opt-Out" in Form No. ISR-3. 3. Note: Any cancellation or change in nomination shall be provided in Form No. SH-14. 4. Contact details including postal address with PIN code, mobile number, e-mail address. 5. Bank account details including bank name and branch, bank account number, IFSC. 6. Specimen signature. <p>The Members of the Company are requested to ensure the above documents/details are furnished and/or updated with Link Intime India Private Limited before April 1, 2023, since folios for which the above documents/details are not available thereafter shall be frozen.</p>
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.
18	Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, Conversion date and likely impact on equity	None



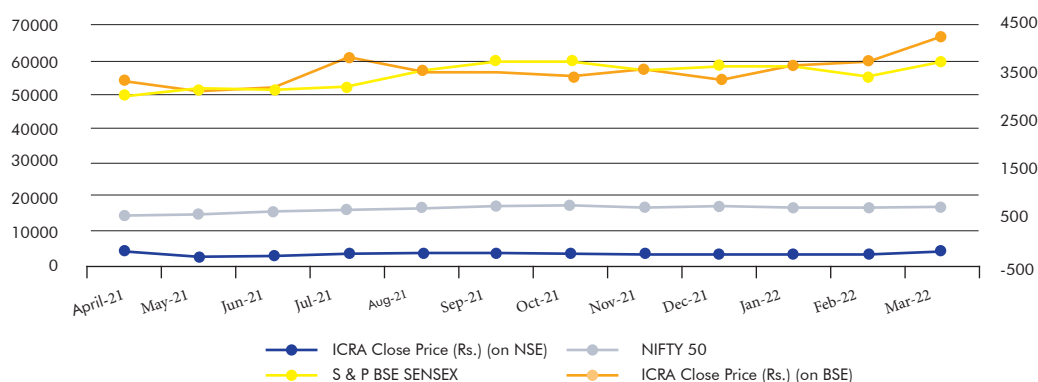
Corporate Governance Report

19. Market Price Data for the FY 2021-22

High and low share prices (based on daily closing prices) and numbers of equity shares traded during each month in the FY 2021-22 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, 2021	3,775.00	3,085.80	23,157	3,744.30	3,132.00	329,328	352,485
May, 2021	3,600.00	3,055.65	10,303	3,629.00	3,134.00	144,181	154,484
June, 2021	3,560.00	3,135.65	26,170	3,530.00	3,142.50	322,640	348,810
July, 2021	4,158.60	3,243.50	37,998	4,150.00	3,240.00	582,503	620,501
August, 2021	3,825.00	3,388.55	9,809	3,825.00	3,386.05	148,083	157,892
September, 2021	4,000.00	3,471.00	7,571	3,675.00	3,471.00	132,403	139,974
October, 2021	3,800.00	3,435.80	4,927	3,829.00	3,415.05	71,644	76,571
November, 2021	3,755.00	3,286.60	5,099	3,755.00	3,350.05	118,043	123,142
December, 2021	3,817.85	3,335.05	1,889	3,822.00	3,351.20	105,195	107,084
January, 2022	3,733.05	3,263.65	3,613	3,770.00	3,349.85	192,658	196,271
February, 2022	3,956.00	3,540.00	2,557	3,828.00	3,556.00	47,921	50,478
March, 2022	4,380.00	3,650.00	4,571	4,500.00	3,622.55	185,757	190,328

20. Performance in Comparison with Broad-based Indices



ICRA Limited

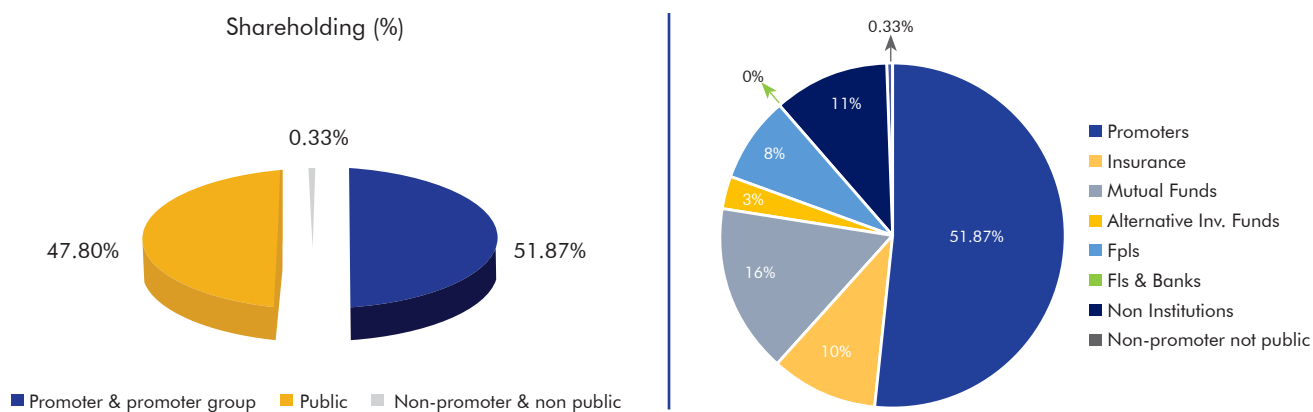
Corporate Governance Report

21. Distribution of Shareholding as on March 31, 2022

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	15962	98.0587	189	390035	136789	527013	5.4606
501 – 1000	164	1.0075	0	96735	21132	117867	1.2213
1001 – 2000	63	0.387	0	77028	11299	88327	0.9152
2001 – 3000	26	0.1597	0	59375	5360	64735	0.6707
3001 – 4000	13	0.0799	0	41294	4000	45294	0.4693
4001 - 5000	8	0.0491	0	27521	8951	36472	0.3779
5001 – 10000	16	0.0983	0	92826	11426	104252	1.0802
10001 & Above	26	0.1597	0	8635321	31950	8667271	89.8048
Total	16278	100	189	9420135	230907	9651231	100

*not clubbed based on permanent account number.

22. Shareholding Pattern as on March 31, 2022





Corporate Governance Report

Statement of Shareholding Pattern as on March 31, 2022

Table 1 - Summary Statement holding of specified securities

Category	Category of shareholder	Number of shareholders	No. of fully paid up 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 class of securities				No. of Shares Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		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 Shares held(b)	No. (a)	As a % of total Shares 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) = (VII)+(X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)					
(A)	Promoter & Promoter Group	2	5005622	0	0	5005622	51.8651	5005622	0	5005622	52.0374	0	51.8651	0	0.0000	0	0.0000	5005622
(B)	Public	15370	4613659	0	0	4613659	47.8038	4613659	0	4613659	47.9626	0	47.8038	0	0.0000	NA	NA	4613470
(C)	Non Promoter - Non Public				0			0				0			0.0000	NA	NA	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(C2)	Shares Held By Employee Trust	1	31950	0	0	31950	0.3310	0	0	0	0.0000	0	0.3310	0	0.0000	NA	NA	31950
	Total	15373	9651231	0	0	9651231	100.0000	9619281	0	9619281	100.0000	0	100.0000	0	0.0000	0	0.0000	9651042

Statement of Shareholding Pattern as on March 31, 2022

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

Category & Name of the shareholders	Entity Type	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		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 Shares held(b)	No. (a)	As a % of total Shares 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) = (VII) + (X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)						
1 Indian																			
(a) Individuals / Hindu Undivided Family			0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0	0	
(b) Central Government / State Government(s)			0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0	0	
(c) Financial Institutions / Banks			0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0	0	
(d) Any Other (Specify)			1	3055900	0	0	3055900	31.6633	3055900	0	3055900	31.7685	0	31.6633	0	0.0000	0	0.0000	3055900
Bodies Corporate			1	3055900	0	0	3055900	31.6633	3055900	0	3055900	31.7685	0	31.6633	0	0.0000	0	0.0000	3055900
Moodys Investment Company India Private Limited	Promoters	AABCM8576F	1	3055900	0	0	3055900	31.6633	3055900	0	3055900	31.7685	0	31.6633	0	0.0000	0	0.0000	3055900
Sub Total (A)(1)			1	3055900	0	0	3055900	31.6633	3055900	0	3055900	31.7685	0	31.6633	0	0.0000	0	0.0000	3055900
2 Foreign																			
(a) Individuals (Non-Resident Individuals / Foreign Individuals)			0	0	0	0	0	0.0000	0	0	0	0.0000	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	0.0000	0	0.0000	0	0.0000	0
(c) Institutions			0	0	0	0	0	0.0000	0	0	0	0.0000	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	0.0000	0	0.0000	0	0.0000	0
(e) Any Other (Specify)			1	1949722	0	0	1949722	20.2018	1949722	0	1949722	20.2689	0	20.2018	0	0.0000	0	0.0000	1949722
Bodies Corporate			1	1949722	0	0	1949722	20.2018	1949722	0	1949722	20.2689	0	20.2018	0	0.0000	0	0.0000	1949722
Moodys Singapore Pte Ltd	Promoters	AAHCM8524D	1	1949722	0	0	1949722	20.2018	1949722	0	1949722	20.2689	0	20.2018	0	0.0000	0	0.0000	1949722
Sub Total (A)(2)			1	1949722	0	0	1949722	20.2018	1949722	0	1949722	20.2689	0	20.2018	0	0.0000	0	0.0000	1949722
Total Shareholding Of Promoter And Promoter Group (A) = (A)(1) + (A)(2)			2	5005622	0	0	5005622	51.8651	5005622	0	5005622	52.0374	0	51.8651	0	0.0000	0	0.0000	5005622



Corporate Governance Report

Statement of Shareholding Pattern as on March 31, 2022

Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up 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 class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered	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 Shares held(b)		
								Class eg: X	Class eg: Y	Total							
								(i)	(ii)	(iii)	(iv)			(v)	(vi)	(vii) = (v)+(v)+(vi)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (v)+(v)+(vi)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi) = (vii)+(x) As a % of (A+B+C2)	(xii)	(xiii)	(xiv)				
1 Institutions																	
(a) Mutual Fund		4	1587974	0	0	1587974	16.4536	1587974	0	1587974	16.5082	0	0.0000	NA	NA	1587974	
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Tax Relief 96	AAATB0102C	1	936910	0	0	936910	9.7077	936910	0	936910	9.7399	0	0.0000	NA	NA	936910	
Pfco Mutual Fund - Parag Parikh Flexi Cap Fund	AACTP2540E	1	439259	0	0	439259	4.5513	439259	0	439259	4.5664	0	0.0000	NA	NA	439259	
Sundaram Mutual Fund A/C Sundaram Diversified Equity	AAATS2554B	1	140050	0	0	140050	1.4511	140050	0	140050	1.4559	0	0.0000	NA	NA	140050	
(b) Venture Capital Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0	
(c) Alternate Investment Funds		2	279573	0	0	279573	2.8968	279573	0	279573	2.9064	0	0.0000	NA	NA	279573	
Pari Washington Investment Fund	AAETP1632M	1	248573	0	0	248573	2.5756	248573	0	248573	2.5841	0	0.0000	NA	NA	248573	
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0	
(e) Foreign Portfolio Investor		21	728438	0	0	728438	7.5476	728438	0	728438	7.5727	0	0.0000	NA	NA	728438	
Pari Washington India Master Fund, Ltd.	AAFCP7824F	1	703664	0	0	703664	7.2909	703664	0	703664	7.3151	0	0.0000	NA	NA	703664	
(f) Financial Institutions / Banks		2	3501	0	0	3501	0.0363	3501	0	3501	0.0364	0	0.0000	NA	NA	3501	
(g) Insurance Companies		4	912227	0	0	912227	9.4519	912227	0	912227	9.4833	0	0.0000	NA	NA	912227	
LICI Asm Non Par	AAACL0582H	1	516254	0	0	516254	5.3491	516254	0	516254	5.3669	0	0.0000	NA	NA	516254	
General Insurance Corporation Of India	AAACG0615N	1	250000	0	0	250000	2.5903	250000	0	250000	2.5989	0	0.0000	NA	NA	250000	
Hdfc Life Insurance Company Limited	AAACH8755L	1	120000	0	0	120000	1.2434	120000	0	120000	1.2475	0	0.0000	NA	NA	120000	
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0	

Table III - Statement showing shareholding pattern of the Public shareholder

Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of 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 class of securities				No. of Shares Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of (A+B+C2)	No of Voting Rights Class eg: X	Class eg: Y	Total	Total as a % of (A+B+C)	(ix)	(x) = (vii)+(xi) As a % of (A+B+C2)	(xi)	(xii)		(xiv)
(i) Any Other (Specify)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	NA	NA	0
Sub Total (B)(1)		33	3511713	0	0	3511713	36.3862	3511713	0	3511713	36.5070	0	36.3862	0	0.0000	NA	3511713
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	0.0000	0	0.0000	NA	0
3 Non-Institutions																	
(a) Individuals			0	0										0	NA	NA	
i. Individual shareholders holding nominal share capital up to Rs. 2 lacs.		13941	773982	0	0	773982	8.0195	773982	0	773982	8.0462	0	8.0195	0	0.0000	NA	773793
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lacs.		2	45533	0	0	45533	0.4718	45533	0	45533	0.4734	0	0.4718	0	0.0000	NA	45533
(b) NBFCs registered with RBI		1	2500	0	0	2500	0.0259	2500	0	2500	0.0260	0	0.0259	0	0.0000	NA	2500
Trust Employee		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	0
(d) Overseas Depositories(holding DRs) (balancing figure)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	0
(c) Any Other (Specify)		1393	279931	0	0	279931	2.9005	279931	0	279931	2.9101	0	2.9005	0	0.0000	NA	279931
IEPF		1	759	0	0	759	0.0079	759	0	759	0.0079	0	0.0079	0	0.0000	NA	759
Trusts		4	3043	0	0	3043	0.0315	3043	0	3043	0.0316	0	0.0315	0	0.0000	NA	3043
Hindu Undivided Family		528	23378	0	0	23378	0.2422	23378	0	23378	0.2430	0	0.2422	0	0.0000	NA	23378
Non Resident Indians (Non Report)		310	29746	0	0	29746	0.3082	29746	0	29746	0.3092	0	0.3082	0	0.0000	NA	29746
Non Resident Indians (Report)		366	70794	0	0	70794	0.7335	70794	0	70794	0.7360	0	0.7335	0	0.0000	NA	70794
Body Corp-Ltd Liability Partnership		12	3827	0	0	3827	0.0397	3827	0	3827	0.0398	0	0.0397	0	0.0000	NA	3827
Clearing Member		32	5496	0	0	5496	0.0569	5496	0	5496	0.0571	0	0.0569	0	0.0000	NA	5496
Bodies Corporate		140	142888	0	0	142888	1.4805	142888	0	142888	1.4854	0	1.4805	0	0.0000	NA	142888
Sub Total (B)(3)		15337	1101946	0	0	1101946	11.4177	1101946	0	1101946	11.4556	0	11.4177	0	0.0000	NA	1101757
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		15370	4613659	0	0	4613659	47.8038	4613659	0	4613659	47.9626	0	47.8038	0	0.0000	NA	4613470



Corporate Governance Report

Statement of Shareholding Pattern as on March 31, 2022

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

Table IV - Statement showing the holding pattern of the Non Promoter- Non Public shareholders																		
Category & Name of the shareholders	PAN	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV) + (V) + (VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		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 Shares held(b)	No. (a)	As a % of total Shares 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) = (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	NA	NA	0				
2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		1	31950	0	0	31950	0.3310	0	0	0	0.0000	NA	NA	31950				
Total Non-Promoter- Non Public Shareholding (C) = (C1) + (C2)		1	31950	0	0	31950	0.3310	0	0	0	0.0000	NA	NA	31950				

Place: Gurugram

Date: May 12, 2022

On behalf of the Board of Directors

(Arun Duggal)
Chairman
DIN: 00024262

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Corporate Governance Report

Declaration Regarding Compliance by Board Members and Senior Management Personnel 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 2021-22.

(Ramanth Krishnan)

Managing Director & Group CEO

DIN: 09371341

Place: Gurugram

Date: May 12, 2022



Corporate Governance Report

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, Ramnath Krishnan, Managing Director & Group CEO, and Amit Gupta, Chief Financial Officer, of ICRA Limited (the "Company"), certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 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 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 have 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.

(Ramnath Krishnan)

Managing Director & Group CEO

DIN: 09371341

(Amit Gupta)

Chief Financial Officer

Place: Gurugram

Date: May 12, 2022

ICRA Limited**Corporate Governance Report****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members

ICRA Limited

B-710, Statesman House 148,
Barakhamba Road, New Delhi – 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ICRA Limited and having CIN L74999DL1991PLC042749 and having Registered office at B-710, Statesman House 148, Barakhamba Road, New Delhi - 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of director	DIN	Original date of appointment in Company
1.	Arun Duggal	00024262	11/11/2014
2.	Min Ye	06552282	24/05/2013
3.	Michael Foley	08583960	25/10/2019
4.	Ramnath Krishnan	09371341	23/10/2021
5.	Radhika Vijay Haribhakti	02409519	04/12/2014
6.	Ranjana Agarwal	03340032	11/11/2014
7.	Shivani Priya Mohini Kak	09486147	18/02/2022
8.	Wendy Huay Huay Cheong	08927070	06/11/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Peer Review Certificate No.: 1428/2021

Firm Registration No.: P1988DE002500

Rupesh Agarwal

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302D000299574

Date: May 10, 2022

Place: Delhi

Note:

- Due to restricted movement amid COVID-19 pandemic, we have verified the disclosures and declarations received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.



Corporate Governance Report

Independent Auditor's Certificate On Compliance With The Corporate Governance Requirements Under Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015

To
The Members of ICRA Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 21 October 2019 and addendum to the engagement letter dated 4 May 2022.
2. We have examined the compliance of conditions of Corporate Governance by **ICRA Limited** ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
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 Listing Regulations for the year ended 31 March 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable 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.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

ICRA Limited

Corporate Governance Report

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and 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.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

UDIN: 22048648AIVFLI2730

Place : Gurugram

Date : 12 May 2022



Annexure III

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

A. Industry Structure and Developments

The rating business continued to face headwinds as the second and third waves of Covid-19 impacted credit demand as well as investor sentiment. Even as the third wave turned out to be less disruptive, the recovery of credit demand was impacted by the geo-political tensions due to the Russia-Ukraine war. The GDP grew well in FY2022 but it was on a low base of the previous year. Bank credit growth outpaced bond issuances but the growth largely came from the MSMEs and retail loan segments.

Bank credit growth to large industries was muted due to lack of meaningful pick-up in the investment cycle and low working capital demand as supply chain disruptions lowered inventory levels. Bank credit to MSMEs saw strong growth, which was supported by the Emergency Credit Line Guarantee Scheme [ECLGS], and because bank credit to NBFCs/HFCs was preferred over bonds with uncertain bond yields.

The bond issuances saw a dip in FY2022 compared with the high TLTRO-driven base of the previous year. A pick-up in bond issuances as the second wave of Covid-19 abated was less than expected due to issuer-investor tentativeness with inflation-led uncertainty on interest rates. The NBFCs continued to be the largest issuers of bonds but growth and collection efficiency concerns resulted in lower issuance than the prior year. Low CP yields continued to be attractive to borrowers but investor interest remained restricted to highly-rated corporates. The Structured Finance Ratings segment saw a pick-up in demand, although it did not rebound to pre-pandemic levels as multiple Covid-19 waves impacted disbursements and collection efficiencies of NBFCs, HFCs and MFIs.

Your Company's revenue growth was driven by its focus on evolving opportunities across corporate, infrastructure and financial segments. New approaches like revolving structure for merchant loan receivables and securitisation of trade receivables helped your Company consolidate its position as a frontrunner in structured finance ratings.

Our forecasts peg the expansion in Indian GDP in FY2023 at 7.2%, following the elevated commodity prices and fresh supply chain issues arising from the Russia-Ukraine conflict, as well as the renewed lockdowns in parts of China. Normalisation of behaviours after the third wave is set to result in a pivot of consumption towards the contact-intensive services that were avoided during the pandemic. Moreover, higher commodity prices could constrain growth in domestic demand for goods in FY2023, even though exports of some items from India will rise to meet global demand amidst the supply crunch. The key upside to our projections is a faster-than-expected pick-up in Government spending, even as execution risk has shifted to the state governments.

Inflation is expected to print well above the mid-point of the Monetary Policy Committee's medium-term target band of 2-6%, at 5.6% in FY2023. We foresee a stance change to neutral in Q1 FY2023, followed by a shallow rate hike cycle of 50 bps in Q2 FY2023, with the repo rate being increased by 25 bps each in August and September 2022. Market interest rates are likely to harden in FY2023, in line with global trends. However, we expect a modest pick-up in credit demand, thereby benefitting ICRA's business prospects.

(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 us as a rating agency and our strengths, while the others arise from the environment we operate in. Short to medium term considerations and challenges aside, the bond market growth is expected to get a

ICRA Limited**Management Discussion and Analysis Report**

fillip, as both the Securities and Exchange Board of India (SEBI) and the RBI have brought in regulations that require large corporates to increase reliance on financing through the capital market route. The risk appetite across rating levels is a constraining factor and it would augur well to have newer classes of investors like Alternate Investment Funds that may invest in credit-enhanced structures as well as high yielding credits. It may be noted that SEBI has made it mandatory for large corporates (defined as one with borrowings of more than Rs. 100 Crores) to raise not less than 25% of their incremental borrowings from the debt capital markets, provided they have a long-term rating of AA or above. In line with RBI's requirement of rating of bank loans for arriving at the computation of Capital Adequacy, the National Housing Bank now requires that the financing extended by them to Housing Finance Companies be rated.

SEBI has also mandated that monitoring of end use of proceeds of equity issues – whether initial public offer or follow on public offer or rights issue – are to be done only by credit rating agencies and not banks as was the requirement earlier. There is also a consultative paper put forth by SEBI on a proposed framework for Environment – Social – Governance (ESG) scoring/ratings for corporates. These steps not only present business opportunities for your Company but also signal the extent to which the regulators see Credit Rating Agencies as capable providers of certain risk assessments.

ICRA is well placed to benefit from each of the opportunities stated above, 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.

Threats

The threats confronting our business have their foundation in such risks and concerns as are discussed in Section E of this 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 FY2021-22 are provided below.

I. ICRA Analytics Limited**Review of operations**

During the year under review, ICRA Analytics Limited (ICRA Analytics), a material subsidiary of your Company registered a 23.07% growth in operating revenue to Rs. 141.07 Crores (previous year Rs. 114.63 Crores) and profit after tax (PAT) going up by 86.72% to Rs. 49.72 Crores (previous year Rs. 26.63 Crores).

With more than 20 years of experience in executing 10,000+ assignments, ICRA Analytics has acquired significant expertise across multiple domains, and serves banks, NBFCs, fund managers, intermediaries, investors and corporates. The domain expertise complemented with functional competence has helped ICRA Analytics design and implement products, services and solutions in Risk Management, Data Management, Financial and Accounting Analysis, Bond Valuation, Financial & Risk Advisory. Other than expanding its reach to hitherto unserved client segments, ICRA Analytics added new offerings to its portfolio, like Expected Credit Loss tool for NBFCs and banks, a Rating and Treasury Tracker for corporate treasuries, ESG data enrichment services. ICRA Analytics has successfully augmented its capability platform with new age technologies like analytics, automation and cloud, and these are being leveraged to launch contemporary cloud-hosted products with enhanced analytical proficiency for all client segments.

The process and compliance orientation evinced through the extant ISO27001:2013 and ISO9001:2015 certifications for entire company which enables ICRA Analytics to continue making improvements in productivity,



Management Discussion and Analysis Report

operations and security posture. Basis the certification exercise carried out during the year, ICRA Analytics has been re-certified as a Great Place to Work for the FY2022-23. Sustained focus on upskilling and engaging with the talent pool of 700+ trained and qualified personnel continue to remain a key initiative for ICRA Analytics, as it remains committed to adding value to its customers through innovation and efficiency.

Prospects

The market for outsourced services, particularly in data, analysis and business transformation support, remains attractive, although challenges of dynamic client requirements because of technological advancements and process automation persist. ICRA Analytics continues with its focus on improving its market access digitally, upgrading its technology footprint, and expanding its product portfolio to address customer needs in the current mode of hybrid working – both from office and remotely.

II. ICRA Lanka Limited

ICRA Lanka Limited (ICRA Lanka) a wholly-owned subsidiary of your Company, offers a wide range of rating services in the Sri Lankan market.

The financial performance of ICRA Lanka has improved during the financial year 2022 compared to the previous financial year. ICRA Lanka was able to record a 10% growth in its operating revenue, driven primarily by its initial rating, where the initial issue rating increased by 45%. The main driving factor is the National Savings Bank's 15 Bn debenture which was rated in September 2021. The surveillance income increased by 2% compared to the previous year. During the year under review, ICRA Lanka recorded a total revenue of Rs. 1.14 Crores (previous year Rs. 1.55 Crores).

In terms of the business strategy, ICRA Lanka expanded its research capability with regular research reports widely awaited by the market. Research content receives wide publicity via national media helping to boost the brand image and the brand presence among potential segments.

III. ICRA Nepal Limited

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

During the year under review, ICRA Nepal registered a growth of 26% in revenue from operations, mainly due to the increase in surveillance cases compared to the previous year and supported by moderate increase in fresh cases. After gradual removal of the lockdown and fewer Covid-19 cases, the mandate execution increased noticeably which resulted in increase in revenue along with profitability. Inflow of fresh mandates in FY2021-22 declined by ~11%.

As the rating culture in the current market is still at a nascent stage, information collection is still a challenge, and ICRA Nepal is exposed to the risk of not completing the assignments within time. The local market is now poised for more competition with additional two rating agencies. The regulatory risk associated with the change in policy on regulating the pricing-related matter, might impact the revenue and profitability profile going forward. After the introduction of the borrower rating, a surge in surveillance revenue can be seen in FY2021-22. The growth in surveillance part is expected in future as well which provides a medium-term visibility in growth.

On the long-term outlook, after introduction of determining the risk weight of the loans based on ratings, the Nepal Rastra Bank further introduced the improved risk weight, which is a positive step to offer better incentive to the borrowers. This will have a positive impact in the long-term growth of ICRA Nepal through increase in borrower rating.

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During the year ICRA Nepal issued bonus shares of 20% of paid-up capital amounting to NPR 1 Crore after due approval from the members.

ICRA Nepal recorded a total revenue of NPR 11.39 Crore (previous year NPR 9.38 Crore) and declared a dividend and the amount towards dividend payable to the Company is NPR 0.73 Crore (previous year NPR 0.42 Crore).

D. Outlook

The long-term outlook for the ratings business remains positive, given the large funding requirements which would likely be raised through a combination of bank loans and bonds, though near-term challenges exist. The regulatory nudge to have a certain part of the financing come through the bond route is also a positive, though this move requires a significant improvement in the investor appetite. The new opportunities put forth by SEBI and NHB augur well for the credit rating agency. Your Company continues to take initiatives to retain its strong thought leadership and market position and is confident of tapping into the available opportunities as well as meeting the challenges posed inevitably by the changing environment.

E. Risks and Concerns

Your Company is involved primarily in the business of providing rating and related credit research 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. Like last year, which saw a considerable impact on the economy due to the Covid-induced nationwide lockdown, the fresh spike in infections led to a localised lockdown. Future waves of the pandemic cannot be ruled out; however, the extent of its impact on the economy would remain uncertain. 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 a 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 could get impacted if there is a credit slowdown or a change in ratings related regulation, resulting in a transition to internal rating models for assessing capital charges. 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, such as liberalising access to the 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 come up with newer products and services, using sophisticated technology for customer requirements and/or offering innovative solutions or more competitive prices to our clients, there could be an adverse impact on our market share, thus 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 or multi-notch downgrades 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.

Separately, please also refer to the sections on 'Update regarding certain matters' in the Directors Report, which are self-explanatory.



Management Discussion and Analysis Report

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.

(1) 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 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. The quality of the ratings that we assign is inherently dependent upon the accuracy of the information presented to us. If inaccurate or misleading facts are presented to us we run the risk of our ratings not being able to reflect the actual credit risk.

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 failure of its information technology systems. Lack of information security controls, both with respect to process and technology, may lead to a breach of confidential data, data privacy and in turn cause loss in business.

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 such risks, the Company has established a formal information security governance structure and strategy and monitoring mechanisms, with defined roles and responsibilities. The risk management approach has been followed to identify and address risks 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.
- Periodic and frequent IT advisory is being shared with ICRA employees related to spam, phishing attacks, ransomware and cyber security related areas.

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Management Discussion and Analysis Report

(2) Policy Risk

Material changes in the regulations that govern us or our businesses could affect the results of our operations. Most of the Company's revenues 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, there may be a decrease in the demand for ratings. This is also the case if there are changes in regulations that negatively impact the level of issuance of debt instruments in the domestic market. This in turn may affect our business, revenues and financial condition.

(3) Political Risk

Political instability could adversely affect the 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.

(4) 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.

(5) Investment Risk

The Company has made, and may continue to make, investments in mutual funds, corporate deposits, 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 depends 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.

(6) 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 tighter set of rules that has been mandated by SEBI in June 2019, 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.



Management Discussion and Analysis Report

Risk mitigation

- The Company has put in place a comprehensive compliance framework to manage compliance-related issues. Respective Compliance team members track regulatory and statutory requirements and notify changes to stakeholders periodically.
- The Board of Directors is informed periodically about compliance with the various laws and rules in force.
- Compliance officers keep themselves abreast of all amendments in the various applicable laws and regulations.
- 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.
- Management 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.

(7) Attrition Risk

Our performance and success depend largely on our ability to nurture and retain the continued service of our skilled personnel. We 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. Our inability to attract talent, our high attrition or our inability to motivate our existing employees, will result in our business and operations getting affected.

Risk Mitigation

We are committed to providing the best work environment and facilities to employees at all levels. We provide a culture that promotes transparency and flexibility and is fulfilling and purposeful. Our work environment has helped create an engaging workplace that enables individuals to realise their potential.

To promote a culture of ethics, trust, respect, openness & collaboration, periodic connect, including Townhalls, NOVA sessions etc with employees are conducted to address concerns in a systematic manner. ICRA implements a quarterly engagement calendar to keep employees motivated and engaged. To revitalise the work environment, we actively promote a culture of celebration and success at work. We provide regular extended support with our employee-friendly policies like Work from Home, transport support guidelines, creche support for employees' children, maternity-related benefit for our women colleagues and employee assistance programmes. We have a structured rewards and recognition programme called 'iStrive' on a half-yearly basis. The aim is to appreciate and thank all performance enthusiasts who continually strive to make a difference to the Company through ICRA's Digital R&R platform – Applaud.

We reward people fairly, equitably and consistently in accordance with their value to the organisation. Our reward management strategy adopts a 'total reward' approach which emphasises the importance of considering all aspects of reward as a coherent whole, integrated with other Human Resource (HR) initiatives designed to achieve the motivation, commitment, engagement and development of employees. Deserving employees, who demonstrate high performance and potential, are eligible to participate in the long-term/deferred incentive plan focused on retaining critical talent in the Company. We continually benchmark the compensation with the industry and the competition it offers.

ICRA Limited**Management Discussion and Analysis 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 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, 2022 are presented in the accompanying financial statements, which have been prepared in accordance with the Indian Accounting Standards (referred to as IndAS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements have been prepared on a historical cost basis and on an accrual basis, except for certain financial instruments, which are measured at fair value at the end of each reporting period. ICRA's Management accepts responsibility for the integrity and objectivity of these financial statements.

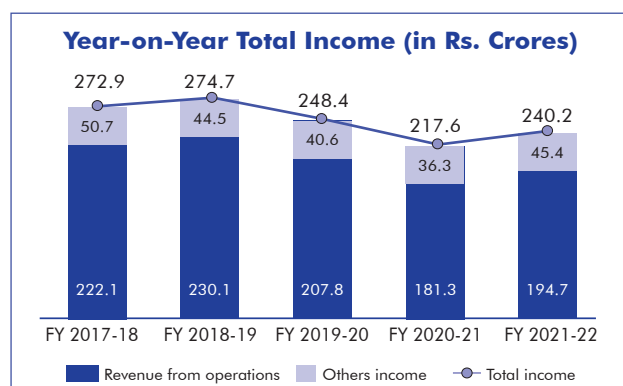
The financial information discussed in this section is derived from the Company's audited financial statements.

I. Results of operation

The financial performance of the Company is summarised as under:

(a) Incomes

(in Rs. Crores)			
Particulars	FY 2020-21	FY 2021-22	Growth (%)
Revenue from operations	181.3	194.7	(7%)
Other income	36.3	45.4	(25%)
Total Income	217.6	240.2	(10%)



In terms of business segments, during FY 2021-22, your Company's operating revenue on year-on-year growth was healthy, on a low base. Your Company's revenue growth was driven by its focus on evolving opportunities across corporate, infrastructure and financial segments. The ratings business continued to face headwinds as the second and third waves of Covid-19 impacted the credit demand as well as investor sentiment.



Management Discussion and Analysis Report

Other income

Other income primarily consists of dividend received from subsidiary companies, interest income on fixed deposits and investments, gain on financial assets carried at fair value through profit or loss and rental income. A significant portion of the Company's investments are in the form of bank deposits (current and fixed); other income in the FY 2021-22 increased by 25% from the previous year, primarily driven by higher dividend from material subsidiary.

Expenses

(in Rs. Crores)

Particulars	FY 2020-21	FY 2021-22	Growth (%)
Employee benefit expense	110.0	111.4	1%
Finance costs	1.7	1.5	-13%
Depreciation and amortisation	5.2	5.3	2%
Other expenses	28.9	28.5	-1%
Total expenses	145.9	146.8	1%

Total income and profit per employee (in Rs. Crores)



Employee benefits expenses increased 1% to Rs. 111.4 Crores in FY 2021-22 from Rs. 110.0 Crores in FY 2020-21. The increase in employee benefit expenses was primarily due to increase in incentive plan expenses in FY 2021-22, offset by the decrease in salaries and allowances, and staff welfare expenses. Employee benefit expenses, as a percentage of revenue from operations, decreased during the period under review as compared with the previous fiscal.

Your Company's revenues from operations and profit after tax per employee both increased during FY 2021-22 as compared to FY 2020-21.

Depreciation and amortisation expenses increased by 2% in FY 2021-22 over the previous fiscal due to depreciation on assets capitalised in the year.

Other expenses are marginally lower in FY 2021-22 compared to the previous fiscal, due to savings in legal and professional charges, primarily due to the reduction in costs related to regulatory matters, as most of these issues are brought to closure. Expenses related to repairs and maintenance, recruitment were also lower in FY 2021-22. The savings were offset by increased spending on IT infrastructure, and increased provisioning for bad debts. Like in FY 2020-21, the Company was in work-from-home mode of operations for most of the year, leading to continued savings in travel and office running expenses. The Company's contribution towards Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Act, was also higher in FY 2021-22, and increased from Rs. 1.9 Crores in FY 2020-21 to Rs. 2.1 Crores in the current year.

Other expenses as a percentage of revenue from operations decreased during the period under review compared to the previous fiscal.

Total expenses increased by 1% to Rs. 146.8 Crores in FY 2021-22 from Rs. 145.9 Crores in FY 2020-21.

ICRA Limited**Management Discussion and Analysis Report****II. Property, plant and equipment**

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

(in Rs. Crores)			
Particulars	As on March 31, 2021	As on March 31, 2022	Growth (%)
Buildings	6.0	5.7	-5%
Computers and data processing units	0.6	1.5	142%
Furniture and fittings	0.6	0.4	-25%
Office equipment	0.2	0.1	-22%
Electrical installation and equipment	0.2	0.2	-29%
Vehicle	0.0	0.0	-80%
Leasehold improvements	0.5	0.2	-55%
Right-of-use assets – building	16.5	13.7	-17%
Total	24.6	21.9	-11%

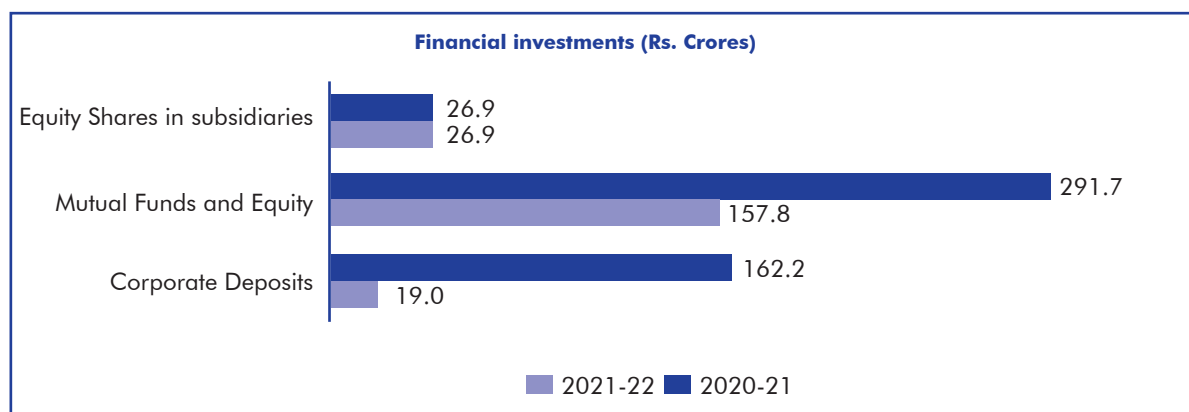
Your Company added Rs. 1.6 Crores to gross block, comprising Rs. 1.5 Crores in computers and data processing units and Rs. 0.03 Crores in office equipment, electrical installations and equipment during FY 2021-22. Your Company also added Rs. 0.7 Crores in Right-of-use assets in the year.

During the period under review, your Company deducted Rs. 0.2 Crores from the gross block on the disposal of various assets.

III. Intangible assets

(in Rs. Crores)			
Particulars	As on March 31, 2021	As on March 31, 2022	Growth (%)
Computer software	0.3	3.6	NM
Intangible assets under development	2.3	0.5	-77%

Your Company has Rs. 0.5 Crores of intangible assets under development as on March 31, 2022. The intangible assets under development reduced compared to the previous year as the initial phase of workflow application development was concluded and the asset was included in Computer Software as on March 31, 2022.





Management Discussion and Analysis Report

IV. Financial assets

Financial assets mainly consist of investments, loans, trade receivables, cash and cash equivalents, bank balances and interest accrued on deposits etc.

(a) Investments (current and non-current)

Investment Profile

(in Rs. Crores)

Particulars	As on March 31, 2021	% of Total	As on March 31, 2022	% of Total	Growth (%)
Non-Current Investments:					
(A) Investments in Equity Instruments of subsidiaries					
In Equity Shares of Subsidiaries and Others	41.9	21%	41.9	9%	0%
Less: Diminution due to change in carrying value of investments	-15.0	-7%	-15.0	-3%	0%
Sub Total (A)	26.9	13%	26.9	6%	0%
(B) Investments in Mutual Funds and Other Equity					
In MF plans and other equity shares	157.8	77%	291.7	61%	85%
(B) Investments in Corporate Deposits	0.0	0%	100.0	21%	
Sub Total (B)	157.8	77%	391.7	81%	148%
(C) Total Non-Current Investments (A+B)	184.7	91%	418.6	87%	127%
Current Investments:					
(D) Investment in Corporate Deposits	19.0	9%	62.2	13%	227%
(E) Total Current Investments (D)	19.0	9%	62.2	13%	227%
Total Investments (C+E)	203.7	100%	480.7	100%	136%

The Company deploys its internal accruals and surplus funds primarily in mutual funds, 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 Total Investments as of March 31, 2022 increased as the Company reallocated some of the funds to mutual funds and corporate deposits in the year under review. Some of these funds were parked in cash balances and bank deposits in the previous year.

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

(in Rs. Crores)

Particulars	As on March 31, 2021	As on March 31, 2022	Growth (%)
Non-current			
(a) Loans	4.0	4.7	17%
(b) Other financial assets	115.4	0.0	-100%
Current			
(c) Loans	0.1	0.1	-15%
(d) Trade receivables			
Receivables	18.4	12.7	-31%

ICRA Limited

Management Discussion and Analysis Report

Allowances for doubtful receivables	-2.4	-2.5	3%
Net trade receivables	16.0	10.2	-36%
Trade receivables as % of operating income	8.8%	5.2%	
(e) Cash & cash equivalents and bank balances	323.4	207.2	-36%
(f) Other financial assets	8.7	12.1	39%

Non-current loans include security deposits.

Other non-current financial assets consist mainly of bank deposits with maturity for more than 12 months from the reporting date, which decreased from Rs. 114.6 Crores as of March 31, 2021 to nil as of March 31, 2022.

Net trade receivables were Rs. 10.2 Crores as on March 31, 2022 against Rs. 16.0 Crores as on March 31, 2021. The decrease in trade receivables was because of the Company's sustained efforts to improve its collection cycle. Trade receivables as a percentage of operating income decreased from 9% during FY 2020-21 to 5% in FY 2021-22.

Cash & cash equivalents and bank balances as on March 31, 2022 was Rs. 207.2 Crores as against 323.4 Crores as on March 31, 2021. The cash and cash equivalents consist of Rs. 6.9 Crores in current accounts and cash on hand. The other bank balances consist of Rs. 200.2 Crores in deposit accounts with original maturity for more than three months but less than 12 months from the reporting date, Rs. 0.1 Crores in unpaid dividend account.

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. Crores)		
Particulars	As on March 31, 2021	As on March 31, 2022
Authorised:		
1,50,00,000 Equity Shares of Rs. 10 each	15.00	15.00
Issued, subscribed and fully paid up:		
96,51,231 Equity Shares of Rs. 10 each (previous year)	9.7	9.7
96,51,231 Equity Shares of Rs. 10 each		
Equity Share Capital	9.7	9.7

The issued, subscribed and paid-up capital stood at Rs. 9.7 Crores divided into 96,51,231 equity shares of Rs. 10 each.

(b) Other equity

Other equity consists of capital reserve, capital redemption reserve, general reserve, other comprehensive income and retained earnings. Other equity of the Company stood at Rs. 655.1 Crores as on March 31, 2022 against Rs. 604.9 Crores as on March 31, 2021.

VI. Financial liabilities

(in Rs. Crores)			
Particulars	As on March 31, 2021	As on March 31, 2022	Growth (%)
Non-current			



Management Discussion and Analysis Report

(a) Other financial liabilities	13.5	11.2	-17%
Current			
(a) Trade payables	3.3	6.4	91%
(b) Other financial liabilities	6.6	5.3	-19%

Other financial liabilities-Non-current decreased from Rs. 13.5 Crores as at March 31, 2021 to Rs. 11.2 Crores as at March 31, 2022. These liabilities represent the capitalisation of future lease payments on present value on account of adoption of Ind AS 116.

Trade payables increased to Rs. 6.4 Crores as on March 31, 2022, compared to Rs. 3.3 Crores as on March 31, 2021, primarily due to increase in provisions for expenses.

Other financial liabilities-Current decreased at the end of fiscal 2021-22 mainly due to reduction in current lease liabilities and other payables to employees.

VII. Other liabilities

(in Rs. Crores)			
Particulars	As on March 31, 2021	As on March 31, 2022	Growth (%)
Other non-current liabilities	0.00	0.00	
Other current liabilities	55.7	51.3	-8%
Total other liabilities	55.7	51.3	-8%

Other current liabilities consist of unearned revenue, statutory dues payable and advances received from customers. Total other current liabilities decreased by 8% as on March 31, 2022 as against March 31, 2021 mainly due to reduced statutory dues and lower unearned revenue.

VIII. Key financial ratios

Key financial ratios are provided in the table below.

Particulars	As on March 31, 2021	As on March 31, 2022
Debtors turnover (no. of days)	32	19
Inventory turnover	N.A.	N.A.
Interest coverage ratio	N.A.	N.A.
Current ratio	4.3	3.4
Debt equity ratio	N.A.	N.A.
Operating profit margin (%)	19.5%	24.6%
Net profit margin (%)	24.3%	30.5%
Return on net worth (%)	8.6%	11.0%

N.A.: Not applicable

There is significant change, i.e. change of 25% or more, compared to the immediately previous financial year, in key financial ratios. The decrease in debtor's turnover (no. of days) was the result of the Company's efforts in improving its collection cycle. The decrease in current ratio was mainly due to the reduced balances with banks in deposits accounts with original maturity less than 12 months.

ICRA Limited

Management Discussion and Analysis Report

The operating profit and net profit margins were favourably impacted by the increase in revenue, with a lower corresponding rise in expenses. Increase in PAT has led to an improvement in the return on net worth.

Group ICRA Vision and Values Workshop

We held the Jyotirgamaya - ICRA Vision & Values workshop on August 27 & 28, 2021. Considering the Covid restrictions in view, the workshop was organised on a hybrid mode across three locations – Mumbai, Delhi & Kolkata. About 70 of our senior and middle management members participated in person at the three locations and some more joined online. The workshop was an outstanding success in multiple dimensions

- Extensive engagement of the leaders across plenaries, workgroups and individual interactions
- Strong sense of a collective ICRA Group identity, possibly for the first time ever and better understanding of all the businesses
- Very high level of alignment seen on the future vision for creating an ICRA 2.0
- A sense of urgency at a personal level, to accomplish the changes required to facilitate the transformation of ICRA

As a part of the preparation for the workshop, inputs were obtained through organisation-wide surveys, small group discussions as well one-on-one sessions with senior leadership. Multiple themes emerged from these engagements:

- Acknowledgement of ICRA's strong foundation - legacy & brand
- Impact on our (market) reputation & self-confidence due to events in FY 20/21
- Unanimous view on necessity to accelerate investment in technology
- Planning for talent & capabilities given the evolving expectations
- Defining a clear strategic position and path - what ICRA 2.0 would look like

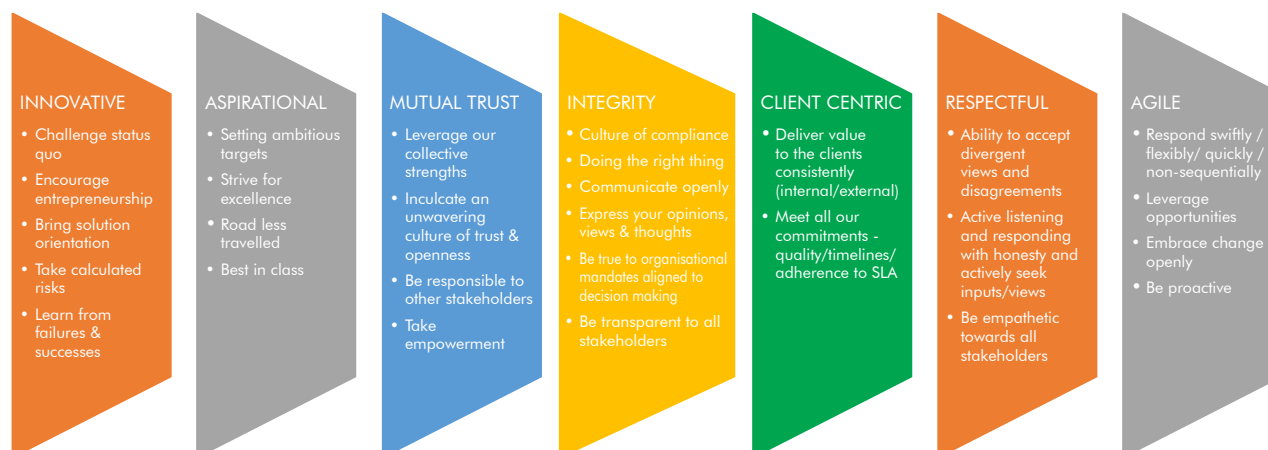
These inputs were factored into the design of the workshop, with a focus on getting additional insights as well as transparent discussions on what is impeding our efforts and the alternate way forward. Using these themes, four small groups, consisting of leaders from multiple functions, worked to develop ideas around business strategy, technology, people and organisation. These will be factored into the five-year strategic plan that is being formulated.

Participants also expressed their dreams for the ICRA Group. The dreams are exciting and are quite possible to be converted into reality if we put ourselves to work together as a team with unflinching commitment and diligence. These are being synthesised into a common vision statement, that will continue to inspire and guide us as we travel into the future. There were also discussions on behavioural norms that will espouse these values. The Vision and Values of the organisation and a full-blown cascade plan has been charted as a fallout of the workshop, which will be an integral part of the culture of the organisation.



Group ICRA Vision - To be the preferred partner in providing best in class and independent risk & investment analytics solutions

Group ICRA Values - I AM ICRA



On behalf of the Board of Directors

(Arun Duggal)

Chairman

DIN: 00024262

Place: Gurugram

Date: May 12, 2022

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.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To

The Members

ICRA Limited

B-710, Statesman House, 148,

Barakhamba Road

New Delhi-110001

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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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 on March 31, 2022 (hereinafter referred as "period under review") according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') 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 to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) 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 Takeovers) Regulations, 2011 to the extent applicable;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable and Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 to the extent applicable, prior to its repealment;
 - (e) The Securities and Exchange Board of India (Issue and Listing of convertible Securities) Regulations, 2021;
Not Applicable during the period under review.



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the period under review.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the period under review.**
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are:
 - (a) Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;
 - (b) Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except detailed as under: -

The Settlement application filed before the Securities and Exchange Board of India ("SEBI") by the Company on February 15, 2019 against the Show cause Notice dated December 17, 2018 received from SEBI regarding adjudication proceedings under Rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 in relation to credit rating assigned to one of its customers and the customers' subsidiary ("the Initial SCN"), was rejected by the SEBI vide its letter dated June 28, 2019, thereafter SEBI concluded its adjudication proceedings and vide its adjudication order dated December 26, 2019, imposed a penalty of INR 25 lacs on the Company under section 15HB of SEBI Act, 1992, in respect of the initial SCN. Further, SEBI has issued show cause notice ("Subsequent SCN") dated January 28, 2020 under section 15-1 (3) of SEBI Act, 1992, for enhancement of the penalty amount in respect of the Initial SCN.

The management of the Company advised that the Company had filed an appeal challenging the said adjudication order (the "Impugned Order") before Securities Appellate Tribunal ("SAT") and deposited the penalty amount of INR 25 lacs as imposed vide the Impugned Order without prejudice to such appeal. Thereafter, SEBI vide its order dated September 22, 2020, has enhanced the penalty amount to INR 1 crore on the Company under Section 15HB of SEBI Act, 1992. Thereafter, the Company has filed an appeal challenging the SEBI enhancement order before the SAT and deposited the additional penalty amount of INR 75 lacs, without prejudice to the rights and contentions of the Company. SEBI has filed its reply on appeal filed by the Company against the enhancement of penalty amount. The said appeal was pending as on March 31, 2022.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance (and at a Shorter Notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings held during the period under review were carried out unanimously, except the recusals, as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

ICRA Limited

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 audit period, no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Chandrasekaran Associates**

Company Secretaries

Peer Review Certificate No.: 1428/2021

Firm Registration No.: P1988DE002500

Rupesh Agarwal

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302D000299541

Date: May 10, 2022

Place: Delhi

Notes:

- (i) This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.
- (ii) Due to COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records i.e. relevant information, Documents and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct records.



Annexure-A to the Secretarial Audit Report

To

The Members

ICRA Limited

B-710, Statesman House, 148,

Barakhamba Road

New Delhi-110001

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 the random 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 the random 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 **Chandrasekaran Associates**

Company Secretaries

Peer Review Certificate No.: 1428/2021

Firm Registration No.: P1988DE002500

Rupesh Agarwal

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302D000299541

Date: May 10, 2022

Place: Delhi

ICRA Limited

Annexure IV-A

FORM MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2022

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICRA Analytics 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.

We have conducted online verification and examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) 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) 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. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - c. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- c. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The Company is engaged in the business of outsourcing and mutual fund content, risk management solutions, fixed income content and consulting. No Act specifically for the aforesaid businesses is/are applicable to the Company.
 4. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreement(s) entered into by the Holding Company [(ICRA Limited) of which this Company is a material unlisted subsidiary] with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
 - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the Company under the financial year under report;
 - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the Company under the financial year under report.
 6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
 7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
 8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
 9. We further report that:
 - (a) The Board of Directors of the Company is duly constituted. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act.
 - Mr. Sivaraman Narayanaswami had a change in designation from Additional Director to Director with effect from June 29, 2021. He later resigned as Director of the Company with effect from October 25, 2021.
 - Mr. Ramnath Krishnan (DIN: 09371341) was appointed as an additional, Non-Executive, Director with effect from November 24, 2021.
 - Ms. Ranjana Agarwal was appointed as Chairperson of the Company with effect from January 13, 2022.
 - Ms. Sushmita Ghatak (DIN: 03042940), Managing Director & CEO of the Company was reappointed for another term of three (3) years with effect from February 10, 2022, on existing terms and conditions of her appointment, subject to the approval of the Members at the ensuing Annual General Meeting of the Company.

ICRA Limited

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) All the decisions of the Board and Committee(s) thereof were carried through with requisite majority.

10. 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.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **Bajaj Todi & Associates**

Swati Bajaj

Partner

C.P.No.: 3502, ACS:13216

UDIN: A013216D000229333

Place : Kolkata

April 28, 2022



'Annexure- A'

To,

The Members

ICRA Analytics Limited

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

MANAGEMENT'S RESPONSIBILITY

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.

AUDITOR'S RESPONSIBILITY

2. We have followed the audit practices and process 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 process 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. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure 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 **Bajaj Todi & Associates**

Swati Bajaj

Partner

C.PNo.: 3502, ACS:13216

UDIN: A013216D000229333

Place : Kolkata

April 28, 2022

ICRA Limited

Annexure V

Annual Corporate Social Responsibility Report 2021-22

1. Brief outline on CSR Policy of the Company

CSR Mission

ICRA envisions to make stronger communities and enrich the lives of underprivileged people through its programmes that endeavor to:

- empower underprivileged youths and adults (with special focus on women) with employable skills, create livelihood opportunities for them so that they may contribute to the economic development of the society;
- promote education;
- support environment sustainability.

It may, however, undertake and support projects/programmes in the other areas as may be recommended by the Corporate Social Responsibility Committee ("**CSR Committee**") and approved by the Board of Directors of the Company if the same are permissible under Schedule VII of the Companies Act, 2013 (the "**Act**") or any other provisions of the Act and the rules.

ICRA Corporate Social Responsibility ("**CSR**") Policy ("**Policy**") contains the approach and direction given by the Board of Directors of the Company, considering the recommendations of the CSR Committee ("**CSR Committee**"), and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

The Policy also acts as a guideline for the Company for undertaking CSR activities in line with the Company's CSR mission within the areas and/or subjects enumerated under Schedule VII of the Act for supporting local communities on a variety of socially desirable activities with a view to enable high impact.

As per the CSR Mission, ICRA focuses on three intervention areas – education; skill development & livelihoods; and environment sustainability. All projects or programmes are aimed at improving the quality of life of the communities and environment.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Ranjana Agarwal, Chairperson	Non-Executive Independent Director	2	2
2	Ms. Shivani Priya Mohini Kak, Member ¹	Non-Executive Non- Independent Director	2	NA
3	Mr. David Brent Platt, Member ²	Non-Executive Non- Independent Director	2	2
4	Mr. Michael Foley, Member	Non-Executive Non- Independent Director	2	2
5	Mr. Ramnath Krishnan, Member ³	Executive Director	2	1
6	Mr. N. Sivaraman, Member ⁴	Executive Director	2	1

¹Ms. Shivani Priya Mohini Kak was appointed as member with effect from February 18, 2022.

²Mr. David Brent Platt ceased to be a member with effect from February 18, 2022.

³Mr. Ramnath Krishnan was appointed as member with effect from October 26, 2021.

⁴Mr. N. Sivaraman ceased to be a member with effect from October 22, 2021.

Not applicable: NA



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3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Composition of CSR committee -

<https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=36&Title=Corporate%20Governance&Report=Composition%20of%20Committees-29-03-22.pdf>

CSR Policy: <https://www.icra.in/Home/CSR?tab=policy>

CSR Projects approved by Board: <https://www.icra.in/Home/CSR>

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be setoff for the financial year, if any (in Rs.)
1	FY 2021-22	NIL	NIL
	TOTAL		NIL

6. Average net profit of the Company as per section 135(5): **Rs. 1,045,166,897**
7. a) Two percent of average net profit of the Company as per section 135(5): **Rs. 20,903,338**
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
- c) Amount required to be set off for the financial year, if any: **Nil**
- d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 20,903,338**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
20,903,338	NIL	NIL	NIL	NIL	-

- (b) Details of CSR amount spent against **ongoing projects** for the financial year: N.A.

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
	TOTAL											

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(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Digital Inclusion of Young Aspirants (DIYA)	(ii) employment enhancing vocational skills especially children, women, elderly	Yes	West Bengal	South 24 parganas	4,797,500	No	Anudip Foundation	CSR00000060
2.	Women Entrepreneurship programme	(ii) employment enhancing vocational skills especially women	Yes	Gujarat	Ahmedabad, Gandhinagar, Mehsana & Kutch	3,959,000	No	Friends of WWB	CSR00000871
3.	Sponsorship programme	(ii) Promoting education	Yes	Haryana	Gurugram	1,742,500	No	Vidya Integrated Development for Youths and Adults (VIDYA)	CSR00001204
4.	Sponsorship programme	(ii) Promoting education	Yes	Haryana	Mewat	2,540,000	No	Deepalaya	CSR00000584
5.	Residential Learning Camp	(ii) Promoting education	No	Rajasthan	Udaipur	5,079,520	No	Seva Mandir	CSR00000288
6.	Prime Minister National Relief Fund (PMNRF)	(viii) Contribution to PMNRF	-	-	-	2,784,818	Yes	-	-
TOTAL						20,903,338			

(d) Amount spent in Administrative Overheads: **Nil**(e) Amount spent on Impact Assessment, if applicable: **N.A.**(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 20,903,338**(g) Excess amount for set off, if any: **Nil**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	20,903,338
(ii)	Total amount spent for the Financial Year	20,903,338 (7c + 7f)
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil



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(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
	TOTAL						

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **Nil**

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Nil**

(asset-wise details)

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5): **N.A.**

(Ramnath Krishnan) Managing Director & Group CEO DIN: 09371341	(Ranjana Agarwal) Chairperson CSR Committee DIN: 03340032
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ICRA Limited

Annexure VI

Business Responsibility Report FY 2021-22

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 : B-710, Statesman House, 148, Barakhamba Road, New Delhi - 110001
4. Website : www.icra.in
5. E-mail id : investors@icraindia.com
6. Financial year reported : 2021-22
7. Sector(s) that the Company is involved in (industrial activity code-wise) : Credit rating and research services, Code-66190
8. List three key products/services that the Company manufactures/provides (as on the balance sheet date)
Rating and related Research services
9. Total number of locations where business activity is undertaken by the Company
National: ICRA Limited ("the Company") conducts its operation through nine locations
International: Sri Lanka and Nepal, through its subsidiary companies
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) : Rs. 965.12 lacs
2. Total Turnover (INR) : Rs. 19,473.14 lacs
3. Total profit after taxes (INR) : Rs. 7,330.93 lacs
4. Total Spending on Corporate Social Responsibility (CSR) as : Rs. 209.03 lacs, 2% of average net profit of the percentage of profit after tax (%) Company
5. List of activities in which expenditure in the 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, the subsidiary companies are guided by the Company and undertake initiatives as per the statutory requirements.



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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: 09371341
- Name: Mr. Ramnath Krishnan
- Designation: Managing Director & Group CEO

b) Details of the BR head

S. No	Particulars	Details
1.	DIN Number (if applicable)	09371341
2.	Name	Mr. Ramnath Krishnan ¹
3.	Designation	Managing Director & Group CEO
4.	Telephone number	22-61143400
5.	E-mail id	ramnath.krishnan@icraindia.com

¹appointed BR Head effective from May 12, 2022

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 been 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 been approved by the Board? If yes, has it been signed by MD/owner/CEO/ Board of Director?	Y Y	Y Y	Y Y	Y Y	Y 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 an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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S. No	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
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	-	-	-	-	-	-	-	-

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)									

3. Governance related BR

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

Annually

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

Yes, the BR Report is published annually. The BR Report of the Company 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**

- 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 their business activities. We firmly believe that ethical conduct is good for business performance because it is essential for maintaining a relationship of trust with our customers. Our business conduct is also regulated by and in compliance with many laws relating to fraud, deceptive acts, bribery and corruption, consumer protection, competition,



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unfair trade practices, and property, including intellectual property such as patents, trademarks and copyrights. With this conviction, the Company has in place a Code of Business Conduct ("Code") which is adopted by all its subsidiaries as well. The Code details ICRA and its subsidiaries' commitment towards 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 the Anti-Bribery & Anti-Corruption Policy (the ABAC Policy) which is also applicable to its subsidiaries. The ABAC Policy sets forth the obligations that every employee(s) needs to abide by and encourages employees to take necessary steps to report any act of suspicion to the compliance department. For service providers and vendors, compliance of anti-corruption laws is mandatory, and they need to maintain accurate financial records and promptly notify ICRA of any possible violation(s) of such laws and co-operate with any investigations or audits by ICRA for such potential violation(s).

To enhance market understanding and confidence, ICRA has also adopted the Code of Professional Conduct that articulates the standards of: maintaining high quality and integrity in the rating process; managing any conflict of interest; responsibilities to the investing public and issuers; and governance, risk management and training. Moreover, ICRA also has in place a Code of Conduct for the members of the Board of Directors and the Senior Management, which enshrines the scope and extent of their duties. Regular trainings and communications have taken place and continue to be planned to create awareness and educate employees about their responsibilities under the applicable codes. Additionally, there are separate guidelines to deal with any 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 the work environment by holding discussions with immediate supervisors or other senior managers. ICRA has, therefore, adopted a Whistle-Blower Policy and Grievance Redressal Mechanism in this regard. ICRA has established a vigilance and grievance redressal mechanism whereby directors and employees are encouraged to report unethical or improper activities through established channels, enabling an ethical and corruption-free work environment. Employees may report any grievances, suspected/ actual violations of any laws or Company codes or policies by another employee, etc., to appropriate authorities under this policy. All grievances/complaints that are reported are resolved by or under the direction of the ICRA Grievance Committee and/or nominee appointed by the ICRA Grievance Committee. The committee consists of 'EVP & Regional Head-West', 'Head, Human Resources' and 'General Counsel'. Under the Whistle-Blower Policy (capitalised terms used in this paragraph without definition shall have the respective meanings ascribed in the Whistle-Blower Policy), any unethical and/or improper malpractices and/or events reported on the ICRA Integrity Hotline or otherwise will be thoroughly investigated under the supervision of the Managing Director, by any Investigator(s) appointed by the Managing Director, unless the complaint is against any Director, in which case, it will be thoroughly investigated by the Investigator(s) appointed and supervised by the chairperson of the Audit Committee, or if the complaint is against the chairperson of the Audit Committee, in which case, then it will be thoroughly investigated by the Investigator(s) appointed and supervised by the Chairman of the Company. In any case, the Investigator(s) shall conduct an enquiry to ascertain the truth contained in the concern or complaint, if any, and shall authorise any person to collect the necessary supporting evidence to consider the facts and circumstances thereon. Notwithstanding the foregoing, no investigation need be conducted under this Policy in relation to any such reported event that is also the subject of a separate investigation under any Code.

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.

In this financial year, 13 stakeholder complaints were received and 100% of the complaints have been resolved. For details on shareholders/investors complaints and resolution, refer to the 'Stakeholders Relationship Committee' section under Corporate Governance Report of this Annual Report.

ICRA Limited**Business Responsibility Report 2021-22****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 had several products and services other than credit rating of securities that helped towards promoting sustainable sources of energy and, also, towards building sustainable businesses, however, pursuant to the SEBI (Credit Rating Agencies) (Amendment) Regulations, 2018 along with its subsequent amendment(s) and clarifications issued by SEBI from time to time in this matter, a credit rating agency shall not carry out gradings and other related non-rating activities, hence, these activities have been transferred to our wholly-owned subsidiary, ICRA Analytics Limited ("**ICRA Analytics**").

ICRA Analytics, carried out Solar Power rating for solar firms in requirement of various utilities and authorities executing solar projects. The Solar Power rating reflects the Channel Partners' ability to undertake the solar projects. The entities rated includes 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 from Solar Power Installation out of the 175 GW target from overall Renewable Energy Installation target, which is further targeted to be 500 GW of Renewable Energy by 2030. A significant portion of which must be achieved from Grid Interactive Solar Rooftop PV plants players. To achieve the desired objective, it is crucial to identify and promote these firms/ channel partners which have the capacity and capability to undertake these projects. By rating solar companies, the Company provided reliable third-party opinion which could be used by end-users while making decisions, thereby promoting renewable and sustainable sources of energy.

During financial 2021-22, ICRA Analytics also carried out ESCO grading, for companies which were involved in a performance-based contract with a client to implement measures which reduced energy consumption, under the aegis of the Bureau of Energy Efficiency (BEE). The ESCOs carried out energy audits and implemented energy efficiency projects in serviced organisations. Energy efficiency is recognised as one of the most cost-effective solutions to meet the growth in energy demand. 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 at the same time mitigates climate change. This apart, energy efficiency paves the way for the current economic development without compromising on future resource availability. By carrying out ESCO grading, ICRA Analytics provided reliable third-party opinion which can be suitably used by end-users while taking decisions to deploy/employ ESCOs, thereby promoting energy efficiency.

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?
N.A.
 - 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.



Business Responsibility Report 2021-22

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 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.

No

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

We, at ICRA follow 'employee-first' philosophy in everything we do, and we deeply care about our employee's well-being. We give the employees a listening ear from the first day of their joining and constantly strive towards providing them a healthy and motivating work environment. The processes and initiatives are planned to allow employees maximum benefit and well-being.

As part of our pre-onboarding, new joiners are assigned a buddy to familiarise them with the organisation and the work culture. This helps the new joiners feel prepared and confident about their first day. 'Happy Hour' is organised within the 60 days of their joining which is a group interaction and helps them bond and is like an ice-breaker for the new hires. Additionally, one-to-one interactions are planned as part of the 'Nova Chats' which help employees have candid conversations with the HR team within the first 90 days and is an important listening initiative. To equip the team members better with the industry best practices as well as the internal processes, Bootcamps are organised which prepare the employees better for their job. Once the office re-opened, we organised team-building activities for all the new joiners who joined us during the lockdown phase. It helped us increase the camaraderie quotient amongst the employees. In addition to the formal connects with the HR, Group ICRA Townhall and Department wise Townhalls are organised to increase the leadership connect with all the leaders.

Fun is an important part of the overall well-being as it helps us to rejuvenate and perform better in all spheres of life. Life at ICRA is full of many fun engagement sessions for our employees. Employees exchange their experiences and thoughts through formal and informal engagement initiatives throughout the year. Festivals are also celebrated wherein the extended ICRA family - employees as well as their family members can participate. We organised ICRA's Got Talent, Children's Day Painting Competition, Quiz contests, Dussehra: Let's do our bit video story. We ensure a strong culture of recognition and appreciation for the top performers through our bi-annual recognition programme, iStrive. Individual awards and team awards are given to recognise significant and outstanding value-added contributions of the employees and the teams at work. Acknowledging team efforts encourages employees to appreciate the inputs of their team members and hence, fostering a culture of belongingness and collective efforts.

We understand the importance of mental and emotional well-being and thus we also have a tie-up with Workplace Options, for a robust Employee Assistance Programme (EAP). This comprises a toll-free helpline, available 24*7*365 for employees and their families in case they need any stress related to work, family, legal, financial etc. The employees can call the helpline and enroll for the video and face-to-face sessions as part of the counselling sessions and the organisation doesn't have any privity to these confidential details. As part of the EAP sessions, we also conduct regular sessions for employees like Effective Stress Management, A success strategy for home working, Psychosocial risk for Managers etc.

ICRA Limited**Business Responsibility Report 2021-22**

A sense of alignment is important for anyone to give their best in personal and professional lives. In line with our overall Group ICRA organisational objectives, we conducted the Vision and Values workshop in August 2021 to formulate a new set of values and vision for Group ICRA. As part of the Cascade sessions, we have released the Group ICRA Vision and Values video on LinkedIn and other social media platforms. Additionally, the branding collaterals like screensavers, desktop wallpapers, Zoom backgrounds have been released, which act as strong physical reinforcement of the Vision we want to achieve and the Values we imbibe in our day-to-day lives, for all the employees.

The Company prohibits sexual harassment and believes that all employees have the right to be treated with dignity and respect. An Internal Complaints Committee is constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. ICRA takes considerable effort and ensures employees are aware of the POSH Act through e-learning programmes and workshops.

1. Please indicate the total number of employees.
390 onroll
2. Please indicate the total number of employees hired on temporary/contractual/casual basis.
38 off roll (excluding retainers, IT support staff, housekeeping & security guards)
3. Please indicate the number of permanent women employees.
136
4. Please indicate the number of permanent employees with disabilities.
Zero
5. Do you have an employee association that is recognised by the management?
N.A.
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	Zero	Not Applicable
3.	Discriminatory employment	Zero complaints, 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?

Employee safety is of prime importance to us. The Company conducts quarterly fire safety trainings, and 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. Due to Covid-19 pandemic and employees' work-from-home schedules such training could not be conducted. However, as we are back in office, we continue to focus on equipping employees with the requisite knowledge and skill and quarterly office drills are conducted for all employees who are in office. All our office facilities are fully equipped with the appropriate fire safety equipment.



Business Responsibility Report 2021-22

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 milestone 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 our stakeholders. We conduct 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 a defined medium.

The employees are the assets of our Company and we value their dedication and their discretionary effort to help the Company succeed, and we endeavour 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 two-way communication with employees, we have platforms like town hall meetings, pulse meet sessions, NOVA chat sessions, etc. so that every employee can interact with the 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. To strengthen the relationship with our customers, we have various communication channels. In addition to having regular interactions with them we also share insights on recent economic, financial, infrastructure, sectoral matters and other developments through the ICRA insight-newsletter, seminars and regular webinars.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?
N.A.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised 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?

At ICRA, we treat everyone with respect, and we provide a work environment that is free from all forms of unlawful employment discrimination, including harassment because of race, colour, gender, age, religion, national origin, citizenship, marital status, sexual orientation, gender identity, genetic information, disability or any other characteristic protected by law. We have a zero-tolerance policy for any unlawful discrimination and harassment, including sexual harassment, discriminatory harassment, and other workplace conduct prohibited by local law. 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 using Company resources, including electronic mail, voice mail and the internet. While we sensitise all our employees of all the relevant policies and procedures regularly, if an employee is subjected to or has witnessed discrimination or harassment in the workplace by a non-employee, an appropriate corrective action and preventive steps will be taken in lines with the policy and applicable local laws.

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 & 9

ICRA Limited

Business Responsibility Report 2021-22

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 and its subsidiaries are committed to complying 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 space. We manage our operations 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 needs immediate attention. E-waste contains toxic and hazardous materials and chemical flame retardants, which has the potential to leak into the soil and water. 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. 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, encouraging 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
No
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?
No
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.
Please refer principle 6 point 2. Due to Covid-19 scenario we have not done any other initiatives this year.
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 the 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:

Key memberships are with FICCI, CII, Assocham and PHD Chambers of Commerce.



Business Responsibility Report 2021-22

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, ICRA's relationship with these trade bodies are purely based on knowledge sharing.

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 CSR Committee and the Board of the Company. We envision to create stronger communities and enrich the lives of the less privileged through its mission of promoting education, empowering youths with employable skills and livelihood. Each programme has its own monitoring system and a mechanism that ensures transparency and quality. To create a much larger impact, the Company provides ICRA employees a platform to contribute and engage in the CSR activities. Under the 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 his/her duties towards society. It helps in embedding social responsibility into the system, thus making the idea of CSR sustainable.

The brief details about the projects are as follows:

- a) Digital Inclusion for young Aspirants (DIYA): DIYA is a technology-driven skills development programme for at-risk youth, building a pathway to secure digital livelihood – this partnership has ensured a transformation for 2427 youth and placed at least 70% of them in jobs. The training programme offers a fully digitised learning experience with employer-driven courseware delivered in a high-tech, blended-learning environment. DIYA is a digital empowerment foundation, designed for careers in e-commerce, logistics, retail, mobile payments, banking and finance, telecom, and other sectors. To support DIYA, a comprehensive student lifecycle management system provides extensive analytics for a much large student base. This digital empowerment foundation aspires to the youth through this digital inclusion programme. The future of the country depends on the youth and it is our effort to nurture them with love & care.

The partnership with Anudip Foundation has also constantly evolved and grown and in FY 2021-22, Anudip Foundation has started working on a new segment- Women at Risk - acid attack victims, at risk of domestic violence or other vulnerable categories and successfully completed the training of 21 vulnerable women.

- b) The Residential Camp (RLC): In the rural districts of Rajasthan, the poverty and lack of quality school facilities wear away many children from schools. This camp is designed to bridge the learning gap and provide an accelerated curriculum so that these children can complete their education through the one-year residential camp. Over the period of one cycle, three camps are conducted for 55-60 days each. These provide basic literacy skills, operations of maths and personal hygiene, it also focuses on regular health check-ups, co-curricular activities like sports, cultural programmes like dancing and singing and computer basics. This year ICRA extended its support to two camps for 100 children. This project is being implemented in collaboration with Seva Mandir.
- c) Sponsorship Programmes: The other notable projects being run along with Vidya Integrated Development for Youths and Adults (VIDYA), Gurugram and Deepalaya, Mewat - provides education to underprivileged children. Under this project, students are encouraged to achieve their full potential in the academic, creative, physical, emotional, spiritual and moral sphere. ICRA is currently sponsoring 241 students under these programmes.

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d) Women Entrepreneurship Programme: The project has a holistic approach to women's entrepreneurship development, incorporating financial education, business management, digital literacy and local livelihood skills. The approach aims to make these enterprises run by these rural women in Gujarat sustainable, by providing skills that utilise local knowledge and resources so that their household income is enhanced. From the year 2019-22, this programme has reached out to 2000+ women in the various districts of Gujarat. ICRA is committed to train 700 women this year with Friends of WWB, India as an implementing partner.

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

Each project is implemented through partners who have the strength, expertise and experience in their respective thematic areas. The rigorous protocol of conducting due diligence is followed in finalising 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 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 FY 2021-22 is Rs. 181.19 lacs. 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? 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?

None

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 the 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 the financial year. If so, provide details thereof, in about 50 words or so.

There was an anti-competition matter filed against ICRA and other CRAs, however, the same has been disposed of by the Competition Commission of India without taking any action against the Company.

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



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The Company had conducted a survey during fiscal year 2021-22 with its rating clients to improve the service delivery and client engagement. The survey was administered by the Company through online mode and the respondents were asked to give their views on identified parameters. Based on the feedback received from the clients to our survey remediation measures implemented and/or planned.

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 |

ICRA Limited**Annexure VII****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

Place: Gurugram

Date: May 12, 2022

DIN: 00024262

*The Company has not entered in any material related party transaction during FY 2021-22. However, considering the recent amendments in Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), there is a transaction between Moody's Corporation (including its affiliates) ("Moody's entities") and ICRA Analytics Limited ("ICRA Analytics"), a material unlisted subsidiary of the Company, which considered to be material related party transaction, effective from April 1, 2022. Pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions and Regulation 23 of Listing Regulations, approval was sought by the members of the Company for the same through postal ballot which was duly passed on March 26, 2022.

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Independent Auditor's Report

To the Members of ICRA Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ICRA Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue recognition

See note 3.2 to the Standalone Financial Statements

The key audit matter	How the matter was addressed in our audit
<p>The revenue relating to rating and grading, where customers' acceptance is required, is recognized upon issuance of press release or disclosure of unaccepted ratings on the Company's website. For other cases, revenue is recognized upon transfer of control of promised services to the customers.</p> <p>There is a risk that revenue is recognized for all services before the transfer of control of the service to customer is completed.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the revenue business process. • Evaluation of the design and implementation and operating effectiveness of internal controls relating to revenue recognition process. • Assessed the appropriateness of revenue recognition policy adopted by the Company. • On selected sample of contracts, tested revenue recognition, and our procedures included: <ul style="list-style-type: none"> - evaluating the identification of performance obligations; - considering the terms of the contracts to determine the transaction price; and



The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> - inspection of the date of transfer of control of service and recording of revenue at an appropriate date. • Tested revenue recognition for cut-off transactions on sample basis to assess whether the customer has obtained the control of service and whether the timing of revenue recognition is appropriate. • Assessed the adequacy of the disclosures in accordance with the relevant accounting standard.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect

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a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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".
- (B) 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:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements – Refer Note 28(a) and 29 to the standalone financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

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- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Sadashiv Shetty
Partner
Membership No.: 048648
UDIN: 22048648AIVDYX4421

Place: Gurugram
Dated: 12 May 2022



Annexure A referred to in clause 1 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the Members of ICRA Limited on the standalone financial statements for the year ended 31 March 2022

We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, the Company has not carried out such physical verification of its property, plant and equipment during the year ended 31 March 2022. Hence, we are unable to comment on the discrepancies, if any. The management has represented to us that the relevant assets would be additionally covered in the physical verification programme for the subsequent years.
- (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 (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering rating, research and other services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has made investment in other parties during the year. The Company has not made any investments in companies, firms or limited liability partnerships. The Company had granted loans to its employees during the earlier years.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made are, prima facie, not prejudicial to the interest of the company. Further, the Company has not provided guarantees, given security, granted loans or advances in the nature of loans during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given to employees, in our opinion, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

ICRA Limited

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given to employees.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, the provisions of Section 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (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 Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service Tax, Duty of Excise, Sales Tax and Value Added Tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

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 GST, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of Duty of Customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs or Cess or other material statutory dues which have not been deposited on account of any dispute are as follows:



Name of the statute	Nature of the dues	Amount in (Rupees in lakhs) *	Amount paid under protest (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	19.97	Nil	F.Y. 2000 – 2001	The Assessing Officer
		0.44	Nil	F.Y. 2002 – 2003	
		2.00	Nil	F.Y. 2003 – 2004	
		33.27	Nil	F.Y. 2019 – 2020	
		278.62	Nil	F.Y. 2010 – 2011	Income Tax Appellate Tribunal
		462.04	Nil	F.Y. 2011 – 2012	
		366.93	Nil	F.Y. 2013 – 2014	
		66.82	Nil	F.Y. 2014 – 2015	
		206.21	Nil	F.Y. 2015 – 2016	The Commissioner Income Tax (Appeals)
		320.98	Nil	F.Y. 2012 – 2013	
		291.1	Nil	F.Y. 2017 – 2018	
		282.80	Nil	F.Y. 2018 – 2019	
		389.37	Nil	F.Y. 2016 – 2017	Designated authority under Vivad Se Vishwas scheme
		41.96	Nil	F.Y. 2003 – 2004	
Finance Act, 1994	Service Tax	1.99	Nil	F.Y. 2001 – 2002	Assistant Commissioner of Central Excise
		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 and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or other borrowings during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Companies Act, 2013).

ICRA Limited

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable.
- (b) There is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of



meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Sadashiv Shetty
Partner
Membership No.: 048648
UDIN: 22048648AIVDYX4421

Place: Gurugram
Dated: 12 May 2022

ICRA Limited

Annexure B to the Independent Auditor's report on the standalone financial statements of ICRA Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of ICRA Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 standalone financial statements.



Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 controls with reference to standalone financial statements include 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 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sadashiv Shetty
Partner
Membership No.: 048648
UDIN: 22048648AIVDYX4421

Place: Gurugram
Dated: 12 May 2022

ICRA Limited

Standalone Balance Sheet as at March 31, 2022

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4.1	815.40	811.50
(b) Right-of-use assets	4.2	1,374.24	1,649.87
(c) Intangible assets	5	363.80	26.24
(d) Intangible assets under development	5.1	54.59	232.51
(e) Financial assets			
(i) Investments	6.1	41,857.76	18,467.64
(ii) Loans	7.1	5.73	11.89
(iii) Other financial assets	8.1	568.26	11,928.12
(f) Deferred tax assets (net)	9	300.73	327.30
(g) Non-current tax assets (net)	10	1,163.30	871.65
(h) Other non-current assets	11.1	41.27	5.89
Total non-current assets		46,545.08	34,332.61
(2) Current assets			
(a) Financial assets			
(i) Investments	6.2	6,215.00	1,900.00
(ii) Trade receivables	12	1,020.56	1,599.31
(iii) Cash and cash equivalents	13	691.08	1,251.87
(iv) Bank balances other than (iii) above	14	20,031.16	31,089.25
(v) Loans	7.2	2.39	2.93
(vi) Other financial assets	8.2	1,215.56	880.65
(b) Other current assets	11.2	974.54	595.65
Total current assets		30,150.29	37,319.66
Total assets		76,695.37	71,652.27
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	965.12	965.12
(b) Other equity	16	65,513.30	60,492.89
Total equity		66,478.42	61,458.01
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.1	1,115.15	1,346.90
(b) Provisions	18.1	122.18	157.51
Total non-current liabilities		1,237.33	1,504.41
(3) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.2	266.02	254.72
(ii) Trade payables	20		
(A) Total outstanding dues of micro and small enterprises: and		51.07	47.09
(B) Total outstanding dues other than micro and small enterprises		585.43	286.43
(iii) Other financial liabilities	17.3	268.82	407.87
(b) Provisions	18.2	2,614.58	2,049.59
(c) Current tax liabilities (net)	21	64.47	78.14
(d) Other current liabilities	19.1	5,129.23	5,566.01
Total current liabilities		8,979.62	8,689.85
Total liabilities		10,216.95	10,194.26
Total equity and liabilities		76,695.37	71,652.27
Significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Arun Duggal

Chairman

(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

Place: Gurugram

Dated: May 12, 2022

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Dated: May 12, 2022



Standalone Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	22, 43	19,473.14	18,126.72
II Other income	23	4,542.19	3,632.27
III Total income (I+II)		24,015.33	21,758.99
Expenses			
IV Employee benefit expenses	24	11,144.96	11,003.93
V Finance costs	25	150.76	173.06
VI Depreciation and amortisation expense	26	534.35	524.55
VII Other expenses	27	2,850.39	2,891.16
VIII Total expenses (IV to VII)		14,680.46	14,592.70
IX Profit before tax (III-VIII)		9,334.87	7,166.29
Tax expense:	9		
Current tax		1,993.24	1,790.41
Deferred tax		10.70	81.34
X Total tax expense		2,003.94	1,871.75
XI Profit after tax (IX-X)		7,330.93	5,294.54
Other comprehensive income			
(i) Items that will not be reclassified to profit or (loss)	34, 42	63.07	34.02
(ii) Income tax relating to items that will not be reclassified to profit or loss	9	(15.87)	(8.56)
XII Other comprehensive income, net of income tax		47.20	25.46
XIII Total comprehensive income for the year (XI+XII)		7,378.13	5,320.00
XIV Earnings per share (Rupees) (face value of Rupees 10 per share):	31		
1) Basic		76.21	55.04
2) Diluted		76.21	55.04
Significant accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Place: Gurugram

Dated: May 12, 2022

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

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Arun Duggal

Chairman

(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

Place: Gurugram

Dated: May 12, 2022

S. Shakeb Rahman

Company Secretary

ICRA Limited**Standalone Cash Flow Statement for the year ended March 31, 2022***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	9,334.87	7,166.29
Adjustments for		
Depreciation and amortisation expense	534.35	524.55
Bad debts/ advances written off (net of provisions)	171.42	74.63
Interest on lease liabilities	150.76	173.06
Short term lease rentals	15.53	15.53
Long term individual payout funded through Trust (Refer note 16 a & 35)	248.11	450.13
Interest income on fixed deposits	(1,613.60)	(2,625.09)
Interest income on investments carried at amortised cost	(481.24)	(458.36)
Interest income on security deposits carried at amortised cost	(43.17)	(36.42)
Gain on financial assets carried at FVTPL (net)	(570.60)	(349.00)
Gain on sale of investments	(465.94)	-
Advances received from customers written back	(274.87)	(237.23)
Dividend from subsidiary company	(1,343.56)	(32.80)
(Profit) / Loss on sale of property, plant and equipment (net)	0.42	(100.24)
Bad debts recovered	(8.63)	(16.29)
Operating cash flow before changes in operating assets and liabilities	5,653.85	4,548.76
Adjustments for changes in operating assets and liabilities		
(Increase)/ decrease in trade receivables	415.06	1,676.83
(Increase)/ decrease in loans	6.70	21.52
(Increase)/ decrease in other financial assets	105.77	203.61
(Increase)/ decrease in other assets	(414.28)	215.33
Increase/ (decrease) in trade payables	302.98	(605.03)
Increase/ (decrease) in other financial liabilities	(139.04)	(104.90)
Increase/ (decrease) in other liabilities	(161.89)	689.84
Increase/ (decrease) in provisions	409.11	540.56
Cash generated from operations before tax	6,178.26	7,186.52
Taxes paid, net of refund	(2,298.56)	(1,908.71)
Net cash generated from operating activities (A)	3,879.70	5,277.81
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and intangible assets under development including capital advances	(353.29)	(142.91)
Sale proceeds from property, plant and equipment and intangible assets	3.61	134.70
Investment in mutual funds	(34,050.00)	(13,000.00)
Sale proceeds from redemption/ disposal of mutual funds	21,696.42	-
Investment (made in)/ redemption in corporate deposits (net)	(14,315.00)	6,069.99
Interest received on investments	143.97	547.82
(Increase)/ decrease in fixed deposits (having maturity of more than three months), (net)	22,513.32	1,599.33
Interest received on fixed deposits	1,625.21	3,585.12
Dividend received from subsidiary company	1,324.15	26.82
Net cash generated/(used) in investing activities (B)	(1,411.61)	(1,179.13)



Standalone Cash Flow Statement for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities		
Payment of lease liabilities	(256.74)	(200.77)
Interest paid on lease liabilities	(150.76)	(173.06)
Short term lease rentals	(15.53)	(15.53)
Dividend paid	(2,605.83)	(2,605.83)
(Decrease)/ increase in unclaimed dividend	(0.02)	0.31
Net cash used in financing activities (C)	(3,028.88)	(2,994.88)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(560.79)	1,103.80
Add: Cash and cash equivalents at the beginning of year	1,251.87	148.07
Cash and cash equivalents at the end of the year	691.08	1,251.87
Components of cash and cash equivalents (Refer note 13)		
Balances with banks		
In current accounts	690.79	851.28
In deposit accounts (with original maturity of three months or less)	-	399.00
Cash on hand	0.29	1.59
Cash and cash equivalents at the end of the year	691.08	1,251.87

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 accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Place: Gurugram

Dated: May 12, 2022

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

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Arun Duggal

Chairman

(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

Place: Gurugram

Dated: May 12, 2022

S. Shakeb Rahman

Company Secretary

ICRA Limited

ICRA Limited

Standalone Statement of Changes in Equity for the year ended March 31, 2022

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

Particulars	Note No.	Attributable to equity shareholders						Total equity
		Equity share capital	Other equity					
			Reserves and surplus			Retained earnings	Items of OCI	
			Capital reserve	Capital redemption reserve	General reserve			
Opening balance as at April 01, 2020	15	965.12	754.78	34.88	7,802.44	48,842.70	(146.88)	58,253.04
Profit after tax		-	-	-	-	5,294.54	-	5,294.54
Other comprehensive income, net of tax		-	-	-	-	-	25.46	25.46
Total comprehensive income for the year	32	-	-	-	-	5,294.54	25.46	5,320.00
Dividend on equity shares		-	-	-	-	(2,605.83)	-	(2,605.83)
Refund of distribution tax for FY 2016-17		-	-	-	-	40.67	-	40.67
Capital reserve created during the year	16 (a) & 35	-	450.13	-	-	-	-	450.13
Closing balance as at March 31, 2021		965.12	1,204.91	34.88	7,802.44	51,572.08	(121.42)	61,458.01
Opening balance as at April 01, 2021		965.12	1,204.91	34.88	7,802.44	51,572.08	(121.42)	61,458.01
Profit after tax		-	-	-	-	7,330.93	-	7,330.93
Other comprehensive income, net of tax		-	-	-	-	-	47.20	47.20
Total comprehensive income for the year	32	-	-	-	-	7,330.93	47.20	7,378.13
Dividend on equity shares		-	-	-	-	(2,605.83)	-	(2,605.83)
Capital reserve created during the year	16 (a) & 35	-	248.11	-	-	-	-	248.11
Closing balance as at March 31, 2022		965.12	1,453.02	34.88	7,802.44	56,297.18	(74.22)	66,478.42

Significant accounting policies (Refer note 3)**The accompanying notes are an integral part of the standalone financial statements.**

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

For and on behalf of the Board of Directors of **ICRA Limited****Ramnath Krishnan**
Managing Director & Group C.E.O.
(DIN: 09371341)**Arun Duggal**
Chairman
(DIN: 00024262)**Amit Kumar Gupta**
Chief Financial Officer & General Counsel**S. Shakeb Rahman**
Company Secretary

Place: Gurugram

Dated: May 12, 2022

Place: Gurugram

Dated: May 12, 2022



Notes to the Standalone Financial Statements for the year ended March 31, 2022

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

1 Corporate information

ICRA 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 and outsourcing and information services etc.

2 Basis of preparation

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Companies Act, 2013 ("The Act") (as amended from time to time).

These standalone 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 standalone 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 standalone 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 lacs and upto two decimal places, unless otherwise stated.

These standalone financial statements were authorised for issue by the Company's Board of Directors on May 12, 2022.

2.1 Use of estimates, judgements and assumptions

In preparing these standalone 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 is recognised prospectively.

The Company 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 standalone 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 recognised in the standalone financial statements.

a) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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 judgements 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 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 judgements on client co-operation for surveillance which includes receipt of information for performing surveillance rating and realisation of fees.

c) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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-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.

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.



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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 judgements 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 various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal rate 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 standalone balance sheet that 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 judgement 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 temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which they can be used. Significant management judgement 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-financial assets and liabilities such as investments, security deposits, loan to staff, trade payables, payable to employees etc. at fair value at each standalone 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.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

All assets and liabilities for which fair value is measured or disclosed in the standalone 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 standalone 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

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

3.2 Revenue recognition

The Company earns revenue primarily from the rating, grading, surveillance and other services.

The first year rating and grading fees includes free surveillance for first twelve months or the period of instrument, whichever is shorter, from the date of rating and grading. A portion of the fee is allocated towards first year free surveillance based on management's estimate. The revenue related to initial rating and grading is recognised upon issuance of press release or disclosure of unaccepted ratings on the Company's website. Surveillance fee, to the extent of reasonable certainty of collection, is recognised over the surveillance period (ignoring fractions of months).

For other services, revenue is recognised upon transfer of control of promised services to the customers.

Unearned revenue represents advance billing for which services have not been rendered.

Unbilled revenue represents services rendered for which invoices are yet to be raised.

Out of pocket expenses which are recoverable from customers, are recognised both as expenditure and revenue.

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.



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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 amortised cost if both of the following condition are met and it is not designated as 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 gives 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 asset 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 gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income (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.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)***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 is 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 standalone statement of profit and loss.



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(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 standalone 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 standalone statement of profit and loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Company. All other expenditure is recognised in the standalone statement of profit and loss.

Depreciation

Depreciation is calculated on cost of item of property, plant and equipment (except leasehold improvements) less their estimated residual value over their estimate useful lives using written down value method and is recognised in the standalone 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

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(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 off).

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 initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation 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 standalone 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 straight-line method, and is included in depreciation and amortisation in the standalone statement of profit and loss.

The estimated useful lives of items of intangible assets is as follows:

Asset	Useful life (in years)
Computer softwares	5 - 7

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 off).

Intangible assets under development

Identifiable intangible assets under development are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets under development is measured at historical cost and not amortised. These assets are tested for impairment on an annual basis.

3.7 Leases

The Company's significant lease arrangements are primarily in respect of office premises. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from owned office premises is accounted for on a straight-line basis over the lease term and is included in other income in the standalone statement of profit or loss due to its operating nature.

Rental income arising from sub-leasing of office premises is accounted for on a straight-line basis over the lease term and is included in other income in the standalone statement of profit and loss.

3.8 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 is recognised in the standalone statement of profit and loss.

3.9 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 is 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, is presented as expense or income in the standalone 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.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment loss is recognised in the standalone 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.

3.10 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 to 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 standalone balance sheet. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the standalone 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 measures 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.

3.11 Projects work-in-progress

Projects work-in-progress represent direct cost incurred against rating and grading cases wherein work has been initiated but rating and grading is yet to be concluded and amount is expected to be recovered.

3.12 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 standalone 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 Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

3.13 Foreign currencies

The Company's standalone 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.

3.14 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

The Company makes specified monthly contributions towards government administered Provident Fund scheme and Employees' State Insurance. 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 Gratuity 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 standalone 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 standalone 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

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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 into 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 standalone statement of profit and loss.

Other long-term employee benefits

Long term individual payout ('LTIP') plan 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. From the financial year 2018-19, the LTIP is funded by the ICRA Employees Welfare Trust. Hence, the Company has charged such employees' expense in the standalone statement of profit and loss with a corresponding credit to Capital Reserve.

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 standalone 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.

3.15 Share based payments

The Company recognises 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.

3.16 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 cash flows (representing the best estimate of the expenditure required 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 Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

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 an item recognised directly in equity or other comprehensive income.



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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 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 standalone financial statements. Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be used. 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 shareholders 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 shareholders 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 are ignored in the calculation of diluted earnings per share.

3.20 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be. The Company is primarily engaged in the business of Rating, research and other services.

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

3.21 Corporate social responsibility (CSR) expenditure

The Company charges its CSR expenditure during the year to the standalone statement of profit and loss.

3.22 Recent accounting pronouncements

On March 23, 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended the existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 01, 2022. Key amendments and its impact as envisaged by the management is summarised below:

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its standalone financial statements.

These amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
4 Property, plant and equipment and right-of-use assets			
4.1 Property, plant and equipment			
Buildings		566.97	598.61
Computers and data processing units		154.32	63.75
Furniture and fittings		41.92	56.17
Office equipment		12.78	16.34
Electrical installation and equipment		15.47	21.69
Vehicles		0.50	2.50
Leasehold improvements		23.44	52.44
Total property, plant and equipment		815.40	811.50
4.2 Right-of-use assets			
Right-of-use assets - buildings		1,374.24	1,649.87
		1,374.24	1,649.87



Notes to the Standalone financial statements for the year ended March 31, 2022 (Contd.)

(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	Right-of-use assets - buildings
4.3 Disclosures regarding gross block, accumulated depreciation and net block of property, plant and equipment and right-of-use assets									
Gross carrying value									
As at April 1, 2020	785.37	300.75	206.99	99.64	87.53	63.51	243.38	1,787.17	2,274.71
Additions	-	66.71	2.10	1.42	-	-	-	70.23	90.58
Disposals/adjustments	-	(0.92)	-	(0.37)	-	(45.53)	-	(46.82)	(82.39)
As at March 31, 2021	785.37	366.54	209.09	100.69	87.53	17.98	243.38	1,810.58	2,282.90
As at April 1, 2021	785.37	366.54	209.09	100.69	87.53	17.98	243.38	1,810.58	2,282.90
Additions	-	153.58	-	3.26	0.27	-	-	157.11	73.00
Disposals/adjustments	-	(0.06)	(0.55)	(3.06)	(1.87)	(14.53)	-	(20.07)	-
As at March 31, 2022	785.37	520.06	208.54	100.89	85.93	3.45	243.38	1,947.62	2,355.90
Accumulated depreciation									
As at April 1, 2020	153.35	238.22	133.84	74.20	57.63	50.66	156.12	864.02	318.62
For the year	33.41	65.44	19.08	10.50	8.21	3.70	34.82	175.16	345.80
Disposals/adjustments	-	(0.87)	-	(0.35)	-	(38.88)	-	(40.10)	(31.39)
As at March 31, 2021	186.76	302.79	152.92	84.35	65.84	15.48	190.94	999.08	633.03
As at April 1, 2021	186.76	302.79	152.92	84.35	65.84	15.48	190.94	999.08	633.03
For the year	31.64	62.98	14.02	5.97	5.56	0.01	29.00	149.18	348.63
Disposals/adjustments	-	(0.03)	(0.32)	(2.21)	(0.94)	(12.54)	-	(16.04)	-
As at March 31, 2022	218.40	365.74	166.62	88.11	70.46	2.95	219.94	1,132.22	981.66
Net block									
As at March 31, 2022	566.97	154.32	41.92	12.78	15.47	0.50	23.44	815.40	1,374.24
As at March 31, 2021	598.61	63.75	56.17	16.34	21.69	2.50	52.44	811.50	1,649.87

Note :

(i) The Company undisputedly possesses the title deeds for all properties held by the Company, presented under 'Buildings' in the above schedule. Further, the Company does not hold any property where-in the title deed does not convey a lucid ownership interest in favour of the Company with respect to such property.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
5 Intangible assets			
Computer software		363.80	26.24
Total intangible assets		363.80	26.24

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
5.1 The details of intangible assets under development are as follows:			
Intangible assets under development		54.59	232.51
Total		54.59	232.51

Particulars	Note No.	Computer software	Intangible asset under development
5.2 Disclosures regarding gross block, accumulated amortisation and net block of other intangible assets are as given below:			
Gross carrying value			
As at April 1, 2020		42.38	188.18
Additions		27.34	103.83
Disposals/adjustments		(16.09)	(59.50)
As at March 31, 2021		53.63	232.51
As at April 1, 2021		53.63	232.51
Additions		374.10	154.07
Disposals/adjustments		-	(331.99)
As at March 31, 2022		427.73	54.59
Accumulated amortisation			
As at April 1, 2020		39.86	-
For the year		3.59	-
Disposals/adjustments		(16.06)	-
As at March 31, 2021		27.39	-
As at April 1, 2021		27.39	-
For the year		36.54	-
Disposals/adjustments		-	-
As at March 31, 2022		63.93	-
Net block			
As at March 31, 2022		363.80	54.59
As at March 31, 2021		26.24	232.51



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

5.3 Intangible Asset under Development (IAUD) Ageing Schedule *

As at March 31, 2022

Particulars	Amount in IAUD as at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	54.59	-	-	-	54.59
Projects temporarily suspended	-	-	-	-	-
Total	54.59	-	-	-	54.59

As at March 31, 2021

Particulars	Amount in IAUD as at March 31, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	80.74	34.08	37.00	80.69	232.51
Projects temporarily suspended	-	-	-	-	-
Total	80.74	34.08	37.00	80.69	232.51

* There are no projects in IAUD as at March 31, 2022 and March 31, 2021, whose completion is overdue or cost of which has exceeded in comparison to its original plan.

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
6 Investments			
6.1 Non-current investments			
I. Unquoted			
Investments carried at cost			
a) Investment in equity shares of subsidiaries (fully paid up)			
ICRA Analytics Limited (formerly known as ICRA Online Limited)		2,371.76	2,371.76
9,951,458 equity shares [previous year 9,951,458] of Rs. 10 each			
PT ICRA Indonesia		1,497.47	1,497.47
2,833,125 equity shares [previous year 2,833,125] of IDR 10000 each			
ICRA Lanka Limited		256.58	256.58
5,948,900 equity shares [previous year 5,948,900] of LKR 10 each			
ICRA Nepal Limited		63.75	63.75
306,000 equity shares [previous year 255,000] of NPR 100 each*			
		4,189.56	4,189.56
Impairment in value of investments	45	(1,497.47)	(1,497.47)
Total (I) (a)		2,692.09	2,692.09
* During the year, ICRA Nepal Limited allotted 51,000 (Previous year 153,000) bonus equity shares of NPR 100 each.			
Note:- IDR denotes Indonesian Rupiah, LKR denotes Sri Lankan Rupee and NPR denotes Nepalese Rupee			
Investments carried at amortised cost			
b) Investment in corporate deposits			
Unquoted			
Housing Development Finance Corporation Limited		10,000.00	-
Total (I) (b)		10,000.00	-
Total (I) (a+b)		12,692.09	2,692.09
II. Quoted			
Investments carried at fair value through profit or loss			
a) Investment in equity instruments (other than subsidiaries) (fully paid up)			
CRISIL Limited		98.95	55.17
3,000 equity shares [previous year 3,000] of Re. 1 each			
Total (II) (a)		98.95	55.17
b) Investment in mutual funds			
Axis Liquid Fund - Direct Growth		-	2,476.12
Nil [previous year 108,373.86] units of Rs. 1000 each			
Kotak Floating Rate Fund Direct - Growth		10,570.12	5,139.90
861,231.241 [previous year 444,223.504] units of Rs. 1000 each			
Nippon India Floating Rate Fund - Direct Growth Plan		-	5,088.13
Nil [previous year 14,138,418.279] units of Rs. 10 each			
TrustMF Banking & PSU Debt Fund - Direct Plan - Growth (BF-DG)		-	3,016.23
Nil [previous year 301,101.199] units of Rs. 1000 each			
IDFC Bond Fund Short Term Plan - Growth - Direct Plan		8,428.29	-
17,201,724.377 [previous year Nil] units of Rs. 10 each			



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
SBI Floating Rate Debt Fund Direct Plan Growth		10,068.31	-
94,521,221.745 [previous year Nil] units of Rs. 10 each			
Total (II) (b)		29,066.72	15,720.38
Total (II)		29,165.67	15,775.55
Total (II) (a+b)		29,165.67	15,775.55
Total non-current investments (I + II)		41,857.76	18,467.64
6.2 Current investments			
Unquoted			
Investments carried at amortised cost	40		
Investment in corporate deposits			
LIC Housing Finance Limited		6,215.00	1,900.00
Total		6,215.00	1,900.00
Total current investments		6,215.00	1,900.00
Total investments		48,072.76	20,367.64
Summary of investments (Non-current + Current)			
Aggregate value of unquoted investments		20,404.56	6,089.56
Aggregate value of quoted investments		29,165.67	15,775.55
Aggregate value of impairment in the value of investments		(1,497.47)	(1,497.47)
Investments carried at cost		4,189.56	4,189.56
Investments carried at amortised cost		16,215.00	1,900.00
Investments carried at fair value through profit or loss		29,165.67	15,775.55
Aggregate value of impairment in the value of investments		(1,497.47)	(1,497.47)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
7 Loans			
7.1 Non-current			
Secured, considered good			
Loans to staff		5.73	11.89
Total non-current loans		5.73	11.89
7.2 Current			
Secured, considered good			
Loans to staff		2.39	2.93
Total current loans		2.39	2.93
Total loans		8.12	14.82

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
8 Other financial assets			
8.1 Non-current			
Unsecured, considered good			
Bank deposits with maturity for more than twelve months from the reporting date		-	11,455.23
Interest accrued on fixed deposits		-	79.64
Earnest money deposit		0.90	0.90
Security deposits		467.68	392.35
Interest accrued on investments		99.68	-
Total non-current other financial assets		568.26	11,928.12
8.2 Current			
Unsecured, considered good			
Interest accrued on fixed deposits		884.20	816.17
Interest accrued on investments		242.59	5.00
Earnest money deposits		5.63	5.63
Security deposit		19.21	8.84
Advances recoverable			
From parties other than related parties		10.69	14.83
Others			
Recoverable from related parties	38	52.78	29.48
Recoverable from other than related parties		0.46	0.70
Unsecured, considered doubtful			
Recoverable from other than related parties - credit impaired		0.01	0.91
		1,215.57	881.56
Allowance for doubtful other financial assets		(0.01)	(0.91)
Total current other financial assets		1,215.56	880.65
Total other financial assets		1,783.82	12,808.77



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
9 Income tax			
The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:			
9.1 Income tax recognised in standalone statement of profit and loss			
Current tax			
Income tax for current year		1,969.02	1,800.20
Tax adjustment for earlier years		24.22	(9.79)
		1,993.24	1,790.41
Deferred tax			
Attributable to-			
Origination and reversal of temporary differences		10.70	81.34
		10.70	81.34
Total tax expense recognised in the standalone statement of profit and loss		2,003.94	1,871.75
9.2 Income tax recognised in other comprehensive income			
Remeasurements of defined benefit liability/ asset		15.87	8.56
Income tax charged to other comprehensive income		15.87	8.56
9.3 Aggregate current and deferred tax charge relating to items that are charged or credited directly to equity		-	-
9.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate.			
Accounting profit before tax		9,334.87	7,166.29
Tax using the Company's domestic tax rate 25.168% (previous year 25.168%)		2,349.40	1,803.61
Effect of:			
Non-deductible expenses		128.17	168.95
Tax adjustment for earlier years		24.22	(9.79)
Exempt income		(338.44)	(0.56)
Effect of utilisation of carried forward capital losses		(125.82)	(87.84)
Effect of income offered for tax in previous year		(33.59)	-
Effect of lower tax rate on certain income		-	(2.62)
Total tax expense		2,003.94	1,871.75

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
9.5 Deferred tax assets (net)			
Deferred tax assets			
Lease liability		347.61	403.09
Provision for employees benefits		172.54	186.96
Provision for doubtful receivables		63.17	61.55
Provision for doubtful financial assets		-	0.23
Tax losses carried forward		91.74	105.36
Total		675.06	757.19
Deferred tax liabilities			
Property, plant and equipment (including intangible assets)		282.59	324.53
Investments at fair value through profit or loss		91.74	105.36
Total		374.33	429.89
Total deferred tax assets (net)		300.73	327.30
9.6 Reconciliation of deferred tax assets/ (liabilities)			
Opening balance		327.30	417.20
Tax (expense)/ income during the period recognised in standalone statement of profit and loss		(10.70)	(81.34)
Tax (expense)/ income during the period recognised in other comprehensive income		(15.87)	(8.56)
Closing balance		300.73	327.30
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*		977.50	1,784.41
Impairment loss on investments**		1,497.47	1,497.47
Total		2,474.97	3,281.88
Unrecognised tax effect		566.27	750.89
*Long term capital losses of Rs. 736.71 lakh pertaining to FY 2016-17 has been surrendered under 'Direct Tax Vivad se Vishwas Act, 2020'.			
**The deductible temporary difference does not expire under current tax legislation			
9.8 Expiry period of unutilised tax losses			
Financial Year 2024-25		977.50	1,784.41
Total		977.50	1,784.41



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
10 Non-current tax asset			
10.1 Non-current			
Advance income tax (Net of provision of Rs. 34,748.98 lakh [previous year Rs. 32,919.09 lakh])	28 (a)	1,163.30	871.65
Total		1,163.30	871.65
Total tax assets			
11 Other assets			
11.1 Non-current			
Unsecured, considered good			
Prepayments		41.27	5.89
Total non-current other assets		41.27	5.89
11.2 Current			
Advance paid to gratuity trust	34, 38	194.73	11.11
Prepayments		655.75	442.49
Balance with government authorities		11.29	2.11
Projects work-in-progress		112.77	139.94
Total current other assets		974.54	595.65
Total other assets		1,015.81	601.54
12 Trade receivables			
Trade receivables considered good - Unsecured @		1,020.56	1,599.31
Trade receivables - credit impaired		250.98	244.57
		1,271.54	1,843.88
Less: Allowance for expected credit loss		(250.98)	(244.57)
Total trade receivables		1,020.56	1,599.31
@ Includes dues from related parties	38		

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

12.1 Trade receivables ageing schedule**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	946.37	29.12	42.16	1.93	-	1,019.58
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	36.99	0.16	-	-	-	37.15
Disputed trade receivables - considered good	0.46	0.06	0.46	-	-	0.98
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	6.02	1.33	3.90	0.57	202.01	213.83
Total	989.84	30.67	46.52	2.50	202.01	1,271.54
Less: Allowance for expected credit loss						250.98
Total trade receivables						1,020.56

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,520.72	68.94	9.49	-	0.15	1,599.31
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	22.29	-	-	-	-	22.29
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables – credit impaired	10.69	1.70	5.38	203.00	1.51	222.28
Total	1,553.70	70.64	14.87	203.00	1.67	1,843.88
Less: Allowance for expected credit loss						244.57
Total trade receivables						1,599.31



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
13 Cash and cash equivalents			
Balances with banks			
In current accounts		690.79	851.28
In deposit accounts (with original maturity of three months or less)		-	399.00
Cash on hand		0.29	1.59
Total cash and cash equivalents		691.08	1,251.87
14 Bank balances other than cash and cash equivalents			
Balances with banks			
In deposit accounts with maturity for more than three months but less than twelve months from the reporting date		19,998.28	31,057.50
Earmarked balances with banks			
In unpaid dividend account		11.79	11.81
Deposits with maturity for more than three months but less than twelve months from the reporting date earmarked against bank guarantees		21.09	19.95
Total		20,031.16	31,089.25
15 Equity share capital			
Authorised			
15,000,000 (previous year 15,000,000) equity shares of Rs. 10/- each		1,500.00	1,500.00
		1,500.00	1,500.00
Issued, subscribed and fully paid up			
9,651,231 (previous year 9,651,231) equity shares of Rs. 10/- each fully paid up		965.12	965.12
		965.12	965.12

Particulars	Note No.	As at March 31, 2022	
		Number of shares	Amount
15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period			
Equity shares			
At the commencement and at the end of the year		9,651,231	965.12

Particulars	Note No.	As at March 31, 2021	
		Number of shares	Amount
Equity shares			
At the commencement and at the end of the year		9,651,231	965.12

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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.

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
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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	3,055,900	3,055,900
% of total shares	31.66%	31.66%

Moody's Singapore Pte Limited

Number of shares	1,949,722	1,949,722
% of total shares	20.20%	20.20%

15.4 Promoter Shareholding

Shares held by promoters as at March 31, 2022

Promoter Name	No. of shares	% of Total Shares	% Change during the year
Moody's Investment Company India Private Limited	3,055,900	31.66%	-
Moody's Singapore Pte Limited	1,949,722	20.20%	-
Shares held by promoters as at March 31, 2021			
Moody's Investment Company India Private Limited	3,055,900	31.66%	-
Moody's Singapore Pte Limited	1,949,722	20.20%	-

Particulars	As at March 31, 2022	As at March 31, 2021
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15.5 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	3,055,900	3,055,900
% of total shares	31.66%	31.66%

Moody's Singapore Pte Limited

Number of shares	1,949,722	1,949,722
% of total shares	20.20%	20.20%

Aditya Birla Sun Life Trustee Private Limited

Number of shares	936,910	954,754
% of total shares	9.71%	9.89%

Life Insurance Corporation of India

Number of shares	516,254	593,004
% of total shares	5.35%	6.14%

Pari Washington India Master Fund, Limited

Number of shares	703,664	715,014
% of total shares	7.29%	7.41%



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
16 Other equity			
Capital reserve	35	1,453.02	1,204.91
Capital redemption reserve		34.88	34.88
General reserve		7,802.44	7,802.44
Other comprehensive loss		(74.22)	(121.42)
Retained earnings		56,297.18	51,572.08
Total other equity		65,513.30	60,492.89

Nature of reserves

a) Capital reserve

Capital reserves represents amount of LTIP plan funded by ICRA Employees Welfare Trust ("ESOP Trust") to the employees of the Company. (Refer note 35)

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) 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 standalone statement of profit and loss.

(d) Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

(e) Other comprehensive income

Other comprehensive income comprises remeasurement of defined benefit plans, which represents the following as per Ind AS 19, Employee Benefits (a) actuarial gains and losses (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
17 Financial liabilities			
17.1 Non-current			
Lease liabilities	44	1,115.15	1,346.90
Total non-current financial liabilities		1,115.15	1,346.90
17.2 Current			
Lease liabilities	44	266.02	254.72
17.3 Other financial liabilities			
Unpaid dividends		11.79	11.81
Due to related parties	38	7.16	26.68
Payable to employees		221.40	330.72
Deposits for vehicles		3.06	11.58
Other liabilities		25.41	27.08
Total other financial liabilities		268.82	407.87
Total current financial liabilities		534.84	662.59
Total financial liabilities		1649.99	2009.49
18 Provisions			
18.1 Non-current			
Provision for employee benefits			
Provision for compensated absences		122.18	157.51
Total non-current provisions		122.18	157.51
18.2 Current			
Provision for employee benefits			
Provision for compensated absences		128.19	150.20
Other employee benefits		2,470.48	1,883.48
Others			
Provision for pending litigations	29, 46	-	-
Provision for service tax	46	15.91	15.91
Total current provisions		2,614.58	2,049.59
Total provisions		2,736.76	2,207.10



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
19 Other liabilities			
19.1 Current			
Unearned revenue	43	3,573.70	3,721.16
Advance from customers		1,097.02	1,143.15
Statutory dues		458.51	701.70
Total other liabilities		5,129.23	5,566.01
20 Trade payables			
(A) Total outstanding dues of micro and small enterprises: and		51.07	47.09
(B) Total outstanding dues other than micro and small enterprises @ #		585.43	286.43
Total trade payables		636.50	333.52
@ Includes dues from related parties	38		
# Includes unbilled dues of Rs. 309.39 lacs (March 31, 2021- Rs. 29.05 lacs)			

20.1 Trade payables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	51.07	-	-	-	51.07
Total outstanding dues of creditors other than micro enterprises and small enterprises	309.39	274.18	1.86	-	-	585.43
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	309.39	325.25	1.86	-	-	636.50

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	47.09	-	-	-	47.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.05	255.91	-	-	1.47	286.43
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	29.05	303.00	-	-	1.47	333.52

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

20.2 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, 2022	As at March 31, 2021
The principal amount payable to suppliers at the year end	51.07	47.09
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, 2022	As at March 31, 2021
21 Current tax liabilities (net)		
Provision for income tax (Net of advance tax of Rs. 2,263.36 lakh [previous year Rs. 1,781.59 lakh])	64.47	78.14
Total	64.47	78.14

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
22 Revenue from operations			
Sale of services			
Rating, research and other services fees	43	19,144.15	17,831.24
Total sale of services		19,144.15	17,831.24
Other operating revenue			
Advances received from customers written back		274.87	237.23
Royalty	38	43.68	38.77
Others		10.44	19.48
Total other operating revenue		328.99	295.48
Total revenue from operations		19,473.14	18,126.72



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
23 Other income			
Interest income on fixed deposits		1,613.60	2,625.09
Interest income on investments carried at amortised cost		481.24	458.36
Interest income on security deposits carried at amortised cost		43.17	36.42
Other interest income		0.41	0.99
Dividend from subsidiary company	38	1,343.56	32.80
Gain on financial assets carried at FVTPL (net)		570.60	349.00
Gain on sale of investments		465.94	-
Rental income	38	21.96	25.57
Profit on sale of property, plant and equipment (net)		-	100.24
Miscellaneous income		1.71	3.80
Total other income		4,542.19	3,632.27

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
24 Employee benefit expenses			
Salaries, wages and bonus		10,454.60	10,249.04
Contribution to provident and other funds	34	400.99	403.49
Staff welfare expense		289.37	351.40
Total employee benefits expense		11,144.96	11,003.93

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
25 Finance costs			
Interest on lease liabilities	44	150.76	173.06
Total finance costs		150.76	173.06

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
26 Depreciation and amortisation expense			
Depreciation of property, plant and equipment	4.1	149.18	175.16
Depreciation of right-of-use assets	4.2	348.63	345.80
Amortisation of intangible assets	5	36.54	3.59
Total depreciation and amortisation expense		534.35	524.55

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
27 Other expenses			
Electricity and water		39.66	33.88
Rent	44	52.69	23.84
Repairs and maintenance			
- Building		84.02	96.56
- Others		820.06	664.31
Insurance		27.48	15.27

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Other expenses (Contd.)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes		66.76	32.99
Communication		116.37	89.11
Printing and stationery		19.65	7.32
Books and periodicals		103.11	100.82
Travelling and conveyance		33.75	28.67
Directors' sitting fees		53.25	54.00
Remuneration to non executive directors		65.00	65.00
Legal and professional charges		756.63	1,120.36
Conference and meeting		10.61	0.96
Advertisement		2.94	3.16
Auditor's remuneration and expenses	37	51.50	48.90
Technical services		24.24	23.73
Bad debts/ advances written off (net of provisions)		171.42	74.63
Corporate social responsibility	30	209.03	189.41
Fees and subscription		15.56	7.69
Recruitment expenses		119.97	186.68
Loss on sale/ write off of property, plant and equipment (net)		0.42	-
Miscellaneous expenses		6.27	23.87
Total other expenses		2,850.39	2,891.16

28 Contingent liabilities and commitments

Particulars	As at March 31, 2022	As at March 31, 2021
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a) Capital commitments - Contingent liabilities

(to the extent not provided)

Income tax	1,289.64	1,018.53
Others	12.09	12.09
Total	1,301.73	1,030.62

The Company is contesting the demand and the management believes 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.

"The Supreme Court on February 28, 2019 had provided its judgement regarding inclusion of other allowances such as travel allowances, special allowances, etc. within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. There are interpretive challenges on the application of the Supreme Court Judgement including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations with Provident fund authorities. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgement. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Company has not recognised provision for the provident fund contribution on the basis of above mentioned order for past periods till March 31, 2019. However, from April 1, 2019, the Company has started inclusion of such allowances within the expression of 'basic wages' for the purpose of computation of provident fund. Additionally, the Company is involved in other disputes, lawsuits, claims and/ or regulatory inspections, including commercial matters that arise from time to time in the ordinary course of business. The Company believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its standalone financial statements.



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

b) Capital commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Capital commitments		
Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advances)	102.57	119.84
Total	102.57	119.84

29 During the year ended March 31, 2022, the Company was dealing with following matters which arose in current and/or previous periods:

- (a) The Securities and Exchange Board of India ("SEBI") had enhanced the penalty amount from Rs. 25 lakhs to Rs. 1 crore during the quarter ended September 30, 2020 in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's customer and the customer's subsidiaries. The Company had deposited the enhanced penalty amount under protest and had filed an appeal with the Securities Appellate Tribunal contesting the said order. The said appeal is under review. On this matter, the Company also co-operated with other government agencies in relation to queries received from them. Basis the foregoing and the legal counsel opinion obtained, the Company does not foresee any significant adverse implications on the Company.
- (b) The Company had received an anonymous complaint during the quarter ended September 30, 2021, making certain allegations around conflict of interest against two senior officials of the Company, who are no longer in employment. The Company had appointed an external firm to examine the allegations. During the year ended 31 March 2022, the Company has concluded the examination thereof and finalized the necessary action plan. The findings did not indicate any adverse financial impact."

30 Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	209.03	225.44
Amount available for set-off *	-	(36.03)
Net Amount required to be spent by the Company	209.03	189.41
b) Amount approved by the Board to be spent during the year	209.03	189.41
	209.03	189.41
c) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	209.03	189.41
	209.03	189.41
d) Details related to spent / unspent obligations:		
(i) Contribution to Charitable Trust	209.03	189.41
(ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
	209.03	189.41

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

* Pursuant to appeal letter no. 05/1/2020-CSR-MCA dated March 30, 2020, received from Ministry of Corporate Affairs, the Company contributed Rs. 100.00 lakhs to PM Cares Fund on March 31, 2020, which resulted in to Rs. 71.26 lakhs excess spent over the FY 2019-20 obligation. Out of excess spent, Rs. 36.03 lakhs has been offset against the obligation for FY 2020-21 and the remaining unutilised balance is not available for set-off in future years, pursuant to circular dated May 20, 2021 issued by Ministry of Corporate Affairs in this regard.

31 Earnings per share**a) Basic earnings per share**

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The calculations of profit attributable to equity shareholders, 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, 2022	For the year ended March 31, 2021
(i) Profit attributable to the equity shareholders		
Profit for the year, attributable to the equity shareholders	7,330.93	5,294.54
(ii) Weighted average number of equity shares		
Opening balance	96,51,231	96,51,231
Shares held by ESOP Trust	(31,950)	(31,950)
Weighted average number of equity shares for the year	96,19,281	96,19,281
(iii) Basic earnings per share (face value Rs.10 per share)	76.21	55.04
[(i) / (ii)]		

b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders 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 shareholders, 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, 2022	For the year ended March 31, 2021
(i) Profit attributable to the equity holders (diluted)		
Profit for the year, attributable to the equity shareholders (diluted)	7,330.93	5,294.54
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	96,19,281	96,19,281
Effect of dilution of share options	-	-
Weighted average number of equity shares (diluted)	96,19,281	96,19,281
(iii) Diluted earnings per share (face value Rs.10 per share)	76.21	55.04
[(i) / (ii)]		



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

32 Dividend on equity shares

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend on equity shares declared and paid during the year		
Final dividend of Rs. 27 per share for financial year 2020-21 (Rs. 27 per share for financial year 2019-20)	2,605.83	2,605.83
	2,605.83	2,605.83
Proposed dividend on equity shares not recognised as liability		
Final dividend of Rs. 28 per share for financial year 2021-22 (Rs. 27 per share for financial year 2020-21)	2,702.34	2,605.83
Total	2,702.34	2,605.83

33 Remittance by the Company in foreign currency for dividend

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Proposed dividend remitted	526.42	526.42
Number of non resident shareholders	1	1
Number of shares held	19,49,722	19,49,722
Financial year to which proposed dividend relates	2020-21	2019-20

34 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 which are the defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the standalone statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to these schemes aggregate to Rs. 400.99 lakhs for year ended March 31, 2022 (previous year Rs. 403.49 lakhs) 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 service 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 exposes the Company to actuarial risks, such as interest rate risk and market (investment) risk.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)***(i) Reconciliation of the net defined benefit liability/ (asset)**

Particulars	As at March 31, 2022	As at March 31, 2021
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	1,166.57	1,137.69
Current service cost	113.31	114.09
Interest expense/ (income)	59.46	63.73
Benefits directly paid by the Company	(246.98)	(115.03)
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in financial assumptions	(9.35)	18.89
- experience adjustments	(67.23)	(54.07)
Liability transferred from group company	20.79	1.27
Defined benefit obligations at the end of the year	1,036.57	1,166.57
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,177.68	1,113.16
Contribution paid to the plan assets	-	-
Interest income on plan assets	67.13	65.68
Actuarial gain/(loss) on plan assets	(13.51)	(1.16)
Fair value of plan assets at the end of the year	1,231.30	1,177.68
Provisions for gratuity		
Non-current	-	-
Current	1,036.57	1,166.57
Total	1,036.57	1,166.57
Fair value of plan assets		
Non-current	-	-
Current	1,231.30	1,177.68
Total	1,231.30	1,177.68
Net defined benefit liability/ (asset)	(194.73)	(11.11)



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(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, 2022	For the year ended March 31, 2021
Expense recognised in profit and loss account		
Current service cost	113.31	114.09
Net interest expense/ (income)	(7.67)	(1.95)
	105.64	112.14
Remeasurements recognised in other comprehensive income:		
Actuarial (gain)/ loss on defined benefit obligations	(76.58)	(35.18)
(Return)/Loss on plan assets excluding interest income	13.51	1.16
	(63.07)	(34.02)

(iii) Plan assets comprise of the following:

Particulars	As at March 31, 2022	As at March 31, 2021
Kotak Group Bond Fund	831.19	-
Kotak Group Floating Rate Fund	-	394.73
Kotak Group Short Term Bond Fund	-	404.13
Kotak Secure Return Employee Benefit Plan	400.12	378.82
Total	1,231.31	1,177.68

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.10%	5.70%
Future salary escalation rate		
- For first five years	10.00%	10.00%
- Thereafter	7.00%	7.00%
Withdrawal rate	20.00%	20.00%
Retirement age	60	60
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	

The estimates of future salary escalation rate, 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, 2022, the weighted-average duration of the defined benefit obligation was 5 years (March 31, 2021: 5 years).

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

(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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Assumptions				
Discount rate	0.5% Increase	0.5% Increase	(20.25)	(23.97)
	0.5% Decrease	0.5% Decrease	21.11	25.02
Future salary escalation rate	0.5% Increase	0.5% Increase	15.43	19.45
	0.5% Decrease	0.5% Decrease	(15.46)	(19.37)
Withdrawal rate	5% Increase	5% Increase	(7.73)	(20.23)
	5% Decrease	5% Decrease	2.89	12.04

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, 2022
March 31, 2023	210.89
March 31, 2024	191.40
March 31, 2025	189.04
March 31, 2026	178.32
March 31, 2027	169.53
March 31, 2028 to March 31, 2032	638.95

- 35** From the financial year 2018-19, the ESOP Trust introduced LTIP Plan as an incentive to reward a cash amount to the eligible employees of the Company. Based on the estimation, expense of Rs. 248.11 lakhs (previous year Rs. 450.13 lakhs) has been recognised and correspondingly, accounted as an adjustment to the capital reserve of the Company.

36 Share based payment

The Company's Employee Stock Option Schemes ("ESOSs") provide for the grant of stock options to eligible employees and whole time directors of the Company and its subsidiaries. The ESOSs are administered through ESOP Trust. The Trust transfers shares to the eligible employees upon exercise of the options by such employees.

During financial year 2018-19, the Company had introduced a new stock option scheme namely "ESOS 2018" effective from June 28, 2018. The grant price shall be as decided by the Nomination and Remuneration Committee ('N&RC') of the Company. The number of options and terms could vary at the discretion of the N&RC. Till March 31, 2022, the Company has not granted any option under ESOS 2018.



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

37 Remuneration to Auditor (excluding goods and service tax)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fees	23.89	21.32
Limited review fees	17.79	17.79
Tax audit fees	7.17	6.74
Other certification services fees	1.15	1.15
Reimbursement of expenses	1.50	1.90
Total	51.50	48.90

38 Related party transactions

A. List of related parties

a) Related parties and nature of related party relationships 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) Related parties and nature of related party relationships with whom transactions have taken place during the year

i) Subsidiaries including step-down subsidiaries

ICRA Analytics Limited

PT ICRA Indonesia

ICRA Nepal Limited

ICRA Lanka Limited

Pragati Development Consulting Services Limited

ii) Trusts

ICRA Employees Welfare Trust

ICRA Limited Employees Group Gratuity Scheme

iii) Fellow subsidiaries

Moody's Investors Service India Private Limited

Moody's Investors Service Inc.

MIS Quality Management Corp.

Moody's Investors Service Hong Kong Limited

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

c) Key management personnel

Mr. N. Sivaraman	Managing Director & Group C.E.O.	(Till October 22, 2021)
Mr. Ramnath Krishnan	Managing Director & Group C.E.O.	(w.e.f. October 23, 2021)
Mr. Vipul Agarwal	Group CFO	(Till March 9, 2022)
Mr. Amit Kumar Gupta	Chief Financial Officer & General Counsel	(appointed as Chief Financial Officer w.e.f. March 10, 2022)
Mr. S. Shakeb Rahman	Company Secretary	

Independent directors

Mr. Arun Duggal
 Ms. Ranjana Agarwal
 Ms. Radhika Vijay Haribhakti

Non-executive and Non-independent directors

Dr. Min Ye
 Mr. David Brent Platt (Till February 17, 2022)
 Mr. Michael Foley
 Ms. Wendy Huay Huay Cheong
 Ms. Shivani Priya Mohini Kak (w.e.f. February 18, 2022)

B. Transactions and balances with related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Related parties where control exists:				
<u>Ultimate Holding Company</u>				
1 Moody's Corporation				
Technical services received	15.46	15.20	-	-
Other financial liabilities - Due to related parties	-	-	3.32	5.52
Trade payables	-	-	13.96	-
<u>Companies having substantial interest</u>				
2 Moody's Investment Company India Private Limited				
Dividend paid	825.09	825.09	-	-
3 Moody's Singapore Pte Limited				
Dividend paid	526.42	526.42	-	-



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
b (i) Subsidiaries including step-down subsidiaries				
1 ICRA Analytics Limited				
Dividend income	1,293.69	-	-	-
Professional services received	16.12	76.58	-	-
Professional services provided	4.53	16.93	-	-
Acquisition of intangible assets	11.23	-	-	-
Rental income	0.41	2.07	-	-
Royalty income	5.00	5.00	-	-
Reimbursement of expenses received/ receivable	23.90	7.85	-	-
Reimbursement of expenses paid/ payable	1.13	-	-	-
Prepayments - current	-	-	0.53	0.81
Other current liabilities - unearned revenue	-	-	2.23	3.07
Other financial assets - other recoverable	-	-	0.03	-
Trade receivables	-	-	0.18	-
Other financial liabilities - due to related parties	-	-	2.60	16.39
2 ICRA Nepal Limited				
Royalty income	32.66	25.38	-	-
Dividend income	49.87	32.80	-	-
Trade receivables	-	-	6.45	5.62
Other financial assets - other recoverable	-	-	45.79	26.38
3 ICRA Lanka Limited				
Royalty income	6.02	8.39	-	-
Trade receivables	-	-	6.02	8.32
4 Pragati Development Consulting Services Limited				
Rental income	-	1.31	-	-
Reimbursement of expenses received/ receivable	1.41	0.65	-	-
Other financial assets - other recoverable	-	-	-	0.21
b (ii) Trusts				
1 ICRA Employees Welfare Trust				
Dividend paid	8.63	8.63	-	-
Salaries, wages and bonus - LTIP	248.11	450.13	-	-
Capital reserve	-	-	1,453.02	1,204.91

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
2 ICRA Limited Employees Group Gratuity Scheme				
Other financial assets - Advance paid to gratuity trust	-	-	194.73	11.11
b (iii) Fellow subsidiaries				
1 Moody's Investors Service India Private Limited				
Rental income	21.55	22.19	-	-
Reimbursement of expenses received/receivable	5.27	3.44	-	-
Other financial assets - Other recoverable	-	-	6.97	2.89
2 Moody's Investors Service Inc.				
Other financial liabilities - Due to related parties	-	-	0.63	0.63
3 MIS Quality Management Corp.				
Trademark license fees	7.58	7.34	-	-
Trade payable	-	-	6.81	-
Other financial liabilities - Due to related parties	-	-	0.61	3.88
4 Moody's Investors Service Hong Kong Limited				
Technical services received	1.21	1.19	-	-
Trade payable	-	-	0.27	-
Other financial liabilities - Due to related parties	-	-	-	0.26
c) Key management personnel				
1 Mr. Ramnath Krishnan				
Remuneration *	193.69	-	-	-
Reimbursement of expenses paid	-	-	-	-
Other financial liabilities - payable to employees	-	-	59.18	-
2 Mr. N. Sivaraman				
Remuneration *	217.41	345.36	-	-



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
3 Mr. Vipul Agarwal				
Remuneration *	202.41	201.52	-	
Reimbursement of expenses paid	0.91	0.64	-	
Other financial liabilities - payable to employees	-	-	-	11.97
4 Mr. Amit Kumar Gupta				
Remuneration *	114.41	117.54	-	-
Reimbursement of expenses paid	-	0.33	-	-
Other financial liabilities - payable to employees	-	-	10.66	4.50
5 Mr. S. Shakeb Rahman				
Remuneration *	38.05	40.89	-	-
Dividend paid by the Company	0.08	0.08	-	-
Other financial liabilities - payable to employees	-	-	4.94	3.64
6 Mr. Arun Duggal				
Remuneration to non-executive directors	25.00	25.00	-	-
Sitting fees paid	15.00	15.75	-	-
Reimbursement of expenses paid	25.00	25.00	-	-
Trade payables	-	-	29.48	28.91
7 Ms. Ranjana Agarwal				
Remuneration to non-executive directors	20.00	20.00	-	-
Sitting fees paid	20.25	20.25	-	-
Trade payables	-	-	20.03	18.50
8 Ms. Radhika Vijay Haribhakti				
Remuneration to non-executive directors	20.00	20.00	-	-
Sitting fees paid	18.00	18.00	-	-
Trade payables	-	-	20.03	18.50

* 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. However, actual payment of gratuity and compensated absences made to key management personnel have been included in above details.

39 Segment information

The Company's business activity falls within a single primary operating segment viz. "Rating, research and other services". The operating segment has been defined based on regular review by the Company's Chief Operating Decision Maker to assess the performance of the Company and to make decision about allocation of resources. The Company renders its services to customers located in India and does not have any operations in economic environment with different risks and returns. Hence, it is considered as operating in a single geographical segment.

The Company does not derive revenue from any customers which amount to 10 per cent or more of the entity's revenues.

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

40 Financial instruments

40.1 Financial instruments by category

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021:

a) Fair value of financial assets

Particulars	Carrying values		Fair values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value through profit or loss				
Investment in equity shares	98.95	55.17	98.95	55.17
Investment in mutual funds	29,066.72	15,720.38	29,066.72	15,720.38
Total (A)	29,165.67	15,775.55	29,165.67	15,775.55
Financial assets measured at amortised cost				
Investment in corporate deposits	16,215.00	1,900.00	16,215.00	1,900.00
Loans	8.12	14.82	8.12	14.82
Trade receivables	1,020.56	1,599.31	1,020.56	1,599.31
Cash and cash equivalents	691.08	1,251.87	691.08	1,251.87
Other bank balances	20,031.16	31,089.25	20,031.16	31,089.25
Other financial assets	1,783.82	12,808.77	1,783.82	12,808.77
Total (B)	39,749.74	48,664.02	39,749.74	48,664.02
Financial assets measured at cost				
Investment in subsidiaries	2,692.09	2,692.09	2,692.09	2,692.09
Total (C)	2,692.09	2,692.09	2,692.09	2,692.09
Total (A+B+C)	71,607.50	67,131.66	71,607.50	67,131.66



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

b) Fair value of financial liabilities

Particulars	Carrying values		Fair values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial liabilities measured at amortised cost				
Lease liabilities	1,381.17	1,601.62	1,381.17	1,601.62
Trade payables	636.50	333.52	636.50	333.52
Others financial liabilities	268.82	407.87	268.82	407.87
Total	2,286.49	2,343.01	2,286.49	2,343.01

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:

- 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.
- For 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, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

40.2 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.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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, 2022

Particulars	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	98.95	-	-	98.95
Investment in mutual funds	29,066.72	-	-	29,066.72
Total	29,165.67	-	-	29,165.67

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, 2021

Particulars	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	55.17	-	-	55.17
Investment in mutual funds	15,720.38	-	-	15,720.38
Total	15,775.55	-	-	15,775.55

40.3 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 Board has delegated monitoring and reviewing of the risk management plan to the Risk Management Committee. The Company has constituted a Executive Risk Committee, a Risk management team and functional sub-committees which are responsible to identify, analyse, mitigate and monitor risks as per risk management framework. The primary risks and mitigation actions are also placed before the Risk Management Committee and the Board.

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarised in note 40.1. 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 position sizing, diversification, valuation, loss prevention, due diligence and exit strategies in order to mitigate losses as defined in Board approved investment policy.



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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 40.1. 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. 291.66 lakhs and Rs. 157.76 lakhs for the year ended March 31, 2022 and March 31, 2021 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 periodically reviews its receivables from customer for any non-recoverability of the dues, taking into account the inputs from business development team and ageing of trade receivables. The management 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 management consider historical credit loss experience adjusted with forward looking information.

Movement in the expected credit loss allowance is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss allowance at the commencement of the year	245.48	371.99
Changes in loss allowance, net	5.51	(126.51)
Loss allowance at the end of the year	250.99	245.48

The Company invests its 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 will encounter difficulty 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 - Lease liabilities, Trade payable and other financial liabilities.

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 fund 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.

ICRA Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

The table below summarises the maturity profile of the Company's undiscounted financial liabilities:

As at March 31, 2022	< 1 year	1 to 3 years	> 3 years	Total
Lease liabilities	391.07	672.32	692.33	1,755.72
Trade payables	636.50	-	-	636.50
Other financial liabilities	268.82	-	-	268.82
Total	1,296.39	672.32	692.33	2,661.04

As at March 31, 2021	< 1 year	1 to 3 years	> 3 years	Total
Lease liabilities	402.55	734.85	969.57	2,106.97
Trade payables	333.52	-	-	333.52
Other financial liabilities	407.87	-	-	407.87
Total	1,143.94	734.85	969.57	2,848.36

40.4 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 shareholders of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, returns 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, 2022 and March 31, 2021.

40.5 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.

41 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 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 standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

42 Other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to profit or (loss)		
Remeasurements of defined benefit liability/ (asset)	63.07	34.02
Income tax relating to items that will not be reclassified to profit or (loss)	(15.87)	(8.56)
Other comprehensive income, net of income tax	47.20	25.46



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

43 Revenue disclosures

a) Revenue recognised in the current year

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of services		
Rating and grading fees	4,821.91	4,081.90
Surveillance fees	13,797.68	13,214.08
Research services fees	524.56	535.26
Total sale of services	19,144.15	17,831.24

b) Revenue recognised from last years' unearned revenue

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rating and grading fees	527.65	596.34
Surveillance fees	2,954.46	2,336.27
Research services fees	230.44	248.35
Total	3,712.55	3,180.96

c) Unearned revenue

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue to be recognised in:		
FY 2021-22	-	3,712.55
FY 2022-23	3,565.89	8.61
FY 2023-24	6.76	-
FY 2024-25	1.05	-
Total	3,573.70	3,721.16

44 Leases

A As a lessee

- a) The Company's significant lease arrangements are in respect of office premises. 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. These options are negotiated by management and aligned with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- b) The Company has discounted lease payments using the applicable incremental borrowing rate, which is 10% for measuring the lease liability.

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)**

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

c) The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	1,601.62	1,762.81
Addition made during the year	36.29	90.58
Deletion made during the year	-	(80.95)
	1,637.91	1,772.44
Add: finance cost accrued during the period	150.76	173.06
Less: payment of lease liabilities	407.50	343.88
Balance at the end of the year	1,381.17	1,601.62

d) The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	266.02	254.72
Non-current lease liabilities	1,115.15	1,346.90
Total	1,381.17	1,601.62

e) The contractual maturity of lease liabilities on an undiscounted basis is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	391.07	410.17
Later than one year but not later than five years	1,290.87	1,349.42
Later than five years	73.78	354.91

f) The Company does not foresee significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors towards properties used as offices are long-term in nature and no changes in terms of those leases are expected due to the COVID-19.**g) Expense related to short-term leases**

The lease rental charged to standalone statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	15.53	15.53



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

h) Amount recognised in the standalone statement of cash flows

Particulars	As at March 31, 2022	As at March 31, 2021
Payment of lease liabilities	(256.74)	(200.77)
Interest paid on lease liabilities	(150.76)	(173.06)
Payment of short-term leases	(15.53)	(15.53)
Impact on the standalone statement of cash flows for the year	(423.03)	(389.36)

B As a lessor

The Company has given a part of its premises under cancellable operating lease arrangement. Lease rentals amounting to Rs. 21.96 lakhs (previous year Rs. 25.57 lakhs) have been recognised in the standalone 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.

- 45 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 standalone financial statements and accordingly, no additional provision is required to be made, other than the amounts provided for in the books of account.

46 The movement of provisions are as under:

Particulars	Provision for pending litigations		Provision for service tax	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening balance	-	75.00	15.91	15.91
Additions during the year	-	-	-	-
Utilised during the year	-	(75.00)	-	-
Closing balance	-	-	15.91	15.91

47 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	3.36	4.29	-22%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.02	0.03	-20%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating items	Debt service = Interest & Lease Payments + Principal Repayments	19.60	16.07	22%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	11.46%	8.85%	30%	Refer comment no. 1
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	12.50	6.53	91%	Refer comment no. 2

ICRA Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Remarks
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	91.98%	63.31%	45%	Refer comment no. 3
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	37.65%	29.21%	29%	Refer comment no. 1
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt - Deferred Tax Asset	14.04%	11.70%	20%	
Return on Investment	Interest (Finance Income)	Investment	4.64%	5.86%	-21%	

Comments

1. The movement is primarily on account of other income (dividend, income on investment) during the year.
2. The change is primarily on account of delays in collection in the previous year considering covid-19.
3. The movement in net capital turnover ratio is on account of decrease in working capital during the year.

48 Additional regulatory Information

- (i) Basis the information available with the Company, the Company does not have any transaction with struck off companies.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(s), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company has not received any fund from any person(s) or entity(s), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).



Notes to the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

- (vii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (viii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

49 Covid-19 impact

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these standalone financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

- 50 The previous year's figures have been regrouped/ reclassified wherever considered necessary to make them comparable with those of the current year's classification.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Place: Gurugram

Dated: May 12, 2022

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

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Arun Duggal

Chairman

(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

Place: Gurugram

Dated: May 12, 2022

S. Shakeb Rahman

Company Secretary

ICRA Limited

Independent Auditor's Report

To the Members of ICRA Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ICRA Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Description of Key Audit Matter

Revenue recognition

See note 3.2 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The revenue relating to rating and grading, where customers' acceptance is required, is recognized upon issuance of press release or disclosure of unaccepted ratings on the Holding Company's website. For other cases, revenue is recognized upon transfer of control of promised services to the customers.</p> <p>There is a risk that revenue is recognized for all services before the transfer of control of the service to customer is completed.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the revenue business process. • Evaluation of the design and implementation and operating effectiveness of internal controls relating to revenue recognition process. • Assessed the appropriateness of revenue recognition policy adopted by the Company. • Evaluated the reasonableness of the significant judgements and estimation involved in the recognition of revenue.
	<ul style="list-style-type: none"> • On selected sample of contracts, tested revenue recognition, and our procedures included: <ul style="list-style-type: none"> - evaluating the identification of performance obligations; - considering the terms of the contracts to determine the transaction price; and - inspection of the date of transfer of control of service and recording of revenue at an appropriate date. • Tested revenue recognition for cut-off transactions on sample basis to assess whether the customer has obtained the control of service and whether the timing of revenue recognition is appropriate. • Assessed the adequacy of the disclosures in accordance with the relevant accounting standard.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ICRA Limited

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of 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 Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.



- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 3,602.34 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 168.93 lakhs and net cash inflows (before consolidation adjustments) amounting to ₹ 4.42 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated 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.

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One of the subsidiaries is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The financial statements of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,562.97 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 609.97 lakhs and net cash inflows (before consolidation adjustments) amounting to ₹ 98.54 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" 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 financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 2022 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 2022 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 and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group – Refer Note 28 (a) and 29 to the consolidated financial statements.
 - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.
 - d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

ICRA Limited

- e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

UDIN:

Place: Gurugram

Dated: 12 May 2022



Annexure A referred to in clause 1 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report to the Members of ICRA Limited on the consolidated financial statements for the year ended 31 March 2022

We report that:

- (i) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

UDIN:

Place: Gurugram

Dated: 12 May 2022

ICRA Limited

Annexure B to the Independent Auditor's report on the consolidated financial statements of ICRA Limited for the period ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of ICRA Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 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 internal financial controls with reference to consolidated financial statements.



Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated financial statements include 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 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 financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sadashiv Shetty
Partner
Membership No.: 048648
UDIN:

Place: Gurugram
Dated: 12 May 2022

ICRA Limited

Consolidated Balance Sheet as at March 31, 2022

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

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4.1	2,538.20	2,694.16
(b) Right-of-use assets	4.1	1,396.94	1,679.13
(c) Capital work-in-progress	4.3	-	16.52
(d) Goodwill	42	122.53	122.53
(e) Other intangible assets	5	502.25	149.17
(f) Intangible assets under development	5.1	155.20	324.62
(g) Financial assets			
(i) Investments	6.1	39,165.67	15,775.55
(ii) Loans	7.1	5.73	11.89
(iii) Other financial assets	8.1	8,251.10	17,540.55
(h) Deferred tax assets (net)	9	462.72	576.79
(i) Non-current tax assets (net)	10	1,536.31	1,142.09
(j) Other non-current assets	11.1	116.27	68.91
Total non-current assets		54,252.92	40,101.91
(2) Current assets			
(a) Financial assets			
(i) Investments	6.2	6,215.00	1,900.00
(ii) Trade receivables	12	2,649.59	4,750.84
(iii) Cash and cash equivalents	13	2,192.03	2,844.73
(iv) Bank balances other than (iii) above	14	28,821.44	37,100.56
(v) Loans	7.2	2.39	9.46
(vi) Other financial assets	8.2	1,987.59	1,720.32
(b) Other current assets	11.2	1,726.49	1,173.49
Total current assets		43,594.53	49,499.40
Total assets		97,847.45	89,601.31
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	965.12	965.12
(b) Other equity	16	83,395.91	74,807.59
Equity attributable to equity shareholders of parent		84,361.03	75,772.71
Non-controlling interests		411.42	329.36
Total equity		84,772.45	76,102.07
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.1	1,122.79	1,368.32
(ii) Other financial liabilities	17.2	92.11	179.82
(b) Provisions	18.1	311.00	340.10
Total non-current liabilities		1,525.90	1,888.24
(3) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.3	279.81	327.79
(ii) Trade payables	20		
(A) Total outstanding dues of micro and small enterprises		52.37	47.60
(B) Total outstanding dues other than micro and small enterprises		871.58	732.65
(iii) Other financial liabilities	17.4	530.76	870.19
(b) Provisions	18.2	3,650.91	2,929.48
(c) Current tax liabilities (net)	21	74.75	87.31
(d) Other current liabilities	19.1	6,088.92	6,615.98
Total current liabilities		11,549.10	11,611.00
Total liabilities		13,075.00	13,499.24
Total equity and liabilities		97,847.45	89,601.31

Significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

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

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Arun Duggal

Chairman

(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Dated: May 12, 2022

Place: Gurugram

Dated: May 12, 2022



Consolidated Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	22, 43	34,280.52	30,106.08
II Other income	23	4,087.55	4,284.66
III Total income (I+II)		38,368.07	34,390.74
Expenses			
IV Employee benefit expenses	24	17,924.81	17,169.90
V Finance costs	25	156.14	205.72
VI Depreciation, amortisation and impairment expense	26	781.21	991.86
VII Other expenses	27	4,297.28	4,822.75
VIII Total expenses (IV to VII)		23,159.44	23,190.23
IX Profit before tax (III-VIII)		15,208.63	11,200.51
Tax expense:			
Current tax		3,738.45	2,870.55
Deferred tax		116.94	61.62
X Total tax expense	9	3,855.39	2,932.17
XI Profit after tax (IX-X)		11,353.24	8,268.34
Other comprehensive (loss)/income	41		
A. (i) Items that will not be reclassified to profit or (loss)	34	(10.61)	15.52
(ii) Income tax relating to items that will not be reclassified to profit or (loss)	9	2.86	(3.79)
B. (i) Items that will be reclassified to profit or (loss)		(29.95)	(10.01)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XII Total other comprehensive (loss)/income, net of tax (A+B)		(37.70)	1.72
XIII Total comprehensive income for the year (XI + XII)		11,315.54	8,270.06
XIV Profit attributable to :			
Owners of the Company		11,229.07	8,166.03
Non-controlling interests		124.17	102.31
Profit after tax		11,353.24	8,268.34
XV Other comprehensive income attributable to :			
Owners of the Company		(43.53)	1.72
Non-controlling interests		5.83	-
Other comprehensive (loss)/ income for the year		(37.70)	1.72
XVI Total comprehensive income attributable to :			
Owners of the Company		11,185.54	8,167.75
Non-controlling interests		130.00	102.31
Total comprehensive income for the year		11,315.54	8,270.06
XVII Earnings per share (₹)			
(face value of ₹ 10 per share):			
Basic	31	116.74	84.89
Diluted		116.74	84.89

Significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

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

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Arun Duggal

Chairman

(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

Place: Gurugram
Dated: May 12, 2022

S. Shakeb Rahman

Company Secretary

Place: Gurugram
Dated: May 12, 2022

ICRA Limited**Consolidated Cash Flow Statement for the year ended March 31, 2022***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	15,208.63	11,200.51
Adjustments for		
Depreciation, amortisation and impairment expense	781.21	991.86
Bad debts/ advances written off (net of provisions)	171.42	65.23
Provision for export incentive	-	512.12
Provision for onerous contracts	78.97	-
Interest on lease liabilities	156.14	205.72
Short term lease rental	71.37	44.32
Unrealised foreign exchange loss/ (gain) (net)	7.41	(8.07)
Interest income on security deposit carried at amortised cost	(45.58)	(50.46)
Interest income on fixed deposits	(2,428.19)	(3,251.15)
Interest income on investments carried at amortised cost	(481.24)	(458.36)
Gain on financial assets carried at FVTPL (net)	(570.60)	(349.00)
Gain on Sale of investments	(465.94)	-
Advances received from customers written back	(274.87)	(237.23)
Reversal of loss allowance on trade receivables and other financial assets	(1.70)	-
(Profit)/ loss on sale of property, plant and equipment (net)	10.40	(94.88)
Bad debts recovered	(8.63)	(17.46)
Operating cash flow before changes in operating assets and liabilities	12,208.80	8,553.15
Adjustments for changes in operating assets and liabilities		
(Increase)/ decrease in trade receivables	1,626.66	885.53
(Increase)/ decrease in loans	13.23	(23.84)
(Increase)/ decrease in other financial assets	486.68	783.08
(Increase)/ decrease in other assets	(416.74)	264.07
Increase/ (decrease) in trade payables	143.70	(772.01)
Increase/ (decrease) in other financial liabilities	(346.50)	10.17
Increase/ (decrease) in other liabilities	(252.19)	736.66
Increase/ (decrease) in provisions	419.13	207.72
Cash generated from operations before tax	13,882.77	10,644.53
Taxes paid, net of refund	(4,145.23)	(3,006.16)
Net cash generated from operating activities (A)	9,737.54	7,638.37
B. Cash flow from investing activities:		
Purchase of property, plant and equipment, other intangible assets and intangible assets under development including capital advances and capital creditors	(522.18)	(351.30)
Sale proceeds from property, plant and equipment and intangible assets	5.26	123.65
Sale proceeds from redemption/ disposal of mutual funds	21,696.42	-
Investment in mutual funds	(34,050.00)	(13,000.00)
Investments (made in)/ redemption in corporate deposits (net)	(14,315.00)	6,069.99
Interest received on investments	143.97	547.82
(Increase)/ decrease in fixed deposits (having maturity of more than three months), net	17,709.60	(900.31)
Interest received on fixed deposits	2,145.75	4,298.75
Net cash generated/ (used) in investing activities (B)	(7,186.18)	(3,211.40)



Consolidated Cash Flow Statement for the year ended March 31, 2022 (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities		
Payment of lease liabilities	(330.23)	(324.64)
Interest paid on lease liabilities	(156.14)	(205.72)
Payment of short term leases	(71.37)	(44.32)
Dividend paid	(2,645.18)	(2,628.69)
(Decrease)/ increase in unclaimed dividend	(0.02)	0.31
Net cash generated/ (used) in financing activities (C)	(3,202.94)	(3,203.06)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(651.58)	1,223.91
Add: Net foreign exchange difference	(1.12)	-
Add: Cash and cash equivalents at the beginning of year	2,844.73	1,620.82
Cash and cash equivalents at the end of the year	2,192.03	2,844.73
Components of cash and cash equivalents (Refer note 13)		
Balances with banks		
In current accounts	1,567.96	1,668.18
In deposit accounts (with original maturity of three months or less)	623.31	1,174.39
Cash on hand	0.76	2.16
Cash and cash equivalents at the end of the year	2,192.03	2,844.73

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 accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Place: Gurugram

Dated: May 12, 2022

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

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Arun Duggal

Chairman

(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Dated: May 12, 2022

ICRA Limited

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

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

Particulars	Note No.	Equity share capital	Attributable to equity shareholders							Attributable to Non-controlling interests	Total		
			Other equity										
			Reserves and surplus			Items of OCI							
			Capital reserve	Capital redemption reserve	Treasury shares	General reserve	Retained earnings	Remeasurement of defined benefit obligations	Exchange difference on translation of Foreign operations			Total attributable to owners of the company	
Opening balance as at April 1, 2020 Profit after tax Other comprehensive income, net of tax Total comprehensive income for the year	15	965.12	3,302.03	65.31	(105.44)	8,280.60	57,814.84	(155.41)	(5.58)	70,161.47	258.58	70,420.05	
		-	-	-	-	-	8,166.03	-	-	-	8,166.03	102.31	8,268.34
		-	-	-	-	-	-	-	11.73	(10.01)	1.72	-	1.72
Total comprehensive income for the year Dividend on equity shares Refund of distribution tax for FY 2016-17 Closing balance as at March 31, 2021	32		-	-	-	-	8,166.03	11.73	(10.01)	8,167.75	102.31	8,270.06	
		-	-	-	-	-	(2,597.18)	-	-	-	(2,597.18)	(31.53)	(2,628.71)
		-	-	-	-	-	40.67	-	-	-	40.67	-	40.67
		965.12	3,302.03	65.31	(105.44)	8,280.60	63,424.36	(143.68)	(15.59)	75,772.71	329.36	76,102.07	
Opening balance as at April 1, 2021 Profit after tax Other comprehensive income, net of tax Total comprehensive income for the year		965.12	3,302.03	65.31	(105.44)	8,280.60	63,424.36	(143.68)	(15.59)	75,772.71	329.36	76,102.07	
		-	-	-	-	-	11,229.07	-	-	-	11,229.07	124.17	11,353.24
		-	-	-	-	-	-	-	(13.58)	(29.95)	(43.53)	5.83	(37.70)
Total comprehensive income for the year Dividend on equity shares Closing balance as at March 31, 2022	32		-	-	-	-	11,229.07	(13.58)	(29.95)	11,185.54	130.00	11,315.54	
		-	-	-	-	-	(2,597.22)	-	-	-	(2,597.22)	(47.94)	(2,645.16)
		965.12	3,302.03	65.31	(105.44)	8,280.60	72,056.21	(157.26)	(45.54)	84,361.03	411.42	84,772.45	

Significant accounting policies (Refer note 3)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty

Partner

Membership No.: 048648

Ramnath Krishnan
Managing Director & Group C.E.O.
(DIN: 09371341)

Arun Duggal
Chairman
(DIN: 00024262)

Amit Kumar Gupta

Chief Financial Officer & General Counsel

Place: Gurugram

Dated: May 12, 2022

S. Shakeb Rahman
Company Secretary

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

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

1. Corporate information

ICRA 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 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 Analytics Limited (formerly ICRA Online Limited)	India	100%
Pragati Development Consulting Services 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%

* 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 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (as amended from time to time).

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 12, 2022.

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.

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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 commences 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.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (₹), 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 is 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 recognised in the consolidated financial statements:



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

a. Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

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 judgements 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 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 judgements on client co-operation for surveillance which includes receipt of information for performing surveillance rating and realisation of fees.

c. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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.

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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.

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 judgements 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 various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal rate 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 the 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 judgement 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.

e. Recognition of deferred tax assets

Deferred tax assets are recognised for temporary differences and 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 judgement 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.

2.5 Fair value measurement

The Group measures both its financial and non-financial assets and liabilities such as investments, security deposits, loan to staff, trade payables, payable to employees 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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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.

3. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

The Group earns revenue primarily from the rating (including grading and research), management consulting, outsourcing and information services and other services.

- i) In rating and grading services, the first year rating and grading fees includes free surveillance for first twelve months or the period of instrument, whichever is shorter, from the date of rating and grading. A portion of the fee is allocated towards first year free surveillance based on management's estimate. The revenue related to initial rating and grading is recognised upon issuance of press release or disclosure of unaccepted ratings on the Company's website.

Surveillance fee, to the extent of reasonable certainty of collection, is recognised over the surveillance period (ignoring fractions of months).

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

- ii) In consulting:
 - a. Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.
 - b. Revenue from 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.
- iii) Revenue related to subscription fees of data products, research reports, and annual maintenance charges and any other periodic charges are recognised over the related subscription period. Revenue from sale and customisation of software is recognised on acceptance of deliverable by client on completion of work or reaching milestone as per agreement with client.
- iv) Revenue from outsourced services in respect of period based assignments of maintenance and management of data, income is recognised over the period of assignment.
- v) 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.
- vi) Unearned revenue represents advance billing for which services have not been rendered.
- vii) Unbilled revenue represents services rendered for which invoices are yet to be raised.
- viii) Out of pocket expenses which are recoverable from customers, are recognised both as expenditure and revenue.

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.

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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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 asset 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 gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment 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.
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 is 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.

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)***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 derecognises 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 consolidated 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, 2022 (Contd.)

(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.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefit associated with the expenditure will flow to the Group. All other expenditure is recognised in the Consolidated Statement of Profit and Loss.

Depreciation

Depreciation is calculated on cost of item of property, plant and equipment (except leasehold improvements) 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 off).

Assets individually costing up to ₹ 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.

ICRA Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(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 initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation 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 comprise software, expenditure on research activities undertaken for developing a new product, is recognised in the Consolidated Statement of Profit and Loss as incurred.

Development expenditure on internally generated intangible assets is capitalised as a part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and use or sell the asset. Otherwise, it is recognised in Consolidated Statement of Profit and Loss as incurred. Subsequent to the initial recognition, the asset is measured at cost less accumulated amortisation and accumulated impairment losses.

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 straight-line method, and is included in depreciation and amortisation in Consolidated Statement of Profit and Loss. Internally generated Intangible asset is depreciated under straight line method over the useful life of the assets.

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	5-10
Internally generated intangible assets	3-5

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 off).

Intangible assets under development

Identifiable intangible assets under development are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Intangible assets under development is measured at historical cost and not amortised. These assets are tested for impairment on an annual basis.

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.

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 is 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, is presented 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 to goodwill (if any), and then to remaining

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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 consolidated 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 ceases to classify the assets as held for sale.

The Group measures 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 Projects work-in-progress

Projects work-in-progress represent direct cost incurred against rating and grading cases wherein work has been initiated but rating and grading is yet to be concluded and amount is expected to be recovered.

3.12 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).

3.13 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 operations

The assets and liabilities of foreign operations are translated in to Indian rupee, INR. 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.



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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.

3.14 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

The Indian entities of the Group makes specified monthly contributions towards government administered Provident fund scheme and Employees' State Insurance. 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 and one of the subsidiary entities viz. ICRA Analytics Limited, is funded through gratuity fund established as a Gratuity 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.

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.

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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 into 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 individual payout ('LTIP') plan 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.

3.15 Share based payments

The Group recognises 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.

3.16 Leases

The Group's lease asset classes primarily consist of leases for offices. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from owned office premises is accounted for on a straight-line basis over the lease term and is included in other income in the consolidated statement of profit or loss due to its operating nature.

Rental income arising from sub-leasing of office premises is accounted for on a straight-line basis over the lease term and is included in other income in the consolidated statement of profit and loss.

3.17 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 cash flows (representing the best estimate of the expenditure required 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.

3.18 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 recognised 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 recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

3.19 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 statements. 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

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

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.

3.20 Earnings per share

The basic earnings per share are calculated by dividing the net profit attributable to equity shareholders 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 shareholders 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.

The Group is primarily engaged in the business of Rating, research and other services and Consulting, outsourced and market services etc.

3.21 Corporate social responsibility (CSR) expenditure

The Group charges its CSR expenditure during the year to the Consolidated Statement of Profit and Loss.

3.22 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

3.23 Recent accounting pronouncements

On March 23, 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended the existing Ind AS. The same shall come into force from annual reporting period beginning on or after April 01, 2022. Key amendments and its impact as envisaged by the management is summarised below:

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its consolidated financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Particulars	As at March 31, 2022	As at March 31, 2021
4 Property, plant and equipment and Right-of-use assets		
4.1 Property, plant and equipment		
Buildings	2,116.02	2,234.07
Computers and data processing units	262.90	215.80
Furniture and fittings	66.60	91.91
Office equipment	18.32	35.48
Electrical installation and equipment	35.60	42.81
Vehicles	0.50	2.50
Leasehold improvements	38.26	71.59
Total property, plant and equipment	2,538.20	2,694.16
4.2 Right-of-use assets		
Right-of-use assets - buildings	1,396.94	1,679.13
Total Right-of-use assets	1,396.94	1,679.13
4.3 Capital work-in-progress (net)		
Capital work-in-progress	-	16.52
Total	-	16.52

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

4.4 Disclosures regarding gross block, accumulated depreciation and net block of property, plant and equipment and right-of-use assets

Particulars	Buildings	Computers and data processing units	Furniture and fittings	Office equipment	Electrical installation and equipment	Vehicles	Leasehold improvements	Total property, plant and equipment	Right-of-use assets (Buildings)	Right-of-use assets (Furniture)	Total right-of-use assets
Gross carrying value											
As at April 1, 2020	2,841.60	889.22	323.22	197.61	174.68	63.51	296.87	4,786.71	2,706.12	65.03	2,771.15
Additions	-	175.24	2.10	3.31	-	-	-	180.65	99.61	-	99.61
Disposals/adjustments	-	(51.44)	(0.78)	(2.90)	(1.43)	(45.53)	(9.06)	(111.14)	(444.71)	(33.93)	(478.64)
As at March 31, 2021	2,841.60	1,013.02	324.54	198.02	173.25	17.98	287.81	4,856.22	2,361.02	31.10	2,392.12
Additions	-	204.75	-	3.73	1.39	-	-	209.87	73.00	-	73.00
Regrouping	-	-	-	(30.03)	30.03	-	-	-	-	-	-
Disposals/adjustments	-	(31.40)	(2.86)	(17.96)	(3.66)	(14.53)	(12.33)	(82.74)	(8.96)	(31.10)	(40.06)
As at March 31, 2022	2,841.60	1,186.37	321.68	153.76	201.01	3.45	275.48	4,983.35	2,425.06	-	2,425.06
Accumulated depreciation											
As at April 1, 2020	482.89	659.67	200.25	141.95	115.34	50.66	177.68	1,828.44	459.97	16.97	476.94
For the year	124.64	184.12	32.95	23.10	16.18	3.70	47.51	432.20	478.91	16.97	495.88
Disposals/adjustments	-	(46.57)	(0.57)	(2.51)	(1.08)	(38.88)	(8.97)	(98.58)	(256.99)	(33.94)	(290.93)
Impairment loss	-	-	-	-	-	-	-	-	-	31.10	31.10
As at March 31, 2021	607.53	797.22	232.63	162.54	130.44	15.48	216.22	2,162.06	681.89	31.10	712.99
For the year	118.05	155.02	23.92	10.27	13.51	0.01	36.00	356.78	361.01	-	361.01
Regrouping	-	-	-	(23.66)	23.66	-	-	-	-	-	-
Disposals/adjustments	-	(28.77)	(1.47)	(13.71)	(2.20)	(12.54)	(15.00)	(73.69)	(14.78)	(31.10)	(45.88)
As at March 31, 2022	725.58	923.47	255.08	135.44	165.41	2.95	237.22	2,445.15	1,028.12	-	1,028.12
Net block											
As at March 31, 2022	2,116.02	262.90	66.60	18.32	35.60	0.50	38.26	2,538.20	1,396.94	-	1,396.94
As at March 31, 2021	2,234.07	215.80	91.91	35.48	42.81	2.50	71.59	2,694.16	1,679.13	-	1,679.13



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

4.5 Capital work-in-progress (CWIP) Ageing Schedule

Particulars	As at March 31, 2022				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Particulars	As at March 31, 2021				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.52	-	-	-	16.52
Projects temporarily suspended	-	-	-	-	-
Total	16.52	-	-	-	16.52

* There are no projects in capital work-in-progress as at March 31, 2022 and March 31, 2021, whose completion is overdue or cost of which has exceeded in comparison to its original plan.

Particulars	As at March 31, 2022	As at March 31, 2021
5 Other intangible assets		
Computer software	450.31	97.53
Internally generated intangible assets	51.94	51.64
Total other intangible assets	502.25	149.17

Particulars	As at March 31, 2022	As at March 31, 2021
5.1 The details of intangible assets under development are as follows:		
Intangible assets under development	155.20	324.62
Total	155.20	324.62

Particulars	Computer software	Internally generated intangible assets
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5.2 Disclosures regarding gross block, accumulated amortisation and net block of other intangible assets are as given below:

Gross carrying value

As at April 1, 2020	340.33	216.46
Additions	68.53	27.15
Disposals/ adjustments	(61.50)	-
As at March 31, 2021	347.36	243.61

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	Computer software	Internally generated intangible assets
Additions	399.44	18.19
Disposals/ adjustments	(1.14)	-
As at March 31, 2022	745.66	261.80
Accumulated amortisation		
As at April 1, 2020	299.90	182.29
For the year	10.55	9.68
Disposals/ adjustments	(60.62)	-
As at March 31, 2021	249.83	191.97
For the year	45.53	17.89
Disposals/ adjustments	(0.01)	-
As at March 31, 2022	295.35	209.86
Net block		
As at March 31, 2022	450.31	51.94
As at March 31, 2021	97.53	51.64

5.3 Intangible Asset under Development (IAUD) Ageing Schedule *

Particulars	As at March 31, 2022				Total
	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	76.19	62.05	10.70	6.26	155.20
Projects temporarily suspended	-	-	-	-	-
Total	76.19	62.05	10.70	6.26	155.20

Particulars	As at March 31, 2021				Total
	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	153.35	47.32	43.26	80.69	324.62
Projects temporarily suspended	-	-	-	-	-
Total	153.35	47.32	43.26	80.69	324.62

* There are no projects in IAUD as at March 31, 2022 and March 31, 2021, whose completion is overdue or cost of which has exceeded in comparison to its original plan.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	As at March 31, 2022	As at March 31, 2021
6 Investments		
6.1 Non-current investments		
I. Unquoted		
Investments carried at amortised cost		
a) Investment in corporate deposits		
Housing Development Finance Corporation Limited	10,000.00	-
II. Quoted	10,000.00	-
Investments carried at fair value through profit or loss		
a) Investment in equity instruments (fully paid up)		
CRISIL Limited	98.95	55.17
3,000 [previous year 3,000] equity shares of Re. 1 each		
Total (a)	98.95	55.17
b) Investment in mutual funds		
Axis Liquid Fund - Direct Growth	-	2,476.12
Nil [previous year 108,373.86] units of ₹ 1000 each		
Kotak Floating Rate Fund Direct - Growth	10,570.12	5,139.90
861,231.241 [previous year 444,223.504] units of ₹ 1000 each		
IDFC Bond Fund Short Term Plan - Growth - Direct Plan	8,428.29	-
17,201,724.377 [previous year Nil] units of ₹ 10 each		
SBI Floating Rate DEBT Fund Direct Plan Growth	10,068.31	-
94,521,221.745 [previous year Nil] units of ₹ 10 each		
Nippon India Floating Rate Fund - Direct Growth Plan	-	5,088.13
Nil [previous year 14,138,418.279] units of ₹ 10 each		
TrustMF Banking & PSU Debt Fund - Direct Plan - Growth (BF-DG)	-	3,016.23
Nil [previous year 301,101.199] units of ₹ 1000 each		
Total (b)	29,066.72	15,720.38
Total (a+b)	29,165.67	15,775.55
Diminution due to change in carrying value of investments	-	-
Total (II)	29,165.67	15,775.55
Total non-current investments (I+II)	39,165.67	15,775.55
6.2 Current investments		
I. Unquoted		
Investments carried at amortised cost		
a) Investment in corporate deposits		
LIC Housing Finance Limited	6,215.00	1,900.00
Total current investments	6,215.00	1,900.00
Total investments (Non-current + Current)	45,380.67	17,675.55
Summary of investments (Non-current + Current)		
Aggregate value of unquoted investments	16,215.00	1,900.00
Aggregate value of quoted investments	29,165.67	15,775.55
Aggregate value of impairment in the value of investments	-	-
Investments carried at amortised cost	16,215.00	1,900.00
Investments carried at fair value through profit or loss	29,165.67	15,775.55
Aggregate value of impairment in the value of investments	-	-

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

Particulars	As at March 31, 2022	As at March 31, 2021
7 Loans		
7.1 Non-current		
Secured, considered good		
Loans to staff	5.73	11.89
Total non-current loans	5.73	11.89
7.2 Current		
Secured, considered good		
Loans to staff	2.39	9.46
Total current loans	2.39	9.46
Total loans	8.12	21.35
8 Other financial assets		
8.1 Non-current		
Unsecured, considered good		
Bank deposits with maturity for more than twelve months from the reporting date	7,518.75	16,949.23
Interest accrued on fixed deposits	160.29	194.35
Interest accrued on investments	99.68	-
Earnest money deposits	1.15	1.10
Security deposits	471.23	395.87
Total non-current other financial assets	8,251.10	17,540.55
8.2 Current		
Unsecured, considered good		
Unbilled revenue	259.55	395.97
Interest accrued on fixed deposits	1,348.55	1,032.06
Income accrued on investments	242.59	5.00
Earnest money deposits	5.63	18.77
Security deposits	27.99	88.11
Recoverable from related parties	0.05	-
Receivable against government grant	62.98	95.57
Advances recoverable		
From parties other than related parties	10.69	14.83
Others		
Recoverable from related parties (Refer note 37)	6.94	2.89
Recoverable from other than related parties	22.62	67.12



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered doubtful		
Unbilled revenue- credit impaired	30.40	164.28
Receivable against government grant- credit impaired	363.20	512.12
Earnest money deposits	8.35	-
Security deposits	18.36	-
Recoverable from other than related parties- credit impaired	0.01	9.89
	2,407.91	2,406.61
Allowance for doubtful other financial assets	(420.32)	(686.29)
Total current other financial assets	1,987.59	1,720.32
Total other financial assets	10,238.69	19,260.87

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
9 Income tax		
The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:		
9.1 Income tax expense recognised in the Consolidated Statement of Profit or Loss		
(i) Tax expense		
Current tax		
Income tax for current year	3,726.28	2,891.61
Income tax for earlier year	12.17	(21.06)
	3,738.45	2,870.55
Deferred tax		
Attributable to-		
Origination and reversal of temporary differences	116.94	61.62
	116.94	61.62
Total tax expenses recognised in the Consolidated Statement of Profit and Loss	3,855.39	2,932.17
9.2 Income tax recognised in other comprehensive income/ (loss)		
Remeasurements of defined benefit liability/ asset	2.86	(3.79)
Income tax charged to other comprehensive income/ (loss)	2.86	(3.79)
9.3 Aggregate current and deferred tax charge relating to items that are charged or credited directly to equity	-	-

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
9.4 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before tax	15,208.63	11,200.51
Tax using the Group's domestic tax rate 25.168% (previous year 25.168%)	3,827.71	2,818.94
Effect of:		
Non-deductible expenses	136.29	184.78
Income tax for earlier year	12.17	(21.06)
Exempt income	2.41	(0.56)
Effect of utilisation of carried forward capital losses	(125.82)	(87.84)
Effect of higher tax rate in subsidiaries	31.58	37.91
Effect of income offered for tax in previous year	(33.59)	-
Others	4.64	-
Total tax expense	3,855.39	2,932.17
9.5 Deferred tax assets (net)		
Deferred tax assets		
Lease liability	348.74	419.77
Provision for employees benefits	230.91	239.74
Provision for doubtful receivables	201.10	152.84
Provision for government grant	-	128.89
Property, plant and equipment (including intangible assets)	1.09	0.73
Provision for doubtful financial assets	-	0.23
Tax losses carried forward	91.74	105.36
Others	28.01	6.41
Total	901.59	1,053.97
Deferred tax liabilities		
Property, plant and equipment (including intangible assets)	347.13	371.82
Investments at fair value through profit or loss	91.74	105.36
Total	438.87	477.18
Total deferred tax assets (net)	462.72	576.79
9.6 Reconciliation of deferred tax assets/ (liabilities)		
Opening balance	576.79	642.20
Tax (expense) during the period recognised in Consolidated Statement of Profit and loss	(116.94)	(61.62)
Tax income/ (expense) during the period recognised in Other Comprehensive Income	2.86	(3.79)
Closing balance	462.72	576.79



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
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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 *	977.50	1,784.41
Business losses	101.35	101.35
Impairment loss on investments **	1,497.47	1,497.47
Deferred tax not recognised on temporary difference	3.67	15.07
Total	2,579.99	3,398.30
Unrecognised tax effect	595.68	783.49

* Long term capital losses of INR 736.71 lakh pertaining to FY 2016-17 has been surrendered under 'Direct Tax Vivad se Vishwas Act, 2020'.

** The deductible temporary difference does not expire under current tax legislation

Particulars	As at March 31, 2022	As at March 31, 2021
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9.8 Expiry period of unutilised tax losses

Financial Year 2023-24	105.02	116.42
Financial Year 2024-25	977.50	1,784.41
Total	1,082.52	1,900.83

Particulars	As at March 31, 2022	As at March 31, 2021
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10 Non-current tax assets

Advance tax (net of provisions of respective tax jurisdiction to the extent permissible) [Refer note 28(a)]	1,536.31	1,142.09
Total	1,536.31	1,142.09

Particulars	As at March 31, 2022	As at March 31, 2021
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11 Other assets

11.1 Non-current

Unsecured, considered good

Prepayments	116.27	68.91
Total non-current other assets	116.27	68.91

11.2 Current

Prepayments	1,305.18	867.11
Balance with government authorities [Refer note 28(a)]	113.81	155.33
Projects work-in-progress	112.77	139.94
Advance paid to gratuity trust (Refer note 34 & 37)	194.73	11.11
Total current other assets	1,726.49	1,173.49
Total other assets	1,842.76	1,242.40

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	As at March 31, 2022	As at March 31, 2021
12 Trade receivables		
Trade receivables considered good - Unsecured *	2,649.59	4,750.84
Trade receivables - credit impaired	378.69	434.04
	3,028.28	5,184.88
Less: Allowance for expected credit loss	(378.69)	(434.04)
Total trade receivables	2,649.59	4,750.84

* Includes dues from related parties

12.1 Trade receivables aging schedule**As at March 31, 2022**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,443.55	1,121.66	39.32	42.16	1.93	-	2,648.62
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	138.18	1.22	14.22	10.96	0.28	164.86
Disputed trade receivables - considered good	-	0.46	0.06	0.46	-	-	0.98
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	6.02	1.33	3.90	0.57	202.00	213.82
Total	1,443.55	1,266.32	41.93	60.74	13.46	202.28	3,028.28
Less : Allowance for expected credit loss							(378.69)
Total trade receivables							2,649.59

As at March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	1,815.25	2,827.15	89.39	18.90	-	0.15	4,750.84
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	73.58	54.96	55.27	19.98	7.97	211.76
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	10.69	1.70	5.38	203.00	1.51	222.28
Total	1,815.25	2,911.42	146.05	79.55	222.98	9.63	5,184.88
Less : Allowance for expected credit loss							(434.04)
Total trade receivables							4,750.84



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	As at March 31, 2022	As at March 31, 2021
13 Cash and cash equivalents		
Balances with banks		
In current accounts	1,567.96	1,668.18
In deposit accounts (with original maturity of three months or less)	623.31	1,174.39
Cash on hand	0.76	2.16
Total cash and cash equivalents	2,192.03	2,844.73

Particulars	As at March 31, 2022	As at March 31, 2021
14 Bank balances other than cash and cash equivalents		
Balance with banks		
In deposit accounts with original maturity for more than three months but less than twelve months from the reporting date	28,624.08	36,928.98
Earmarked balances with banks		
In unpaid dividend account	57.62	38.18
In margin money [#]	118.65	113.45
Deposits with maturity for more than three months but less than twelve months from the reporting date earmarked against bank guarantees [#]	21.09	19.95
Total	28,821.44	37,100.56

[#]Represents deposits against bank guarantees.

Particulars	As at March 31, 2022	As at March 31, 2021
15 Equity share capital		
Authorised		
15,000,000 (previous year 15,000,000) equity shares of ₹ 10/- each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, subscribed and fully paid up		
9,651,231 (previous year 9,651,231) equity shares of ₹ 10/- each fully paid up	965.12	965.12
Total	965.12	965.12

Particulars	As at March 31, 2022	
	Number of shares	Amount
15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity shares		
At the commencement and at the end of the year	9,651,231	965.12

Particulars	As at March 31, 2021	
	Number of shares	Amount
Equity shares		
At the commencement and at the end of the year	9,651,231	965.12

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

15.2 Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 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.

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
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15.3 Shares held by subsidiaries of the ultimate holding Company**(Equity shares of ₹ 10 each fully paid-up)****Moody's Investment Company India Private Limited**

Number of shares	3,055,900	3,055,900
% of total shares	31.66%	31.66%

Moody's Singapore Pte Limited

Number of shares	1,949,722	1,949,722
% of total shares	20.20%	20.20%

15.4 Promoter shareholding**Shares held by promoters as at March 31, 2022**

Promoter Name	No. of shares	% of Total Shares	% Change during the year
Moody's Investment Company India Private Limited	3,055,900	31.66%	0.00%
Moody's Singapore Pte Limited	1,949,722	20.20%	0.00%

Shares held by promoters as at March 31, 2021

Promoter Name	No. of shares	% of Total Shares	% Change during the year
Moody's Investment Company India Private Limited	3,055,900	31.66%	0.00%
Moody's Singapore Pte Limited	1,949,722	20.20%	0.00%

Particulars	As at March 31, 2022	As at March 31, 2021
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15.5 Details of shareholders holding more than 5% shares in the**Company:****(Equity shares of ₹ 10 each fully paid-up)****Moody's Investment Company India Private Limited**

Number of shares	3,055,900	3,055,900
% of total shares	31.66%	31.66%

Moody's Singapore Pte Limited

Number of shares	1,949,722	1,949,722
% of total shares	20.20%	20.20%

Aditya Birla Sun Life Trustee Private Limited

Number of shares	936,910	954,754
% of total shares	9.71%	9.89%

Life Insurance Corporation of India

Number of shares	516,254	593,004
% of total shares	5.35%	6.14%

Pari Washington India Master Fund, Limited

Number of shares	703,664	715,014
% of total shares	7.29%	7.41%



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	As at March 31, 2022	As at March 31, 2021
16 Other equity		
Capital reserve	3,302.03	3,302.03
Capital redemption reserve	65.31	65.31
Treasury shares (Refer note 40)	(105.44)	(105.44)
General reserve	8,280.60	8,280.60
Foreign currency translation reserve	(45.54)	(15.59)
Other comprehensive income	(157.26)	(143.68)
Retained earnings	72,056.21	63,424.36
Total other equity	83,395.91	74,807.59

Nature of reserves

a) Capital reserve

Capital reserve represents profit on sale of shares of the Company by ICRA Employees Welfare Trust ('ESOP 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) Treasury shares

The treasury shares of the Company is used to settle share options exercised by the 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 Consolidated Statement of Profit and Loss.

e) 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 consolidated statement of profit and loss.

f) Retained earnings

This reserve represents undistributed accumulated earnings of the group as on the balance sheet date.

g) Other comprehensive income

Other comprehensive income comprises remeasurement of defined benefit plans, which represents the following as per Ind AS 19, Employee Benefits:

- actuarial gains and losses
- the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	As at March 31, 2022	As at March 31, 2021
17 Financial liabilities		
Non-current		
17.1 Lease liabilities	1,122.79	1,368.32
Other financial liabilities		
17.2 Payable to employees	92.11	179.82
Total non-current financial liabilities	1,214.90	1,548.14
Current		
17.3 Lease liabilities	279.81	327.79
17.4 Other financial liabilities		
Unpaid dividends	11.79	11.81
Creditors for capital supplies and services	2.02	82.64
Due to related parties (Refer note 37)	4.82	10.29
Payable to employees	483.66	726.79
Deposits for vehicles	3.06	11.58
Other liabilities	25.41	27.08
Total other financial liabilities	530.76	870.19
Total current financial liabilities	810.57	1,197.98
Total financial liabilities	2,025.47	2,746.12
18 Provisions		
18.1 Non-current		
Provision for employee benefits		
Provisions for gratuity (Refer note 34)	11.59	18.15
Provision for compensated absences	299.41	321.95
Total non-current provisions	311.00	340.10
18.2 Current		
Provision for employee benefits		
Provisions for gratuity (Refer note 34)	-	2.87
Provision for compensated absences	175.95	192.83
Other employee benefits	3,370.47	2,708.26
Others		
Provision for pending litigations (Refer note 29 and 45)	-	-
Provision for service tax (Refer note 45)	15.91	15.91
Provision for onerous contracts (Refer note 45)	88.58	9.61
Total current provisions	3,650.91	2,929.48
Total provisions	3,961.91	3,269.58



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	As at March 31, 2022	As at March 31, 2021
19 Other liabilities		
19.1 Current		
Unearned revenue (Refer note 43)	3,998.54	4,073.24
Advance from customers	1,480.20	1,625.58
Statutory dues	610.18	917.16
Total other liabilities	6,088.92	6,615.98
20 Trade payables		
(A) Total outstanding dues of micro and small enterprises	52.37	47.60
(B) Total outstanding dues other than micro and small enterprises @ #	871.58	732.65
Total trade payables	923.95	780.25
@ Includes dues from related parties		
# Includes unbilled dues of ₹ 548.44 lakh (March 31, 2021 ₹ 303.39 lakh)		
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 Group 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.		
The principal amount payable to suppliers at the year end	52.37	47.60
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	-	-

ICRA Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

20.2 Trade payables aging schedule

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	52.37	-	-	-	52.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	548.45	310.69	1.86	7.05	-	868.05
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.05	0.03	3.45	-	3.53
Total	548.45	363.11	1.89	10.50	-	923.95

As at March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	47.60	-	-	-	47.60
Total outstanding dues of creditors other than micro enterprises and small enterprises	303.39	423.06	0.69	-	1.47	728.61
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.03	3.45	0.20	0.36	4.04
Total	303.39	470.69	4.14	0.20	1.83	780.25

Particulars	As at March 31, 2022	As at March 31, 2021
21 Current tax liabilities (net)		
Provision for income tax (net of advance tax of respective tax jurisdiction to the extent permissible)	74.75	87.31
Total	74.75	87.31

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
22 Revenue from operations		
Sale of services (Refer note 43)		
Rating, research and other services fees	19,916.61	18,461.02
Consulting services	620.09	880.71
Knowledge Services	11,747.11	9,052.68
Market services	1,709.58	1,451.75
Total sale of services	33,993.39	29,846.16
Other operating revenue		
Advances received from customers written back	274.87	237.23
Others	12.26	22.69
Total other operating revenue	287.13	259.92
Total revenue from operations	34,280.52	30,106.08



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
23 Other income		
Interest income on fixed deposits	2,428.19	3,251.15
Interest income on investments carried at amortised cost	481.24	458.36
Interest income on security deposits carried at amortised cost	45.58	50.91
Other interest income	0.41	-
Gain on financial assets carried at FVTPL (net)	570.60	349.00
Gain on Sale of Investments	465.94	-
Foreign exchange gain (net)	60.61	-
Rental income (Refer note 37)	20.68	22.19
Profit on sale of property, plant and equipment (net)	-	94.88
Interest on income tax refunds	1.06	35.93
Reversal of loss allowance on trade receivables and other financial assets	1.70	-
Miscellaneous income	11.54	22.24
Total other income	4,087.55	4,284.66
24 Employee benefit expenses		
Salaries, wages and bonus	16,444.39	15,763.73
Contribution to provident fund and other funds (Refer note 34)	685.47	649.29
Staff welfare expense	794.95	756.88
Total employee benefits expense	17,924.81	17,169.90
25 Finance costs		
Interest on lease liabilities	156.14	205.72
Total finance costs	156.14	205.72
26 Depreciation, amortisation and impairment expense		
Depreciation of property, plant and equipment (Refer note 4)	356.78	432.20
Depreciation of right-of-use assets (Refer note 4)	361.01	495.88
Amortisation of other intangible assets (Refer note 5)	63.42	20.23
Impairment of property, plant and equipment (Refer note 4)	-	31.10
Impairment of intangible assets under development	-	12.45
Total depreciation, amortisation and impairment expense	781.21	991.86

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
27 Other expenses		
Electricity and water	89.90	89.37
Rent (Refer note 44)	108.53	57.64
Repairs and maintenance - building	126.82	145.71
Repairs and maintenance - others	1,135.83	976.10
Software expenses	-	-
Insurance	46.80	35.42
Rates and taxes	110.20	77.41
Communication	385.45	312.25
Printing and stationery	25.92	17.35
Books and periodicals	105.68	106.88
Travelling and conveyance	54.30	66.02
Directors' sitting fees	58.97	59.04
Remuneration to non executive directors	67.50	67.50
Legal and professional charges	1,025.42	1,352.65
Conference and meeting	11.42	2.83
Sub-contracting	107.65	172.32
Advertisement	22.79	18.54
Auditor's remuneration and expenses (Refer note 36)	71.59	68.47
Technical services	24.24	23.73
Bad debts/ advances written off (net of provisions)	171.42	65.23
Provision for export incentive	-	512.12
Provision for onerous contracts	78.97	-
Corporate social responsibility (Refer note 30)	273.74	242.12
Fees and subscription	26.10	25.62
Recruitment expenses	140.57	201.48
Loss on foreign exchange fluctuations	-	56.10
Loss on sale/ write off of property, plant and equipment (net)	10.40	-
Miscellaneous	17.07	70.85
Total other expenses	4,297.28	4,822.75

28 Contingent liabilities and commitments**a) Contingent liabilities**

(to the extent not provided for):

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax	1,298.18	1,027.07
Service tax #	470.26	470.26
Others	12.09	12.09
Total	1,780.53	1,509.42

#Amount deposited under protest 35.69 lacs (previous year ₹ 35.69 lakh) against the service tax claims.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

The Group is contesting the demand and the management believes 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 Group's financial position and results of operations.

The Supreme Court on February 28, 2019 had provided its judgement regarding inclusion of other allowances such as travel allowances, special allowances, etc. within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. There are interpretive challenges on the application of the Supreme Court Judgement including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations with Provident fund authorities. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgement. Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Indian entities of the Group has not recognised provision for the provident fund contribution on the basis of above mentioned order for past periods till March 31, 2019. However, from April 1, 2019, the entities have started inclusion of such allowances within the expression of 'basic wages' for the purpose of computation of provident fund.

Additionally, the Group is involved in other disputes, lawsuits, claims and/ or regulatory inspections including commercial matters that arise from time to time in the ordinary course of business. The Group believes that none of these matters, either individually or in aggregate, are expected to have any material adverse effect on its consolidated financial statements.

b) Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contract remaining to be executed on capital account and not provided for (net of capital advances)	125.88	119.90
Total	125.88	119.90

29 During the year ended March 31, 2022, the Company was dealing with following matters which arose in current and/or previous periods:

- The Securities and Exchange Board of India ("SEBI") had enhanced the penalty amount from Rs. 25 lakhs to Rs. 1 crore during the quarter ended September 30, 2020 in respect of an adjudication proceeding initiated by it in relation to the credit ratings assigned to one of the Company's customer and the customer's subsidiaries. The Company had deposited the enhanced penalty amount under protest and had filed an appeal with the Securities Appellate Tribunal contesting the said order. The said appeal is under review. On this matter, the Company also co-operated with other government agencies in relation to queries received from them. Basis the foregoing and the legal counsel opinion obtained, the Company does not foresee any significant adverse implications on the Company.
- The Company had received an anonymous complaint during the quarter ended September 30, 2021, making certain allegations around conflict of interest against two senior officials of the Company, who are no longer in employment. The Company had appointed an external firm to examine the allegations. During the year ended 31 March 2022, the Company has concluded the examination thereof and finalized the necessary action plan. The findings did not indicate any adverse financial impact.

30 Corporate Social Responsibility expenditure

ICRA Limited and ICRA Analytics Limited constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act, which requires a company, meeting the applicability threshold, to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. Further, as per local regulation requirement, ICRA Nepal Limited needs to spend 1% of profit on CSR activities. The expenditure incurred / to be incurred on CSR activities are as under:

ICRA Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent by the group during the year	273.75	278.15
Amount available for set-off **	-	(36.03)
Net Amount required to be spent by the group	273.75	242.12
b) Amount approved by the Board to be spent during the year	273.75	242.12
	273.75	242.12
c) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	270.59	240.11
	270.59	240.11
d) Details related to spent / unspent obligations:		
i) Contribution to Charitable Trust	270.59	240.11
ii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project*	3.16	2.01
	273.75	242.12

* Represents provision for CSR activities created by ICRA Nepal Limited, which is in line with local regulatory requirements.

** Pursuant to appeal letter no. 05/1/2020-CSR-MCA dated March 30, 2020, received from the Ministry of Corporate Affairs, on March 31, 2020, ICRA Limited and ICRA Analytics Limited contributed ₹ 100.00 lakh and ₹ 25.00 lakh respectively to PM Cares Fund which resulted into an excess spent of ₹ 71.26 lakh and ₹ 24.62 lakh respectively over the financial year 2019-20 obligation. During the previous financial year, ICRA Limited has utilised ₹ 36.03 lakh excess spent against the obligation for FY 2020-21 and the remaining unutilised balance is not available for set-off in future years pursuant to the circular dated May 20, 2021, issued by the Ministry of Corporate Affairs in this regard.

31 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The calculations of profit attributable to equity shareholders, 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, 2022	For the year ended March 31, 2021
(i) Profit attributable to the equity holders		
Profit for the year, attributable to the equity shareholders	11,229.07	8,166.03
(ii) Weighted average number of equity shares		
Opening balance	96,51,231	96,51,231
Shares held by ESOP Trust	(31,950)	(31,950)
Weighted average number of equity shares for the year	96,19,281	96,19,281
(iii) Basic earnings per share (face value ₹ 10 per share) [(i) / (ii)]	116.74	84.89



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to equity shareholders 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 shareholders, 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, 2022	For the year ended March 31, 2021
(i) Profit attributable to the equity holders (diluted)		
Profit for the year, attributable to the equity shareholders (diluted)	11,229.07	8,166.03
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (diluted)	96,19,281	96,19,281
(iii) Diluted earnings per share (face value ₹ 10 per share)	116.74	84.89
[(i) / (ii)]		

32 Dividend on equity shares

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend on equity shares declared and paid during the year		
Final dividend of ₹ 27 per share for the financial year 2020-21 (₹ 27 per share for the financial year 2019-20)	2,605.83	2,605.83
	2,605.83	2,605.83
Proposed dividend on equity shares not recognised as liability		
Final dividend of ₹ 28 per share for the financial year 2021-22 (₹ 27 per share for the financial year 2020-21)	2,702.34	2,605.83
	2,702.34	2,605.83

33 Remittance by the Company in foreign currency for dividend

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Proposed dividend remitted	526.42	526.42
Number of non resident shareholders	1	1
Number of shares held	19,49,722	19,49,722
Year to which proposed dividend relates	2020-21	2019-20

ICRA Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

34 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 are the defined contribution plans. 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 schemes aggregate to ₹ 685.47 lakh for the year ended March 31, 2022 (previous year ₹ 649.29 lacs) 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 service, 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 ICRA Limited and ICRA Analytics Limited, the defined benefit plan for gratuity is administered by gratuity trusts which are legally separate from the entities. The trustees of the gratuity trusts are required to act in the best interests of the members and/or their beneficiaries in accordance with the provisions of trust deeds.

This defined benefit plan exposes the group to actuarial risks, such as interest rate risk and market (investment) risk.

(i) Reconciliation of the net defined benefit (asset) liability

Particulars	As at March 31, 2022	As at March 31, 2021
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	1,701.17	1,604.39
Current service cost	176.87	183.27
Interest expense/ (income)	89.95	92.20
Benefits directly paid by the Group	(319.40)	(121.04)
Benefits paid from plan assets	-	(37.32)
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in financial assumptions	(24.16)	25.26
- experience adjustments	12.25	(45.59)
Defined benefit obligations at the end of the year	1,636.68	1,701.17
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,691.26	1,113.16
Contribution paid to the plan assets	50.02	538.27
Benefits paid	-	(37.32)
Interest income on plan assets	101.06	82.01
Insurance premium	-	(0.05)
Actuarial gain/ (loss) on plan assets	(22.52)	(4.81)
Fair value of plan assets at the end of the year	1,819.82	1,691.26
Net defined benefit liability/ (asset)	(183.14)	9.91
Provision for gratuity		
Non-current	11.59	18.15
Current	-	2.87
Total	11.59	21.02



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Advance paid to gratuity trust		
Non-current	-	-
Current	194.73	11.11
Total	194.73	11.11
Net defined benefit liability/ (asset)	(183.14)	9.91

(ii) Expense recognised in the Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expense recognised in Consolidated Statement of Profit and Loss		
Current service cost	176.87	183.27
Net interest expense/ (income)	(11.11)	10.19
	165.76	193.46
Remeasurements recognised in Other Comprehensive Income		
Actuarial (gain)/ loss on defined benefit obligations	(11.91)	(20.33)
Return on plan assets excluding interest income	22.52	4.81
	10.61	(15.52)

(iii) Plan assets comprise of the following:

Particulars	As at March 31, 2022	As at March 31, 2021
Kotak Group Bond Fund	1,126.46	-
Kotak Group Floating Rate Fund	-	512.60
Kotak Group Short Term Bond Fund	-	522.14
Kotak Secure Return Employee Benefit Plan	693.37	656.52
Total	1,819.83	1,691.26

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.1% - 13%	5.7% - 10%
Future salary escalation rate		
- For first five years	6% - 10%	6% - 10%
- Thereafter	6% - 10%	6% - 10%
Withdrawal rate	12% - 23%	12% - 21%
Retirement age	60	60
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

The estimates of future salary increases, considered in actuarial valuation, take into account 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, 2022 the weighted-average duration of the defined benefit obligation was 5 years (March 31, 2021: 5 years).

(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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Assumptions				
Discount rate				
Increase	0.5% -1%	0.5% -1%	(37.14)	(40.06)
Decrease	0.5% -1%	0.5% -1%	39.04	42.10
Future salary escalation rate				
Increase	0.5% -1%	0.5% -1%	32.31	34.79
Decrease	0.5% -1%	0.5% -1%	(31.82)	(34.38)
Withdrawal rate				
Increase	5%	5%	(3.93)	(19.14)
Decrease	5%	5%	(6.90)	7.93

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, 2022
March 31, 2023	335.79
March 31, 2024	264.52
March 31, 2025	265.50
March 31, 2026	258.47
March 31, 2027	256.79
March 31, 2028 to March 31, 2032	1,107.23



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

35 Share based payment

Description of share based payment arrangement

The Group's Employee Stock Option Schemes ("ESOSs") provide for the grant of stock options to eligible employees and whole time directors of the Company and its subsidiaries. The ESOSs are administered through ESOP Trust. The Trust transfers shares to the eligible employees upon exercise of the options by such employees.

During financial year 2018-19, the Group had introduced a new stock option scheme namely "ESOS 2018" effective from June 28, 2018. The grant price shall be as decided by the Nomination and Remuneration Committee ('N&RC') of the Company. The number of options and terms could vary at the discretion of the N&RC. Till March 31, 2022, no options have been granted under ESOS 2018.

36 Remuneration to Auditor (excluding goods and service tax)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fees	41.16	37.83
Limited review fees	17.79	17.79
Tax audit fees	9.82	9.24
Other certification services fees	1.15	1.15
Reimbursement of expenses	1.67	2.46
Total	71.59	68.47

37 Related party transactions

A. List of related parties

a) Related parties and nature of related party relationships 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) Related parties and nature of related party relationships with whom transactions have taken place during the year

i) Trusts

ICRA Limited Employees Group Gratuity Scheme

ICRA Online Limited Employees Group Gratuity Scheme

ii) Fellow subsidiaries

Moody's Investors Service India Private Limited

Moody's Investors Service Inc.

MIS Quality Management Corp.

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc.

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

c) Key management personnel

Mr. N. Sivaraman	Managing Director & Group C.E.O.	(Till October 22, 2021)
Mr. Ramnath Krishnan	Managing Director & Group C.E.O.	(w.e.f. October 23, 2021)
Mr. Vipul Agarwal	Group CFO	(Till March 9, 2022)
Mr. Amit Kumar Gupta	Chief Financial Officer & General Counsel	(appointed as Chief Financial Officer w.e.f. March 10, 2022)
Mr. S. Shakeb Rahman	Company Secretary	

Independent directors

Mr. Arun Duggal
 Ms. Ranjana Agarwal
 Ms. Radhika Vijay Haribhakti

Non-executive and Non-independent directors

Dr. Min Ye
 Mr. David Brent Platt (Till February 17, 2022)
 Mr. Michael Foley
 Ms. Wendy Huay Huay Cheong
 Ms. Shivani Priya Mohini Kak (w.e.f. February 18, 2022)

B. Transactions and balances with related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Related parties where control exists:				
<i>Ultimate Holding Company</i>				
1 Moody's Corporation				
Technical services received	15.46	15.20	-	-
Revenue from knowledge services rendered	1,817.49	159.72	-	-
Reimbursement of expenses received/receivable	115.29	75.85	-	-
Other financial liabilities - Due to related parties	-	-	3.32	5.52
Trade payables - Due to related parties	-	-	13.96	-
Trade receivables - Due from related parties	-	-	291.00	119.84
<i>Companies having substantial interest</i>				
1 Moody's Investment Company India Private Limited				
Dividend paid	825.09	825.09	-	-
2 Moody's Singapore Pte Limited				
Dividend paid	526.42	526.42	-	-
b (i) Trusts				
1 ICRA Limited Employees Group Gratuity Scheme				
Amount contributed during the year	-	-	-	-
Other financial assets - Advance paid to gratuity trust	-	-	194.73	11.11



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
2 ICRA Online Limited Employees Group Gratuity Scheme				
Amount contributed for gratuity during the year	50.02	538.27	-	-
Gratuity amount settled by trust	-	37.32	-	-
b (ii) Fellow subsidiaries				
1 Moody's Investors Service India Private Limited				
Rental income	21.55	22.19	-	-
Reimbursement of expenses received/receivable	5.27	3.44	-	-
Other financial assets - Other recoverable	-	-	6.97	2.89
2 Moody's Investors Service Inc.				
Revenue from knowledge services rendered	6,641.02	6,192.88	-	-
Reimbursement of expenses received/receivable	14.93	46.25	-	-
Other financial liabilities - Due to related parties	-	-	0.63	0.63
Trade receivables- Due from related parties	-	-	567.57	1,591.71
3 MIS Quality Management Corp.				
Trademark license fees	7.58	7.34	-	-
Trade payable	-	-	6.81	-
Other financial liabilities - Due to related parties	-	-	0.61	3.88
4 Moody's Investors Service Hong Kong Limited				
Technical services received	1.21	1.19	-	-
Other financial liabilities - Due to related parties	-	-	0.27	0.26
5 Moody's Analytics Inc				
Revenue from knowledge services rendered	2,167.47	1,830.18	-	-
Trade receivables- Due from related parties	-	-	190.18	234.96
c) Key management personnel				
1 Mr. Ramnath Krishnan				
Remuneration *	193.69	-	-	-
Reimbursement of expenses paid	-	-	-	-

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
Other financial liabilities - payable to employees	-	-	59.18	-
2 Mr. N Sivaraman				
Managerial remuneration *	217.41	345.36	-	-
Revenue from market Service rendered	0.31	0.30	-	-
3 Mr. Vipul Agarwal				
Remuneration *	202.41	201.52	-	-
Reimbursement of expenses paid	0.91	0.64	-	-
Other financial liabilities - payable to employees	-	-	-	11.97
4 Mr. Amit Kumar Gupta				
Remuneration *	114.41	117.54	-	-
Reimbursement of expenses paid	-	0.33	-	-
Other financial liabilities - payable to employees	-	-	10.66	4.50
5 Mr. S. Shakeb Rahman				
Remuneration *	38.05	40.89	-	-
Dividend paid by the Company	0.08	0.08	-	-
Other financial liabilities - payable to employees	-	-	4.94	3.64
6 Mr. Arun Duggal				
Remuneration to non-executive directors	25.00	25.00	-	-
Sitting fees paid	15.00	15.75	-	-
Reimbursement of expenses paid	25.00	25.00	-	-
Trade payables	-	-	29.48	28.91
7 Ms. Ranjana Agarwal				
Remuneration to non-executive directors	22.50	22.50	-	-
Sitting fees paid	24.75	24.75	-	-
Trade payables	-	-	22.28	20.81
8 Ms. Radhika Vijay Haribhakti				
Remuneration to non-executive directors	20.00	20.00	-	-
Sitting fees paid	18.00	18.00	-	-
Trade payables	-	-	20.03	18.50

*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. However, actual payment of gratuity and compensated absences made to key management personnel have been included in above details.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

38 Financial instruments

38.1 Financial instruments by category

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021:

a) Fair value of financial assets

Particulars	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets measured at fair value through profit or loss				
Investment in equity shares	98.95	55.17	98.95	55.17
Investments in mutual funds	29,066.72	15,720.38	29,066.72	15,720.38
Total (A)	29,165.67	15,775.55	29,165.67	15,775.55
Financial assets measured at amortised cost				
Investment in corporate deposits	16,215.00	1,900.00	16,215.00	1,900.00
Loans	8.12	21.35	8.12	21.35
Trade receivables	2,649.59	4,750.84	2,649.59	4,750.84
Cash and cash equivalents	2,192.03	2,844.73	2,192.03	2,844.73
Bank balances other than cash and cash equivalents	28,821.44	37,100.56	28,821.44	37,100.56
Other financial assets	10,238.69	19,260.87	10,238.69	19,260.87
Total (B)	60,124.87	65,878.35	60,124.87	65,878.35
Total (A+B)	89,290.54	81,653.90	89,290.54	81,653.90

b) Fair value of financial liabilities

Particulars	Carrying values		Fair values	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial liabilities measured at amortised cost				
Lease liabilities	1,402.60	1,696.11	1,402.60	1,696.11
Trade payables	923.95	780.25	923.95	780.25
Others financial liabilities	622.87	1,050.01	622.87	1,050.01
Total	2,949.42	3,526.37	2,949.42	3,526.37

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:

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

- 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 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, unbilled revenue, cash and cash equivalents, other bank balances, investments, trade payables, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

38.2 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, 2022

Particulars	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	98.95	-	-	98.95
Investment in mutual funds	29,066.72	-	-	29,066.72
Total	29,165.67	-	-	29,165.67

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, 2021

Particulars	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	55.17	-	-	55.17
Investment in mutual funds	15,720.38	-	-	15,720.38
Total	15,775.55	-	-	15,775.55

There have been no transfers between Level 1 and Level 2 during the period.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

38.3 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 Risk Management Committee. The Group has 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 primary risks and mitigation actions are also placed before the Risk Management Committee and the Board.

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities are summarised 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 of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by 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 ₹ 291.66 lakh and ₹ 157.76 lakh for the year ended March 31, 2022 and March 31, 2021 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 reviews its receivables from customer for any non-recoverability of the dues, taking into account the inputs from business development team and ageing of trade receivables. The management 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 management consider historical credit loss experience adjusted with forward looking information.

Movement in the expected credit loss allowance is as follow:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss allowance at the commencement of the year	1,120.33	754.71
Changes in loss allowance, net	(321.32)	365.62

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

Loss allowance at the end of the year

799.01

1,120.33

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Group, liquidity risk arises from obligations on account of financial liabilities - Trade payable and other financial liabilities including lease 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 fund 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.

The table below summarises the maturity profile of the Group's financial liabilities are as under:

As at March 31, 2022	< 1 year	1 to 3 years	> 3 years	Total
Lease liabilities	406.55	680.23	692.33	1,779.11
Trade payables	911.56	12.39	-	923.95
Other financial liabilities	530.76	92.11	-	622.87
Total	1,848.87	784.73	692.33	3,325.93

As at March 31, 2021	< 1 year	1 to 3 years	> 3 years	Total
Lease liabilities	481.77	751.93	967.74	2,201.44
Trade payables	774.09	4.34	1.83	780.25
Other financial liabilities	870.19	179.82	-	1,050.01
Total	2,126.05	936.09	969.57	4,031.71

38.4 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, returns 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, 2022 and March 31, 2021.

39 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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(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, 2022		For the year ended March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the commencement and at the end of the year	31,950	105.44	31,950	105.44

Particulars	As at March 31, 2022	As at March 31, 2021
Unissued shares (including shares against options expired or lapsed)	31,950	31,950
Total	31,950	31,950

41 Other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Items that will not be reclassified to profit or (loss)		
Remeasurements of defined benefit liability/ (asset)	(10.61)	15.52
Income tax relating to items that will not be reclassified to profit or (loss)	2.86	(3.79)
(ii) Items that will be reclassified to profit or (loss)		
Exchange difference on translation of Foreign operations	(29.95)	(10.01)
Income tax relating to items that will be reclassified to profit or (loss)	-	-
Total other comprehensive income, net of tax (i+ii)	(37.70)	1.72

42 Following is the summary of changes in carrying amount of goodwill

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the commencement and 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. The goodwill is on account of the investment in subsidiaries as of March 31, 2022 and March 31, 2021 respectively. Allocation of goodwill by segments as of March 31, 2022 and March 31, 2021 is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Knowledge Services (previously known as outsourced and Information services) (Refer note 48)	122.53	122.53

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, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

The management believes 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 believes that the planned market share growth per year for the next five years is reasonably achievable.

The values assigned to the key assumption are consistent with external sources of information.

43 Revenue disclosures**a) Revenue recognised in the current year**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of services		
Rating, research and other services		
Rating and grading fees	5,357.38	4,459.54
Surveillance fees	14,033.72	13,481.86
Research services fees	524.56	518.33
Others	0.95	1.29
Consulting fees	620.09	1,816.35
Knowledge and Market services		
Knowledge Services fees	11,747.11	9,052.68
Market Services fees	1,709.58	516.11
Total sale of services	33,993.39	29,846.16

b) Revenue recognised from last years' unearned revenue

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rating, research and other services fees		
Rating and grading fees	678.54	689.16
Surveillance fees	2,954.46	2,336.27
Research services fees	230.44	248.35
Consulting fees	20.53	22.74
Knowledge and Market services		
Knowledge Services fees	171.61	191.89
Total	4,055.58	3,488.41



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

c) Unearned revenue revenue

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue to be recognised in:		
FY 2021-22	-	4,051.68
FY 2022-23	3,963.53	10.40
FY 2023-24	10.68	0.17
FY 2024-25	1.14	-
Revenue to be recognised on completion of milestones	23.19	10.99
Total	3,998.54	4,073.24

44 Leases

A As a lessee

- a) The Group's significant lease arrangements are in respect of office premises. The lease term for these leases ranges between 11 months and 10 years which includes a lock-in period and in certain cases are renewable by mutual consent on mutually agreeable terms. These options are negotiated by management and aligned with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- b) The entities has discounted lease payments using the applicable incremental borrowing rate, which ranges 10% - 11% for measuring the lease liability.
- c) **The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 is as follows:**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	1,696.11	2,108.81
Addition made during the year	36.72	(293.78)
Add: finance cost accrued during the period	156.14	205.72
	1,888.97	2,020.75
Less: payment of lease liabilities	(486.37)	(324.64)
Balance at the end of the year	1,402.60	1,696.11

d) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	279.81	327.79
Non-current lease liabilities	1,122.79	1,368.32
Total	1,402.60	1,696.11

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

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

e) The contractual maturity of lease liabilities on an undiscounted basis is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	406.55	486.32
Later than one year but not later than five years	1,298.78	1,372.79
Later than five years	73.78	354.91

f) Expense related to short-term leases

The lease rental charged to Consolidated Statement of Profit and Loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent	71.37	49.33

g) Amount recognised in the consolidated statement of cash flows:

Particulars	As at March 31, 2022	As at March 31, 2021
Payment of lease liabilities	(330.23)	(324.64)
Interest paid on lease liabilities	(156.14)	(205.72)
Payment of short term leases	(71.37)	(44.32)
Impact on the consolidated statement of cash flows for the year	(557.73)	(574.68)

B As a lessor

The Group has let out part of its owned and rented office premises under lease arrangement which are cancellable in nature but renewable on mutually agreeable terms. Lease rentals amounting to ₹ 20.68 lakh (previous year ₹ 22.19 lakh) have been recognised in the consolidated Statement of Profit and Loss.

45 The movement of provisions are as under:

Particulars	Provision for pending litigations		Provision for service tax		Provision for onerous contracts	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening balance	-	75.00	15.91	15.91	9.61	24.06
Additions during the year	-	-	-	-	78.97	-
Utilised during the year	-	(75.00)	-	-	-	(14.45)
Closing balance	-	-	15.91	15.91	88.58	9.61



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

46 Other Information

- (i) Basis the information available with the Group, the Group does not have any transaction with struck off companies.
- (ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vi) The Group does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (viii) None of the entities in the group have been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

- 47** The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of this consolidated financial statements, using internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of this consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

48 Segment information

During the current quarter ended March 31, 2022, the Chief Operating Decision Maker ('CODM') of the Group has changed the review of operating segments and accordingly, the Group has realigned its operating segments. The previous period segment disclosures have been reclassified accordingly.

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) Knowledge Services – KPO services
- d) Market services- financial information product and services.

The above business segments have been identified considering :

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)*

- 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	For the year ended March 31, 2022	For the year ended March 31, 2021
External revenues		
Rating, research and other services	20,203.74	18,719.77
Consulting services	620.09	881.88
Knowledge Services	11,747.11	9,052.68
Market services	1,709.58	1,451.75
Total external revenue	34,280.52	30,106.08
Inter-segment revenue		
Rating, research and other services	48.29	55.70
Consulting services	2.19	37.26
Knowledge Services	27.18	39.32
Market services	1.04	-
Total Inter-segment revenue	78.70	132.28
Total revenue		
Rating, research and other services	20,252.03	18,775.47
Consulting services	622.28	919.14
Knowledge Services	11,774.29	9,092.00
Market services	1,710.62	1,451.75
Total segment revenue	34,359.22	30,238.36
Less: Elimination of inter-segment revenue	(78.70)	(132.28)
Total revenue	34,280.52	30,106.08
Segment results		
Rating, research and other services	5,206.46	3,890.19
Consulting services	(312.43)	(493.01)
Knowledge Services	6,027.01	3,533.86
Market services	354.73	158.80
Total profit before tax for reportable segments	11,275.77	7,089.84
Unallocated expenses	1.45	31.73
Interest expense	(156.14)	(205.72)
Other income	4,087.55	4,284.66
Provision for tax	(3,855.39)	(2,932.17)
Profit after tax	11,353.24	8,268.34



Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

(ii) Segment wise capital employed

Particulars	As at March 31, 2022	As at March 31, 2021
Capital employed (Segment assets - Segment liabilities)		
Segment assets		
Rating, research and other services	5,254.39	5,465.97
Consulting services	619.17	997.92
Knowledge Services	3,605.92	5,153.84
Market services	623.54	497.43
Total assets of reportable segments	10,103.02	12,115.16
Unallocable assets	87,744.43	77,486.15
Total assets	97,847.45	89,601.31
Segment liabilities		
Rating, research and other services	11,136.22	11,434.15
Consulting services	302.02	323.42
Knowledge Services	1,151.04	1,061.29
Market services	416.41	615.52
Total liabilities of reportable segments	13,005.69	13,434.38
Unallocable liabilities	69.31	64.86
Total liabilities	13,075.00	13,499.24
Total capital employed	84,772.45	76,102.07

(iii) Other information

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Capital expenditure during the year		
Rating, research and other services	207.31	250.89
Knowledge Services	72.82	121.81
Consulting services	9.50	56.99
Market services	19.13	83.20
Depreciation, amortisation and impairment expense		
Rating, research and other services	557.40	552.34
Knowledge Services	173.80	187.30
Consulting services	11.58	143.98
Market services	38.43	108.24
Non cash expenses other than depreciation		
Rating, research and other services	171.69	74.64
Knowledge Services	10.12	517.42
Consulting services	0.01	0.06
Interest income	2,955.42	3,760.42

ICRA Limited**Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)***(All amounts in Rupees lakh, except share data, per share data and where otherwise stated)***(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	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from external customer by geographical market		
India	21,837.36	20,419.61
Outside India	12,443.16	9,686.47
Total	34,280.52	30,106.08
Non current assets *		
India	4,785.82	5,000.76
Outside India	45.57	54.28
Total	4,831.39	5,055.04
Capital expenditure		
India	305.42	509.83
Outside India	3.34	3.06
Total	308.76	512.89

* 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, 2022 (Contd.)

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

(v) Reconciliation of reclassification of segment information as reported for the year ended March 31, 2021.

For the year ended March 31, 2021

Particulars	As reported in the consolidated financial results for the year ended March 31, 2021					Reclassified from					Reclassified segment information for the year ended March 31, 2021				
	Rating, research and other services	Outsourced and Information services	Consultancy services	Unallo-cable	Total	Outsourced and Information services to Market	Outsourced and Information services to Knowledge Services	Consultancy services to Market	Rating, research and other services	Consultancy services	Knowledge Services	Market services	Unallo-cable	Total	
Total segment revenue	18,775.47	9,608.11	1,854.78	-	30,238.36	516.11	9,092.00	935.64	18,775.47	919.14	9,092.00	1,451.75	-	30,238.36	
Segment profit (loss) before income tax	3,890.19	3,376.16	(176.51)	-	7,089.84	(157.70)	3,533.86	316.50	3,890.19	(493.01)	3,533.86	158.80	-	7,089.84	
Segment assets	5,465.97	5,337.56	1,311.63	77,486.15	89,601.31	183.82	5,153.74	313.71	5,465.97	997.92	5,153.84	497.43	77,486.15	89,601.31	
Segment liabilities	11,434.15	1,335.36	664.87	64.86	13,499.24	274.07	1,061.29	341.45	11,434.15	323.42	1,061.29	615.52	64.86	13,499.24	

ICRA Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

49 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, 2022							
	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	78.80%	66,478.42	65.29%	7,330.93	-108.43%	47.20	65.96%	7,378.13
Subsidiaries								
Indian								
ICRA Analytics Limited	19.75%	16,663.39	44.28%	4,971.97	127.95%	(55.70)	43.95%	4,916.27
Pragati Development Consulting Services Limited	0.13%	108.33	-0.03%	(3.89)	-	-	-0.03%	(3.89)
ICRA Employees welfare Trust	3.74%	3,154.35	1.05%	117.37	-	-	1.05%	117.37
Foreign								
PT. ICRA Indonesia	0.00%	1.04	0.04%	4.87	-	-	0.04%	4.87
ICRA Lanka Limited	0.12%	102.99	0.28%	31.91	94.44%	(41.11)	-0.08%	(9.20)
ICRA Nepal Limited	1.00%	839.63	2.26%	253.41	-27.34%	11.90	2.37%	265.31
Non-controlling interest included in respective subsidiaries	-0.49%	(411.42)	-1.11%	(124.17)	13.36%	(5.82)	-1.16%	(129.99)
Eliminations	-3.05%	(2,575.69)	-12.06%	(1,353.32)	-	-	-12.10%	(1,353.32)
Total	100.00%	84,361.04	100.00%	11,229.08	99.98%	(43.53)	100.00%	11,185.55

Name of the entity	As at March 31, 2021							
	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	81.11%	61,458.01	64.84%	5,294.54	1480.23%	25.46	65.13%	5,320.00
Subsidiaries								
Indian								
ICRA Analytics Limited	17.19%	13,024.23	32.61%	2,662.78	-823.84%	(14.17)	32.43%	2,648.61
Pragati Development Consulting Services Limited	0.15%	112.22	-0.06%	(5.09)	-	-	-0.06%	(5.09)
ICRA Employees welfare Trust	4.50%	3,407.10	1.51%	123.41	-	-	1.51%	123.42
Foreign								
PT. ICRA Indonesia	-0.01%	(3.86)	-	-	-	-	-	-
ICRA Lanka Limited	0.15%	112.20	0.15%	12.63	-556.39%	(9.57)	0.04%	3.06
ICRA Nepal Limited	0.89%	672.16	2.56%	208.80	-	-	2.56%	208.80
Non-controlling interest included in respective subsidiaries	-0.43%	(329.36)	-1.25%	(102.31)	-	-	-1.25%	(102.31)
Eliminations	-3.55%	(2,679.99)	-0.36%	(28.73)	-	-	-0.36%	(28.74)
Total	100.00%	75,772.71	100.00%	8,166.03	100.00%	1.72	100.00%	8,167.75

50 The previous year's figures have been regrouped/ reclassified wherever considered necessary to make them comparable with those of the current year's classification.

As per our report of even date attached

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

For **B S R & Co. LLP**
Chartered Accountants

Firm Registration No.: 101248W/W-100022

Sadashiv Shetty
Partner

Membership No.: 048648

Ramnath Krishnan
Managing Director & Group C.E.O.
(DIN: 09371341)

Arun Duggal
Chairman
(DIN: 00024262)

Amit Kumar Gupta
Chief Financial Officer & General Counsel
Place: Gurugram
Dated: May 12, 2022

S. Shakeb Rahman
Company Secretary

Place: Gurugram
Dated: May 12, 2022



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 Analytics Limited (erstwhile ICRA Online limited)			995.15	15,668.24	18,511.91	1,848.52	-	14,107.19	6,670.16	1,698.19	4,971.97	2,686.89	100% owned by ICRA Limited
2	PT. ICRA Indonesia	December 31	"Balance Sheet: (1 INR = 188.5714 IDR) Profit loss: (1 INR = 191.7024 IDR)	1,510.66	(1,509.62)	1.04	-	-	-	4.90	-	4.90	-	99% owned by ICRA Limited
3	ICRA Lanka Limited		"Balance Sheet: (1 INR = 3.88 LKR) Profit loss: (1 INR = 3.31 LKR)	256.59	(116.65)	164.02	47.37	-	139.88	26.42	-	20.13	-	100% owned by ICRA Limited
4	ICRA Nepal Limited	Mid of July	1 INR = NPR 1.6015	374.65	452.99	1,549.27	721.63	-	609.58	337.67	84.42	253.25	97.79	51% owned by ICRA Limited
5	Pragati Development Consulting Services Limited			5.00	103.33	113.87	5.54	-	-	(3.89)	-	(3.89)	-	100% owned by ICRA Analytics Limited (erstwhile ICRA Online limited)
6	ICRA Employees Welfare Trust			2.00	3,152.35	3,452.00	297.66	105.44**	-	186.16	68.79	117.37	-	Note 4

Notes:

- Names of subsidiaries which are yet to commence operations :Nil
- Names of subsidiaries which have been liquidated or sold during the year :Nil
- The financial statements are as on March 31, 2022
- ICRA Limited has established ICRA Employees Welfare Trust ("Trust"). The object of the Trust is defined in the trust deed. The Trust holds 31,950 equity shares of ICRA Limited, as on March 31, 2022

*Including other operating income

**Investments in equity shares of ICRA Limited

ICRA Limited

Notice

Notice is hereby given that the **Thirty-First** Annual General Meeting of the Members of **ICRA Limited** (the “**Company**”) will be held on Thursday, the 4th day of August, 2022, at 3:30 p.m. (IST) through Video Conferencing (“**VC**”)/Other Audio Visual Means (“**OAVM**”), to transact the following business(s):

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the audited standalone financial statements of the Company for the financial year ended March 31, 2022 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, 2022 and the report of the Auditors thereon.
2. To declare dividend of Rs. 28 per share on the equity shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Michael Foley (DIN: 08583960), who retires by rotation, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To appoint Mr. Stephen Arthur Long (DIN: 09595066) 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. Stephen Arthur Long (DIN: 09595066) who was appointed as an Additional Director with effect from May 13, 2022 by the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, and who holds the office till the date of ensuing 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.”

By Order of the Board of Directors
For ICRA Limited

(S. Shakeb Rahman)
Company Secretary & Compliance Officer
F7854

Place: Gurugram

Date: May 12, 2022

CIN: L74999DL1991PLC042749

Registered Office: B-710, Statesman House,
148, Barakhamba Road, New Delhi-110 001

Telephone No.: +91.11.23357940

Website: www.icra.in

Email ID: investors@icraindia.com



Notes

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the 31st AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the 31st AGM through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 31st AGM 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. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with.
3. Pursuant to the MCA Circular, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM, hence the Proxy Form and Attendance Slip are not annexed to this Notice. In pursuance of Section 112 and Section 113 of the Act, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through E-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the 31st AGM through VC/OAVM will be made available to at least 1,000 Members on first come first served basis. This will not include large shareholders (Members holding 2% or more shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 31st AGM without restriction on account of first come first served basis.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Institutional/Corporate Members (i.e. other than individuals/Hindu Undivided Family ("HUF"), Non-Resident Indian ("NRI"), etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote E-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through its registered email address to asa.corporateadvisors@gmail.com with a copy marked to evoting@nsdl.co.in.
7. The explanatory statement pursuant to Section 102 of the Act, in respect of Special Business proposed under item no. 4 above, is annexed hereto and form a part of this Notice.
8. The relevant details, pursuant to Regulations 26(4) and 36(3) of Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM are also annexed hereto and form a part of this Notice as Annexure A.
9. 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.](#)
10. In compliance with the MCA Circulars and the Securities and Exchange Board of India ("SEBI") Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022, Notice of the AGM along with the Annual Report FY 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company's Registrar and Share Transfer Agent/Depositories. Members may note that the Notice and Annual Report FY 2021-22 will also be available on the Company's website viz. www.icra.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice of the AGM will also be disseminated on the website of NSDL at www.evoting.nsdl.com.

ICRA Limited

11. 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 send the said documents in the physical form whose email IDs are not available with the Company and to such Members who request delivery of the said documents in the physical form.
12. 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.
13. 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 to enable the Company to keep the information ready.
14. 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, 2022 are available on the 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.
15. 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.
16. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, July 30, 2022 to Wednesday, August 3, 2022 (both days inclusive) for determining the names of Members eligible to receive the dividend declared, if any, on the equity shares of the Company.
17. 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 Friday, July 29, 2022 ("Record Date"), and to all those Members whose names appear as beneficial owners as per the details furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") on the close of business hours as on that date.
18. Those Members who have not yet encashed/claimed the dividend of the Company for any/all of the financial years, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 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 FY 2014-15 to FY 2020-21 as on March 31, 2022 are as under:

Dividend for the financial year	Unclaimed/Unpaid Dividend as on March 31, 2022 (Rs.)	Due date of transfer to Investor Education and Protection Fund
2014-15	1,03,752.00	September 15, 2022
2015-16	1,10,400.22	September 12, 2023
2016-17	1,65,563.83	September 5, 2024
2017-18	2,22,869.74	September 12, 2025
2018-19	1,96,050.00	November 2, 2026
2019-20	2,33,566.00	October 28, 2027
2020-21	1,47,234.00	September 2, 2028

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.

19. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2021 and amendments thereof. The Members are requested to update their PAN with the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).
20. A resident individual Member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to delhi@linkintime.co.in by 11:59 p.m. IST on Friday, July 29, 2022. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
21. Non-resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to delhi@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the Members by 11:59 p.m. IST on Friday, July 29, 2022.

22. Voting through electronic means

1. In compliance with Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, 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 31st AGM of the Company. The Company has engaged the services of NSDL to provide E-voting facility. The facility of casting votes by the Member using remote E-voting as well as the E-voting system on the date of the AGM will be provided by NSDL.

- I. The E-voting facility is available at the link [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com).
- II. The E-voting Event Number (EVEN) is as under:

EVEN	120289
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III. The remote E-voting facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
Monday, August 1, 2022 (9:00 a.m. IST)	Wednesday, August 3, 2022 (5:00 p.m. IST)

ICRA Limited

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 : Access to NSDL E-Voting system





Step 2: Cast your vote electronically and join General Meeting on NSDL E-Voting system

Details on Step 1 is mentioned below:

A. Login method for E-voting and joining virtual meeting for individual Members holding securities in demat mode

In terms of the Securities and Exchange Board of India ("SEBI") circular dated December 9, 2020 on E-voting facility provided by listed companies, individual members holding securities in demat mode are allowed to vote through their demat account maintained with the depositories and depository participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access E-voting facility.

Login method for individual Members holding securities in demat mode is given below:

Type of members	Login method
Individual members holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see E-voting services under value added services. Click on "Access to E-Voting" under E-voting services you will be able to see E-voting page. Click on company name or E-voting service provider name and you will be redirected to E-voting service provider website for casting your vote during the remote E-voting period or joining virtual meeting and voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3. 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. Once the home page of E-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL depository site wherein you can see E-voting page. Click on company name or E-voting service provider name and you will be redirected to E-voting service provider website for casting your vote during the remote E-voting period or joining virtual meeting and voting during the meeting.
	4. Shareholders/members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.
NSDL Mobile App is available on  App Store  Google Play  	



Type of members	Login method
Individual members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach E-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E-voting menu. The menu will have links of E-voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access E-voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the E-voting is in progress.
Individual members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your depository participant registered with NSDL for E-voting facility. Upon logging in, you will be able to see E-voting option. Click on E-voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see E-voting feature. Click on company name or E-voting service provider name and you will be redirected to E-voting service provider website for casting your vote during the remote E-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password options available at abovementioned website.

Helpdesk for Individual members holding securities in demat mode for any technical issues related to login through depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B: Login method for members other than individual members holding securities in demat mode and members holding securities in physical mode.

How to Log-in to NSDL E-voting website?

- 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.
- Once the home page of E-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- 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.

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4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or 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*****.
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'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
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) Click on "[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.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the E-Voting system of NSDL.
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 and join general meeting on NSDL E-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote E-voting period and casting your vote during the general meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for E-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to asa.corporateadvisors@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"E-Voting"** tab in their login.
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 Members and E-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in.

V. The instructions for E-voting during the AGM are as under:

- (i) The procedure for E-voting on the day of the AGM is same as the instructions mentioned above for remote E-voting.
- (ii) Only those Members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote E-voting and are otherwise not barred from doing so, shall be eligible to vote through E-voting system in the AGM.
- (iii) Members who have voted through remote E-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) The details of the person who may be contacted for any grievances connected with the facility for E-voting on the day of the AGM shall be the same person mentioned for remote E-voting.

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VI. Process for obtaining login credentials by Members whose email addresses are not registered with Depositories:

- (i) In case shares are held in physical form please provide folio no., name of the Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at delhi@linkintime.co.in.
- (ii) In case shares are held in dematerialised form, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to delhi@linkintime.co.in. If you are an individual Member holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for E-voting and joining virtual meeting for individual Members holding securities in demat mode.
- (iii) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

- VII. The remote E-voting period commences on Monday, August 1, 2022 (9:00 a.m. IST) and ends on Wednesday, August 3, 2022 (5:00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialised form, as at close of business hours on Friday, July 29, 2022 ('cut-off date'), 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.
- VIII. The voting rights of Members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on close of business hours on, Friday, July 29, 2022 ('cut-off date').
- IX. Since the Company is required to provide Members a 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, July 29, 2022 and not casting their vote through remote E-voting, may only cast their vote during the AGM.
- X. Mr. Sachin Agarwal (Membership No. FCS 7715), Proprietor of M/s A. Sachin & Associates, Company Secretaries, Mobile No. 9871790055 e-mail Id: asa.corporateadvisors@gmail.com, has been appointed as the Scrutiniser to scrutinise the e-voting during the AGM and remote E-voting process in a fair and transparent manner.
- XI. The Scrutiniser, after scrutinising the voting through E-voting / remote E-voting at AGM and through remote E-voting, shall within the statutory/regulatory timelines from the conclusion of the AGM, make a consolidated Scrutiniser's Report of the votes cast in favour of or against, if any, forthwith submit the same to the Chairman of the meeting or a person authorised by him in writing. The Chairman or the authorised person shall declare the results forthwith.
- XII. The results declared along with the Scrutiniser's Report immediately shall be placed on the Company's website www.icra.in and on the website of NSDL and shall also be displayed on the notice board at the registered and corporate office of the Company and simultaneously be communicated to the BSE Limited and the National Stock Exchange of India Limited. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.



23. Instruction for Members attending AGM through VC/OAVM

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for E-voting or have forgotten the User ID and Password may retrieve the same by following the remote E-voting instructions mentioned in the notice to avoid last minute rush.
- II. Members are encouraged to join the AGM through laptops for better experience.
- III. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
- IV. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or local area network (LAN) connection to mitigate any kind of aforesaid glitches.
- V. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at investors@icraindia.com atleast 48 hours before the start of the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- VI. Members who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to investors@icraindia.com. The same will be replied by the Company suitably.

24. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.

25. 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 31st Annual General Meeting of the Company and also at the AGM. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, including certificate from the Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014, if any, shall be available electronically for inspection by the Members during the AGM and during office hours on all working days up to the date of AGM. For any further update, please refer Investors section of the Company's website, www.icra.in.

ICRA Limited

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

The Board of Directors of the Company appointed Mr. Stephen Arthur Long (DIN: 09595066) as an Additional Director, effective from May 13, 2022.

Pursuant to Regulation 17(1C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Long shall hold office upto the date of next Annual General Meeting or for a period of three months from the date of appointment, whichever is earlier.

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. Long is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Mr. Long is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

The Nomination and Remuneration Committee of your Company has considered the candidature of Mr. Long, and recommended his appointment as a Director of the Company, liable to retire by rotation.

With Mr. Long joining as Director, the Company would be benefited from his extensive experience and expertise.

Mr. Long does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Long, is in any way concerned or interested in this Resolution.

Details regarding Mr. Long have been presented in the Annexure-A to the accompanying Notice.

The Board of Directors of your Company is of the opinion that the appointment of Mr. Long would be beneficial to the Company and hence recommends the Ordinary Resolution as set out at Item no. 4 for approval of the Members of the Company.

By Order of the Board of Directors
For ICRA Limited

(S. Shakeb Rahman)
Company Secretary & Compliance Officer
F7854

Place: Gurugram

Date: May 12, 2022

CIN: L74999DL1991PLC042749

Registered Office: B-710, Statesman House

148, Barakhamba Road, New Delhi-110 001

Telephone No.: +91.11.23357940

Website: www.icra.in

Email ID: investors@icraindia.com



Annexure - A

Details of each Director seeking reappointment/appointment at the Thirty First Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings

Profile



Mr. Michael Foley is a Non-Executive, Non-Independent Director of ICRA Limited.

Mr. Foley, Vice Chairman, Asia Pacific, is a senior member of the Moody's Investors Service Regional Management team, and the CEO of Moody's Investors Service Singapore Pte Limited. Mr. Foley supports efforts to provide best in class credit ratings, research, data, analytics and insights for cross border and domestic credit markets in Asia Pacific.

Previously, Mr. Foley spent 7 years as the global head of Moody's Banking, Insurance and Managed Investment rating businesses. Mr. Foley joined Moody's from the Board of Governors of the Federal Reserve in Washington, D.C. where he was the Senior Associate Director of Banking Supervision and Regulation from 2008 until 2012. While at the Federal Reserve, he managed a group responsible for the supervision of large, complex domestic and foreign banking organisations.

Prior to his role at the Federal Reserve, Mr. Foley spent 14 years at Moody's in a number of roles. His last position, in 2007, was Managing Director, Fundamental Business Management. From 2002 to 2006, Mr. Foley was Managing Director, Regional Head for EMEA, where he had responsibility for Moody's offices in Europe, as well as for Moody's affiliate relationships, and matrix responsibility for EMEA ratings and research activities. From 1997 to 2001, Mr. Foley was a Managing Director in Corporate Finance managing ratings for telecom, media and technologies, energy, utilities, healthcare and basic industries. He was also a Managing Director in Finance, Securities and Insurance from 1996 to 1997 and a Vice President in the Financial Institutions Group from 1993 to 1996.

Before Moody's, Mr. Foley worked at KPMG Peat Marwick and the Federal Reserve in Washington, D.C.



Mr. Stephen Arthur Long is a Managing Director co-responsible for Moody's global bank ratings. He is based in Hong Kong and primarily focuses on bank ratings in the Asia Pacific region. He is also responsible globally for Moody's ratings of non-bank financial institutions. With effect from May 16, 2022, Mr. Long will become Managing Director – Regional Head EMEA.

Mr. Long has a long career in Asia. Before joining Moody's in 2010, he worked as the head of J.P. Morgan's Asia rating advisory team, and before that, he headed the firm's Asia credit research team. As well as managing the overall team, he was responsible for its research on Asian banks.

His experience also includes senior positions at other leading financial institutions, and he began his career as a banking regulator at the Bank of England. He has worked in London, Paris, Hong Kong and Tokyo.

Mr. Long is a graduate of the University of Oxford, where he read Philosophy, Politics and Economics.

ICRA Limited

Name of Director	Mr. Michael Foley	Mr. Stephen Arthur Long
Date of Birth and Age	July 19, 1961; 61 years	December 22, 1963; 59 years
Relationship with other Directors <i>inter se</i>	None	None
First Date of Appointment	October 25, 2019	May 13, 2022
Expertise in Specific Functional Areas	Credit ratings and financial institution regulation and supervision	Credit ratings and financial institution regulation and supervision
Qualifications	MBA and a BS Business Administration, both from the University of Florida	Graduate, University of Oxford
No. of Equity Shares held in the Company	Nil	Nil
List of Other Companies/ bodies corporate (including listed entities) in which Directorships are held	<ul style="list-style-type: none"> • Moody's Singapore Pte Limited • Moody's Investors Service Singapore Pte Limited • Vietnam Investors Service and Credit Rating Agency Joint Stock Company 	None
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 FY 2021-22 and remuneration drawn in respect of Mr. Foley, if any, please refer to the corporate governance report of the Company.



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

ICRA LIMITED

NEW DELHI

(Registered Office)

B-710, Statesman House
148, Barakhamba Road
New Delhi - 110001, India
Tel.: +91-11-23357940

GURUGRAM

(Corporate Office)

Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurugram - 122002, Haryana, India
Tel.: 91-124-4545300

MUMBAI

Electric Mansion, 3rd & 4th Floor
Appasaheb Marathe Marg, Prabhadevi
Mumbai - 400025, India
Tel.: 91-22-61693300

KOLKATA

FMC Fortuna,
A-10 & 11, 3rd Floor
234/3A, A.J.C. Bose Road
Kolkata - 700020, India
Tel.: 91-33-71501100/1101

CHENNAI

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai - 600035, India
Tel.: 91-44-45964300

BENGALURU-1

The Millenia, Tower-B
Unit No.1004, 10th Floor
1 & 2 Murphy Road, Ulsoor
Bengaluru - 560008, India
Tel.: 91-80-43326400

BENGALURU-2

2nd Floor, Vayudooth Chamber
Trinity Circle
15-16, M.G. Road
Bengaluru - 560001, India
Tel.: 91-80-49225500

AHMEDABAD

18th Floor, Unit No. 1809, 1810
And 1811, Shapath-V, Opposite
Karnavati Club, S.G. Highway,
Ahmedabad-380015, India

HYDERABAD-1

4A, 4th Floor, SHOBHAN
6-3-927/A&B Somajiguda
Raj Bhavan Road
Hyderabad - 500082, India
Tel.: 91-40-40676500

HYDERABAD-2

301 CONCOURSE, 3rd Floor
Above SBI-HPS Branch
No.7-1-58, Ameerpet
Hyderabad - 500016, India
Tel.: 91-40-49200200

PUNE

5A, Symphony, 5th Floor
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Range Hills Road, Shivajinagar
Pune - 411020, India
Tel.: 91-20-66069999
www.icra.in

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