



ICRA

ICRA Limited

July 10, 2023

The BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001, India
Scrip Code: 532835

The National Stock Exchange of India Limited

Exchange Plaza,
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051, India
Symbol: ICRA

Dear Sir/Madam,

Sub: - Annual Report for the financial year 2022-23 and notice of Thirty-Second Annual General Meeting

Pursuant to Regulation 34 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), please find enclosed Annual Report for the financial year 2022-23 and notice of the Thirty-Second Annual General Meeting of ICRA Limited (the “**Company**”) scheduled to be held on Thursday, the Third day of August 2023, at 3:30 p.m. (IST) through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”).

The Business Responsibility and Sustainability Report 2022-23, also forms part of the Annual Report.

In compliance with the Ministry of Corporate Affairs (“**MCA**”) circulars and the Securities and Exchange Board of India (“**SEBI**”) circulars, Annual Report for the financial year 2022-23 (“**Annual Report**”) and notice of the Thirty-Second Annual General Meeting (“**AGM Notice**”) are being sent to the Members through electronic mode. The Annual Report and AGM Notice are available and can be accessed from the investor relations section of the Company’s website viz. www.icra.in.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their votes on all resolutions set forth in the AGM Notice using electronic voting system (remote E-voting), provided by National Securities Depository Limited (“**NSDL**”).

The schedule of events for electronic voting (“**E-voting**”) is as follows: -

E-voting Event Number (EVEN)	124354
Cut-off date to ascertain Members eligible to cast vote	July 28, 2023
Remote E-voting start date	July 31, 2023
Remote E-voting start time	9:00 a.m. IST
Remote E-voting end date	August 2, 2023
Remote E-voting end time	5:00 p.m. IST

In terms of the SEBI circular on E-voting, individual shareholders holding securities in dematerialised form are allowed to vote through their demat account maintained with depositories and depository participants.

Members are advised to update their mobile number and email address in their demat accounts in order to access E-voting facility. Members who will be present in the Annual General Meeting (“**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.

This is for your kind information and record.

Regards,
Sincerely,

(S. Shakeb Rahman)
Company Secretary & Compliance Officer

Encl.: As Above

Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurugram – 122002, Haryana
Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001.

Tel.: +91.124 .4545300
CIN : L749999DL1991PLC042749

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9354738909
Tel. :+91.11.23357940

RATING

RESEARCH

INFORMATION



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY



UNLOCKING GROWTH

Credibility • Analytics • Technology • Diversity

ANNUAL REPORT 2022-23

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Notice

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.



UNLOCKING GROWTH

For ICRA, unlocking growth signifies achieving sustainable growth by leveraging its core strengths of technology, analytical excellence and unwavering standards. ICRA is committed to deliver superior quality services and value to its clients and stakeholders. ICRA recognises the need to continuously evolve by diversifying its services. ICRA also believes in being future-ready by investing in cutting-edge technology and being agile and relevant to the changing needs of the market. This is exemplified by the remarkable potential and expansive opportunities for growth within ICRA and its subsidiaries, which cater to global and domestic clients, providing a variety of research, analytical and risk management services.

ICRA is committed to investing in emerging technologies to develop new capabilities, which will enable its business to diversify and grow, drive process efficiencies and dynamically address the evolving regulatory compliances.

ICRA is confident in its ability to unlock the potential for diversified growth and remains committed to its reputation for credibility, analytics, technology, and diversity. Our investment in people, technology, products and services will ensure that it continues to create value for clients and stakeholders alike.



ICRA AT A GLANCE





ABOUT ICRA LIMITED

ICRA Limited was established in 1991 as an independent and professional investment information and credit rating agency, in collaboration with leading financial/investment institutions, commercial banks and financial services companies. ICRA Limited and its subsidiaries together form the ICRA Group of Companies (Group ICRA).

The Company is listed on BSE & NSE and operates as a public limited company. The International Credit Rating Agency Moody's Investors Service, is ICRA's largest shareholder.

GROUP ICRA VALUES

Foster a culture of compliance and integrity by consistently doing the right thing and openly communicating. Embrace transparency, express opinions and align decision-making with organisational mandates to ensure accountability and trust with all stakeholders.



INTEGRITY



AGILE



MUTUAL TRUST



INNOVATIVE



CLIENT CENTRIC



RESPECTFUL



ASPIRATIONAL

Respond swiftly and flexibly by leveraging opportunities and embracing change openly, demonstrating a proactive approach that allows for timely responses.

Harness the collective strengths of our team while fostering an unwavering culture of trust, openness and responsibility towards all stakeholders. Embrace empowerment, allowing individuals to take ownership and contribute to our shared success.

Adopt a mindset of challenging the status quo and encouraging entrepreneurship by promoting a solution-oriented approach, highlighting the importance of taking calculated risks and learning from both failures and successes, as we continuously strive for growth and innovation.

Consistently deliver value to both internal and external clients by meeting all commitments, including quality, timelines and adherence to service-level agreements. Cultivate two-way communication with clients, building strong relationships based on trust without agendas.

Cultivate the ability to embrace divergent views and disagreements while displaying empathy towards all stakeholders. Practice active listening, respond honestly and actively seek inputs and perspectives from others, encouraging an environment of open communication and collaboration.

Set ambitious targets and strive for excellence, consistently walking the talk and aiming to become the best-in-class in our endeavours while cultivating a mindset of continuous improvement.

GROUP ICRA VISION

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

THE ICRA FACTOR

ICRA's services are designed to:

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

ICRA IN NUMBERS

17,000

Cumulative-rated entities over 30+ years with rated debt of Rs 78.03 trillion

165,000

Structured Finance cases monitored annually

10,000

Global entities monitored for ESG parameters

1,721

Lives impacted through CSR initiatives

20,000

Corporates, Financial Institutions Group (FIG), Public Finance Entities analysed *

*As per US GAAP, IFRS, GASB accounting principles

657

Reports published under more than 60 sectors

96

Franchise outreach activities

36%

of the workforce comprises of female employees

AWARDS AND RECOGNITIONS

ICRA Analytics at the STPI Export Awards, West Bengal

ICRA’s commitment to excellence has been recognised by industry bodies, which is a testament to the hard work and dedication of its team. From winning awards for exports to being acknowledged for its work culture, ICRA is proud to share these accomplishments with its stakeholders. The Company strives to continue setting new benchmarks and these accolades motivate the organisation to move forward on the path of growth.



• STPI Export Awards 2021-2022, West Bengal

ICRA Analytics was awarded the STPI Export Awards for West Bengal for both fiscals, FY2021 and FY2022.

For FY2021, the organisation was recognised as the top exporter of IT-enabled services (ITES) and for having the highest percentage of women employees in IT/ITES, among companies in West Bengal with an export turnover of less than Rs. 1,000 million.

For FY2022, ICRA Analytics won the award for the Highest Percentage of Growth and the Highest Percentage of Differently-abled Employees in Exports under the Rs. 10 billion category for IT/ITES.



This is the third time that ICRA Analytics made it to the winning cohort, the first being FY2019 where the organisation won the award for being the top IT/ITES exporter in the under Rs. 1,000 million revenue category. STPI-Kolkata, Ministry of Electronics & Information Technology, felicitates the winners across different categories every year for their efforts towards boosting exports from the state.

Great Place To Work certification for ICRA Analytics



Great Place To Work
certification for ICRA Analytics

ICRA Analytics was certified as a Great Place To Work for the third consecutive year in April 2022. This comes despite the team having worked from home through the year, all meetings conducted online and all new colleagues joining the organisation virtually, with their workstations being set up at their homes.

The Great Place To Work certification is a testimony to the importance placed by the organisation on creating a culture of mutual trust, bonding and cooperation between all employees. ICRA Analytics focuses on equal opportunity employment and harbours a culture of no hierarchy. Employee wellness, both physical and mental, is at the forefront.

ICRA Analytics takes great pride in being a Great Place To Work-certified organisation and strives to implement all the best practices to make the organisation a workplace to aspire for.

ICRA BUSINESS



As a leading provider of credit ratings, research and analytics, ICRA is dedicated to providing reliable and independent assessments of creditworthiness, risk evaluation, and market intelligence.

Rating Services

ICRA stands as a highly esteemed credit rating agency, renowned for its extensive experience and broad coverage across sectors. With a strong commitment to enhancing access to funding, ICRA empowers issuers and borrowers, enabling them to optimise their cost of funds. Moreover, for investors and lenders, ICRA serves as a valuable partner, complementing their internal evaluation processes by providing benchmark credit quality assessments across investment options. By delivering comprehensive insights, ICRA empowers investors to make informed and confident investment decisions, fostering trust and driving growth in the financial landscape.

Our ratings services include the following:

[Corporate debt ratings](#)

[Mutual fund ratings](#)

[Financial sector ratings](#)

[Public finance ratings](#)

[Structured finance ratings](#)

[Expected loss ratings](#)

[Infrastructure sector ratings](#)

[InvITs](#)

Research Services

ICRA's research services extensively cover around 60 industries and offer unparalleled in-depth analysis and real-time insights. Delving into the companies' core credit profiles, ICRA's 'Credit Perspective' reports provide valuable real-time insights that not only assist companies in competition mapping but also cater to the specific needs of banks, mutual funds insurance companies, private equity firms, venture funds, and corporates. With a focus on credit-themed reports, our research services ensure that its offerings meet the diverse requirements of industry players, facilitating informed decision-making and driving success in the dynamic business landscape.

Our fields of research include:

[Industry research](#)

[Economy research](#)

[Credit perspective](#)

ICRA ANALYTICS

ICRA Analytics has business interests in research, analytics, risk management, market data and counterparty risk assessment services. The Company serves a wide range of global and domestic clients starting from BFSI players, fund managers, financial intermediaries, regulators, industry bodies, Government organisations and other market participants. It provides an array of digital tools and research, risk advisory, market data and analytical support to assess and manage risk in lending and investment decision-making. ICRA Analytics adds value through its deep domain knowledge, strong functional competence and technological expertise. The Company is ISO27001:2013 and ISO9001:2015 certified.

OFFERINGS FROM ICRA ANALYTICS

KNOWLEDGE SERVICES



Research and
Analytics

Data Analysis,
Management and
Related Support

Modelling

MARKET DATA



Daily Pricing of Active
ISINs Through Security
Level Valuation

Performance Data &
Research of Live MF
Schemes

Operational Due Diligence
and Fund Management
Capability Assessment

Market-linked
Debenture Valuations

Analytical and
Portfolio Tracking
Solutions

Investor Collaterals and
Content Creation

Treasury Solution

Regulatory Research

Fixed Income Indices

Rating Tracker

RISK MANAGEMENT



Risk Management
Consulting

Expected Credit Loss
Solutions and Tools

Operational Risk
Management Software

Credit Risk Management
Solutions and Tools

Basel-compliant
Internal Rating Models

Analytics & Research

Industry Risk Scores

COUNTERPARTY RISK ASSESSMENTS



MSME Grading

Grading of Energy
Service Companies (ESCO)

Vendor/Dealer Evaluation
& Due Diligence

Solar Power Grading

MFI Grading

BOARD OF DIRECTORS



Mr. Arun Duggal

Non-Executive Chairman & Independent Director

Mr. Duggal brings a wealth of experience as an international banker and advisor in financial strategy, mergers and acquisitions and capital raising.

With a notable 26-year career at Bank of America, he held various leadership positions across different regions. Notably, he served as the Chief Executive of Bank of America in India from 1998 to 2001 and led the bank's oil and gas practice from 1981 to 1990. He also served as the Chief Executive of BA Asia Limited in Hong Kong from 1991 to 1994 and as the Regional Executive for Bank of America in Tokyo, overseeing Japan, Australia and Korea in 1995. Mr. Duggal's contributions extend beyond banking, as he founded the Arun Duggal Centre of Excellence for Research in Climate Change and Air Pollution (CERCA) at IIT Delhi, India.

Mr. Duggal is the founder of the recently established ESG Research Centre at IIM, Ahmedabad. He undertook a research project at IIM, Ahmedabad to enhance Gender Balance at Senior Executive Level in Indian Companies.

Additionally, he founded the Women on Corporate Boards program, mentoring high-potential women for board careers, with nearly 200 corporate boards benefitting from this initiative.

He also serves as a trustee of the Chennai Mathematical Institute (CMI), known for its excellence in teaching and research in mathematical sciences.

Mr. Duggal holds a degree in Mechanical Engineering from IIT Delhi and an MBA from IIM Ahmedabad. Currently, he serves on the boards of ASK Automotive Limited, Davenport Management Consultants Services Private Limited, Dr. Lal PathLabs Limited and ITC Limited.



Ms. Ranjana Agarwal

Independent Director

As the chairperson of the Audit and CSR Committees of ICRA Limited, Ms. Agarwal brings a wealth of expertise to the organisations. With over 35 years of experience in audit, tax and related services, including succession planning, family trust management and business valuations, she is a founding partner of Vaish & Associates, Chartered Accountants. Having previously served as a partner at Deloitte Haskins & Sells until 2000, her influence extends beyond the financial realm. She has held prominent positions such as the National President of the women's wing of FICCI and currently co-chairs FICCI's FLO women directors' program, where she has facilitated the onboarding of aspiring women directors for several years.

Ms. Agarwal's commitment to social welfare is evident as a life trustee in the Vaish Associates Public Welfare Trust, which focuses on education and healthcare. She holds an honours degree in Economics from Lady Shri Ram College, Delhi University and received her Chartered Accountant training from Price Waterhouse Coopers. Currently, she serves on the boards of ICRA Analytics Limited, Indo Rama Synthetics (India) Limited, Joyville Shapoorji Housing Private Limited, KDDL Limited and RBL Bank Limited.



Ms. Radhika Vijay Haribhakti

Independent Director

With over 30 years of experience in commercial and investment banking, Ms. Haribhakti has made a significant impact in the financial sector. She has held key positions at renowned institutions such as Bank of America, JM Morgan Stanley and DSP Merrill Lynch, where she advised numerous large companies and spearheaded equity and debt offerings in both domestic and international capital markets. Currently, Ms. Haribhakti provides advisory services through RH Financial but is primarily engaged as an Independent Director on multiple Corporate Boards. These include Bajaj Finance Limited, Bajaj Finserv Limited, Brookfield India Infrastructure Manager Private Limited, EIH Associated Hotels Limited, Navin Fluorine International Limited and Torrent Power Limited. Ms. Haribhakti is also deeply committed to women's empowerment and their financial inclusion and has chaired Boards of non-profits for 12 years. She holds a graduate degree in Commerce from Gujarat University and a Post Graduate degree in Management from IIM, Ahmedabad. Her exceptional leadership and vast industry knowledge contribute significantly to the organisations she serves.



Mr. Michael Foley

Non-Executive, Non-Independent Director

As the Vice Chairman, Asia Pacific, and a senior member of Moody's Investors Service Regional Management team, Mr. Foley brings a wealth of experience and expertise to his role. With a distinguished career spanning several prestigious institutions, Mr. Foley spent 7 years leading Moody's Banking, Insurance and Managed Investment rating businesses at a global level. Prior to that, he held a significant position as the Senior Associate Director of Banking Supervision and Regulation at the Board of Governors of the Federal Reserve in Washington, D.C. from 2008 to 2012.

Having been associated with Moody's for over 20 years, Mr. Foley held various key roles, including Managing Director of Fundamental Business Management and Regional Head for EMEA. His exceptional industry knowledge and leadership abilities make him a valuable addition to the boards of Moody's Singapore Pte Ltd., Moody's Investors Service Singapore Pte Ltd., Vietnam Investors Service and Credit Rating Agency Joint Stock Company. Mr. Foley's contributions and insights continue to strengthen the financial landscape in the Asia Pacific region.



Ms. Wendy Huay Huay Cheong

Non-Executive, Non-Independent Director

Ms. Cheong is the Managing Director- Regional Head of Asia Pacific for Moody's Investors Service (MIS) and Chief Executive Officer of MIS Singapore. In this role, Wendy develops and leads the growth strategy in both developed and emerging markets in the region. She is the senior representative for Moody's in Asia Pacific and is responsible for regional operations, overseeing policy and regulatory outreach, coordinating global initiatives and domestic market strategies.

A senior management and strategy professional, experienced in leading and transforming international business operations, Wendy acts as an Executive Director for majority of Moody's Asia entities. She also serves as a Non-Executive Director on Moody's numerous domestic affiliate boards, including China Chengxin Credit Rating Group, Korea Investors Service and Malaysian Rating Corporation Berhad.

Wendy joined Moody's in 2010 and has since held senior positions in strategy and management roles across business lines in Hong Kong and New York. She has served as Chief of Staff to the President of Moody's Investors Service, Representative Director for MIS 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.

Wendy is the Global Executive Sponsor for the Moody's Women's Business Resource Group and sits on the Board of the Asian Venture Philanthropy Network (AVPN). Before joining Moody's, Wendy held senior strategy, sales and marketing positions at Prudential PLC Hong Kong and Singapore Telecoms. She holds a BA in Southeast Asian Studies from the National University of Singapore.



Ms. Shivani Priya Mohini Kak

Non-Executive, Non-Independent Director

As the Managing Director and Head of Investor Relations Finance at Moody's Corporation, Ms. Kak leads the Investor Relations Team, ensuring effective communication with the analytical community and shareholders. With over a decade of experience at Moody's, she has held various roles within the company.

She initially joined Moody's in 2008 as a European RMBS analyst in the Structured Finance team. In 2011, she transitioned to the Commercial Department, focusing on business development in Structured Finance. During her tenure, she had the opportunity to work in the Hong Kong and New York offices, gaining valuable insights into global markets.

Her expertise extends to product management, where she had global responsibility for product-related requests and initiatives in structured finance and investor-requested products. Prior to her time at Moody's, she served as a Director at Lehman Brothers, specializing in Structured Finance origination and structuring.

She 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. With her extensive knowledge and experience, she plays a vital role in enhancing Moody's investor relations and driving the company's growth.



Mr. Stephen Arthur Long

Non-Executive, Non-Independent Director

Mr. Long is the Managing Director and regional head of Europe, the Middle East, and Africa for Moody's Investors Service. He also serves as Moody's country manager in the United Kingdom. With his extensive experience, Mr. Long brings valuable insights and expertise to his role.

Previously, Mr. Long held a crucial position at Moody's as co-responsible for global bank ratings. During his time in Hong Kong, he focused on bank ratings in the Asia Pacific region. Before joining Moody's, he held senior positions at J.P. Morgan in London, Tokyo, and Hong Kong. His roles encompassed credit analysis, research and rating advisory functions.

Mr. Long's career began at Standard & Poor's, where he worked as a bank analyst in London and Paris. He started his professional journey as a banking regulator at the Bank of England. His diverse background in the financial industry has provided him with a comprehensive understanding of the sector.

Having graduated from the University of Oxford, Mr. Long holds a degree in Philosophy, Politics and Economics. His educational background further complements his expertise in the field. In addition to his role at Moody's, he serves on the boards of various entities, including Midroog Limited, Moody's Investors Service Middle East Limited, Moody's Investors Service Limited, Moody's France SAS, and Moody's Deutschland GmbH. Through his leadership and contributions, Mr. Long plays a vital role in shaping Moody's success in the region.



Mr. Ramnath Krishnan

Managing Director & Group CEO

Mr. Krishnan joined ICRA in July 2020, assuming the role of President of Ratings. Later in November 2020, he was appointed as the Chief Rating Officer, a position he held until October 22, 2021. With his extensive experience in banking, Mr. Krishnan brings a wealth of knowledge to ICRA.

Throughout his career spanning over 33 years, Mr. Krishnan has held various senior positions in India, Malaysia and Mauritius. He has served as a corporate banker and Country Head of Risk, providing him with a deep understanding of different stages of the credit cycle. Before joining ICRA, he held the position of Chief Risk Officer at RBL Bank.

During his 23-year tenure at HSBC, Mr. Krishnan held key roles in corporate credit, wholesale banking, private banking, and investment banking in India. He also served as the Chief Risk Officer at HSBC Malaysia. His diverse experience in the banking sector contributes to his comprehensive understanding of risk management.

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

SENIOR MANAGEMENT



Mr. Ramnath Krishnan
Managing Director & Group
CEO of ICRA



Mr. L. Shivakumar
Executive Vice President,
Business Development &
Chief Business Officer



Mr. Amit Gupta
General Counsel



Mr. Jayanta Chatterjee
Executive Vice President,
Business Development



Mr. Venkatesh Viswanathan
Group Chief Financial Officer



Mr. Shubham Jain
Head of Group Strategy and
Business Transformation



Ms. Sheetal Sandhu
Group HR Head



Mr. S. Shakeb Rahman
Company Secretary &
Compliance Officer



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



Ms. Sushmita Ghatak
Managing Director & Chief
Executive Officer - ICRA
Analytics Limited



Mr. Anand Iyer
Group Chief Technology
Officer

MESSAGE FROM THE MD & GROUP CEO



“
The best way to predict the
future is to create it”

– Peter Drucker

Dear Shareholders,

At ICRA, unlocking our potential is about building a mindset, focusing on a collective vision and exerting consistent efforts aimed at perfection. FY2023 has been one such unrelenting pursuit to explore, enhance and expand possibilities. In the process, we further strengthened our credentials and sharpened our value proposition.

For us at ICRA, the past few years have been about taking consistent steps forward and transforming the organisation. We have identified four critical pillars of growth - Credibility, Technology, Analytics, and Diversity. Our processes, people, and quality of insights have fortified our credibility. We continue to invest in state-of-the-art technology – leading to better efficiency across the company – thereby making ICRA an agile organisation. Most of who we are as a company is identified through our talent pool. We have proactively focused on talent identification and development and diversity - building an open, empowered and aspirational workforce. We continue to develop a future-ready business – banking on analytics as the growth engine in a data-rich, automated and homogeneously emerging world. Our analytics business enables us to use our intellectual capital, customised processes and reporting ability to tap domestic and global clients. We are targeting a healthy 50:50 revenue mix between our ratings and non-ratings businesses in the next few years.

The year began with a lot of promises and some uncertainties. The aftermath of the pandemic and the ongoing socio-geo-political uncertainties led to a bleak economic outlook: high inflation, supply chain challenges, unemployment, and unprecedented rate hikes. Amidst the worldwide turmoil, India continued to be relatively stable.

The year began with a lot of promises and some uncertainties. The aftermath of the pandemic and the ongoing socio-geo-political uncertainties led to a bleak economic outlook: high inflation, supply chain challenges, unemployment and unprecedented rate hikes. Amidst the worldwide turmoil, India continued to be relatively stable. The timely intervention by the Reserve Bank of India with a series of rate increases kept a leash on inflation. Concerted diplomatic efforts contributed to the country's energy security. The year also witnessed a series of investments from the Government and the PSUs, especially in the core infrastructure area.

Economic growth, however, demands an efficient and trusted credit environment. The country's financial markets, primarily the debt capital market, are yet to mature. The Regulators have increased their supervisory rigour on the premise that, while the road ahead is full of opportunities, there is a need to tread cautiously and responsibly.

Our efforts have yielded promising results in FY2023. Our revenues from operations increased by 18% and profit after tax (PAT) increased by 20%. The PAT margin stood at 34% and more importantly, improved thereby validating our efforts.

We continue with our engagement in the CSR space. Ever since our inception, we have been investing in communities across India. Our vision of empowering communities – primarily women, youth, and children from underprivileged backgrounds, translated into sustained initiatives across education, skill development and entrepreneurial support verticals. Each of our ICRA team members proudly supports these causes through employee engagement initiatives all through the year.

I thank you for being an invaluable part of the ICRA family on behalf of my team. The value unlocked has just been one more step towards a larger goal. The journey has just begun, and as a team of ambitious, mature, responsible, and

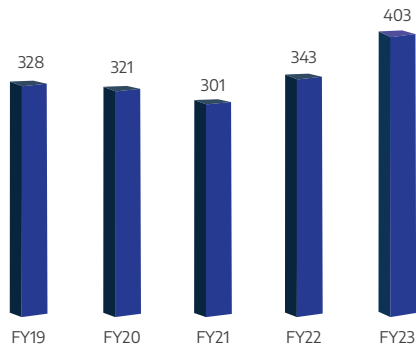
innovation-loving people, we at ICRA are determined to go places and in the process, we will establish ourselves as a globally integrated knowledge powerhouse creating value for our stakeholders. I leave you on this note of optimism.

Best Wishes,

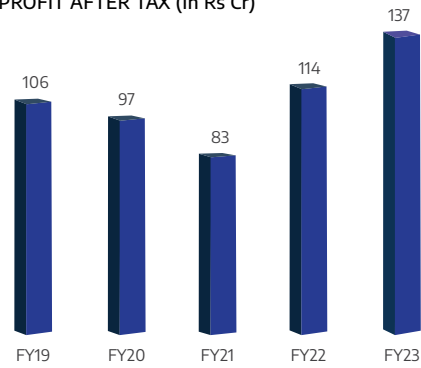
Ramnath Krishnan
MD & Group CEO

KEY PERFORMANCE INDICATORS

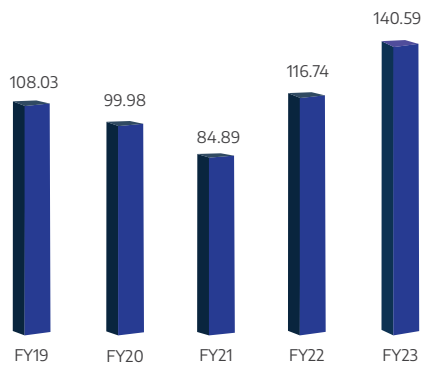
REVENUE FROM OPERATIONS (In Rs Cr)



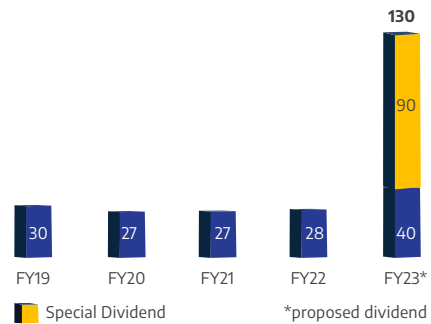
PROFIT AFTER TAX (In Rs Cr)



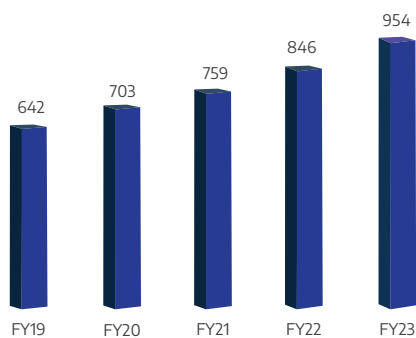
BASIC EARNINGS PER SHARE (In Rs)



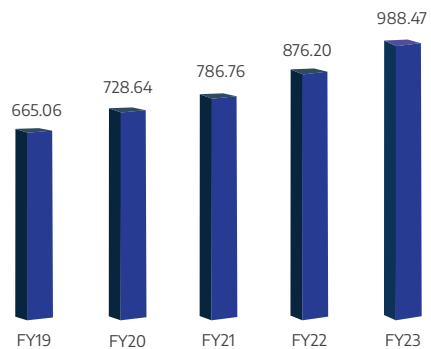
DIVIDEND PER SHARE (In Rs)



NET WORTH (In Rs Cr)



BOOK VALUE PER SHARE (In Rs)



HIGH-IMPACT INDUSTRY RESEARCH REPORTS AND PUBLICATIONS BY ANALYSTS



Steel prices slide, but demand gains stride

After a decade of slow growth, India could be at the tipping point of a secular period of high growth in domestic steel demand

SEPTEMBER 2022



Chemicals - Others

AUGUST 2022

Caustic industry records robust margins



INDIAN IT SERVICES INDUSTRY

Profit margins to witness further moderation in the near term as industry continues to grapple with high attrition; attrition levels likely to start tapering from end of current fiscal

JUNE 2022



INDIAN COMMERCIAL VEHICLE INDUSTRY

Demand tailwinds drive industry volumes towards pre-Covid levels


NOVEMBER 2022



Down the PLI Path

Capex deployment expected to surge from FY24

NOVEMBER 2022



STRUCTURED FINANCE

Buoyancy in securitisation continues in Q2 FY2023 aided by favourable macro-economic scenario and healthy credit demand

OCTOBER 2022



Indian Renewable Energy Sector

Green Energy Open Access rules, a positive for RE adoption by C&I customers; timely implementation by SERCs remains critical

JUNE 2022



AFFORDABLE HOUSING FINANCE COMPANIES

Resilient performance; growth outlook remains favourable

OCTOBER 2022

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY



CHANGE BEGINS HERE!

ICRA is not only committed towards its business operations but also invested in communities across India. The current socioeconomic and environmental changes have made the Company re-examine its methods such that it benefits communities and the environment.

In 2022-23, the world continued to face the aftermath of the Covid-19 pandemic and ICRA, as a group, continued to push itself through its initiatives of reaching out to women, youth, and children of marginalised communities. Regardless of the situation, ICRA was able to work on challenges and opportunities that COVID-19 presented and took measures to support education systems in schools, skill development centres and entrepreneurial programmes.

ICRA CARES

ICRA has been supporting, empowering, and caring for people from the marginalised groups so that they can equally contribute to society with dignity.

Focused engagement is a quality approach towards any initiative. Keeping this in mind, ICRA continued to focus on empowering women and youth by equipping them with the tools to help lead respectable lives. As an agent of transformation, ICRA continues to support non-governmental organisations to scale the impact on society.

KEY INTERVENTION AREAS AND IMPACT

ICRA believes in using its resources and expertise to make a positive impact on society.

Through its Corporate Social Responsibility (CSR) initiatives, the Company has identified key intervention areas where it can make a significant difference. From promoting education and women's empowerment to supporting sustainability and skill development, the Company's CSR programmes are designed to create a lasting positive impact.

Educational Intervention

A vibrant and integrated institution with a holistic environment is an expectation of every parent and student. To this end, ICRA has been empowering schools and institutions to impart quality education and offer opportunities for students from economically weaker sections with the hope to reduce the dropout rate, and learning losses while bridging the digital divide.

371

Students' education sponsored

WOMEN'S EMPOWERMENT

Families, communities, and countries are enriched when the status of their women improves. With this focus, ICRA has collaborated with organisations that work with women and their livelihoods.

550

Women supported and empowered



These initiatives for women from marginalised communities are aimed to train them with lifelong skills. These skills could help them achieve financial independence and security. This would enable them to grow into confident individuals.

SKILL DEVELOPMENT

Youth from marginalised communities who dreamt of supporting their families have been empowered in learning skills that can contribute to their family income and play an important role in contributing to the economy of the country.

800

Individuals supported in learning skills



SUSTAINABILITY

ICRA's concentrated efforts towards conserving the environment had begun by extending its help to communities and institution-based collaborations to reach the societal goal of environmental sustainability.



ICRA's NGO partners organised events to instil a sense of responsibility among communities. The plantation drive was one such initiative where ICRA Champs planted native plant species to build awareness, among community members, on climate change. In addition to this, school students under ICRA's education programme organised a theatrical performance highlighting the water crisis around the world. They also presented eco-friendly solutions in the form of science projects on water recycling, irrigation methods to save water, Lego models for underwater garbage cleaning and the Hydroponic method of agriculture.



In the face of daunting environmental problems, the beneficiaries of ICRA's CSR programmes give motivation and hope to continue work on environmental conservation and sustainability.

ICRA INITIATIVES

EDUCATION PROGRAMME

The unconventional route of teaching has become the new norm during the pandemic. Digital learning and platforms have become the key contributing factors to continuing children's education during these tough times. During this time, ICRA's NGO partners were able to monitor and track students' performances. While the schools reopened, the preparation of worksheets ensured that each student was able to cope with the academic gap caused due to the pandemic.

Under one such initiative, ICRA sponsors the education of 241 students at the Vidya School located in Gurugram and the Deepalaya School in Nuh, Haryana. The goal is to nurture children in every manner possible through a holistic approach and providing them with nutritional food, uniforms, and a range of stationery.

241
Students' education
sponsored in
Haryana



The children and youth of the country are its future torchbearers. ICRA believes that, with the right guidance and quality education, students from under-privileged backgrounds can make their way to a brighter future.

Additionally, ICRA facilitates educational trips and supports exceptional teachers who guide these students in academics and extracurricular inter-school competitions. These students have been sponsored by ICRA over a few years and have shown excellent skills in academics, sports and arts.

Nuh district of Haryana is surrounded by the Aravalli hills and the population here, consists of labourers and minority groups. ICRA has partnered with Deepalaya Foundation which offers education to children living in this locality and hostel services to students from the weaker sections of society. This sponsorship is aimed at helping students to build leadership qualities by empowering them to participate in art, music and sports activities.

100

Students' education sponsored in Rajasthan

To offer education facilities to children from the tribal regions of Jharkhand, Orissa and West Bengal, ICRA collaborated with the Parivaar NGO, which offers residential school facilities to tribal communities. ICRA has been supporting and sponsoring the education of 30 students. ICRA's approach to holistic development has helped in not just enhancing students' education in addition to helping improve the infrastructure in the institution.

The NGO partner has been helping students from the tribal communities to access quality education that gives a holistic experience involving guidance, shelter, and better healthcare.

ICRA has partnered with Seva Mandir for a Residential Learning Camp for 100 children by offering a conducive environment in Kaya Village of Udaipur, Rajasthan. The programme has run for over seven years reflecting a positive impact in the lives of 'out-of-school children'. This programme focuses on teaching basic math and reading so that children could be enrolled in schools for continuous learning. Overall, this camp has helped students improve their learning, engagement, and interpersonal skills.

30

Students' education sponsored in West Bengal



WOMEN'S ENTREPRENEURSHIP PROGRAMME



The key development in a country is derived by empowering women to reorganise their strengths. To build a strong society of independent women, ICRA collaborated with Friends of Women's World Banking (FWWB) in Gujarat to empower women entrepreneurs in semi-urban areas of Gandhinagar, Mehsana, Kheda and Ahmedabad.

550
Women trained

This programme was created to enhance skills for continuous learning amongst participants and it saw a surge of interest to learn and improve, among the learners. ICRA is proud to organise, synergise and scale this project for 550 women who regularly attended training in advanced tailoring, soap-making, interior decoration, beautician courses and baking. This was their first step to self-reliance.

The second step towards this goal was the training on financial digital literacy, branding of products, printing business cards, registering under Government schemes like PM SVANidhi and UDYAM registration that offers collateral-free loans, special consideration for international trade, licensing, and free stalls in Government fairs.

SKILL DEVELOPMENT PROGRAMME

The loss of jobs affected many people before and after the pandemic. To help resolve this issue, ICRA took up the challenge of sponsoring the training of 500 marginalised youth near Diamond Harbour, Magrahat and Barasat regions of Kolkata. In the heart of these villages, ICRA partnered with the Anudip Foundation to offer courses in English Communication, IT Training, Web Designing and Graphic Designing, with the help of qualified trainers. The training curriculum was prepared, based on the corporate requirements of the region.

At the end of the course, students are prepared for interviews and companies are invited to hire them based on their training, soft skills, and quick learning ability. ICRA Champs frequently interact with the beneficiaries to ensure that they are guided on this learning path.



ICRA Champs & the Journey

ICRA employees believe in the trust and the mission of the Company, and they have not only dedicated themselves towards their work, but they have also displayed a strong passion for philanthropic work.



Some have offered career guidance to school students, while others have taken financial literacy training for women entrepreneurs, apart from physical activities.



The ICRA Champs regularly held online sessions on business management, career counselling and motivational discussions with beneficiaries. Overall, ICRA's employees have volunteered time and resources to enable the dreams of children and the elderly. Their sense of ownership is commendable, and the Company is a strong proponent of the power of the ICRA Champs.

ICRA's employees are an essential factor in the success of Its CSR initiatives, which is evidenced by the time they contribute to guide and support beneficiaries in various ways.

800

Marginalised youth
trained

EMPLOYEE ENGAGEMENT

The success of ICRA is driven by its talented and dedicated employees. The Company is committed to employee engagement and development, recognising that engaged and motivated employees are essential to achieving its objective and delivering value to its clients. ICRA believes that employee engagement is not only a moral imperative but also a strategic one, and the Company invests in various initiatives to foster a positive work culture and support the professional growth of its employees.

Unwind and Recharge: ICRA's leisure activities for employees

ICRA understands the importance of employee engagement and creating a fun and healthy work culture. As a part of its efforts to promote a positive work environment, ICRA organises a variety of activities and events throughout the year. From the Employee Talent Showcase and New Joiners' Engagement to Fun Games at the office and the Map the City Challenge, there is always something exciting happening at ICRA. Other popular activities include Musical Fiesta, Creative Gallery, Children's Day Celebration, Online Tambola, ICRA's Got Talent, and Christmas Bingo. These activities not only help employees unwind and recharge but also foster a sense of community and team spirit within the organisation.



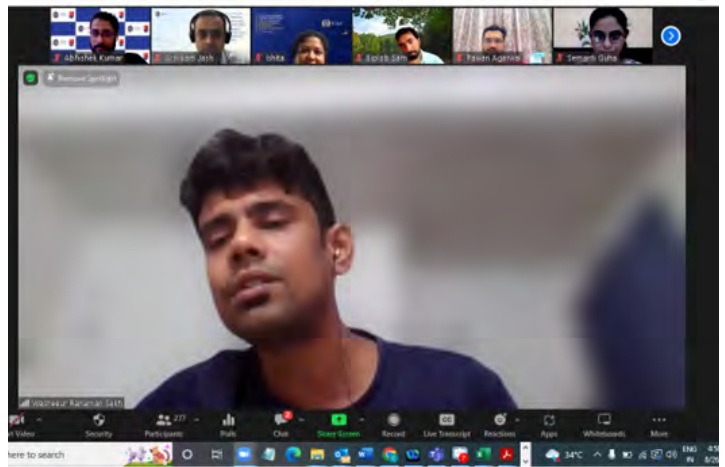
• A platform for employees to showcase their talent



• A group activity with a themed wall to engage new employees starting work from the office



Employee engagement activities in the office



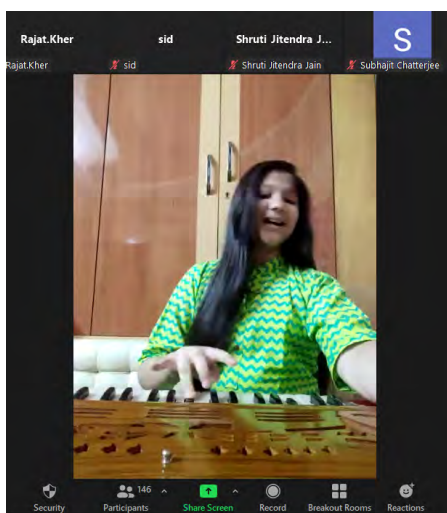
Employees showcased their singing talent in memory of singer Krishnakumar Kunmath



Musical event with external performers during Durga Puja



Children's Day celebration



3rd edition of ICRA's Got Talent organised during Diwali



Online Tambola organised to celebrate Dussehra

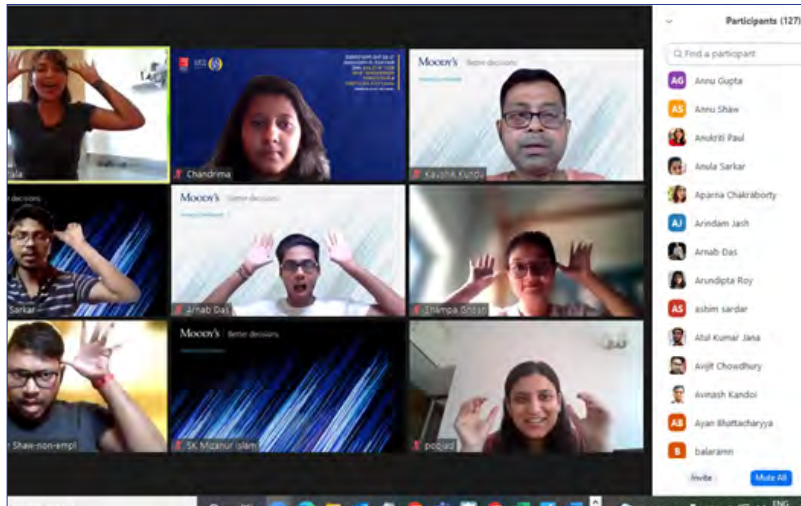
Healthy Bodies, Happy Minds: ICRA's wellness and sports activities

ICRA values the importance of a healthy and active lifestyle and strives to create a supportive and energising work environment for its employees. Through its employee engagement activities, ICRA provides a range of activities aimed at promoting physical, mental, and emotional well-being. From live yoga sessions and

corporate runs to indoor cricket tournaments and trial runs, ICRA offers opportunities for employees to stay active and engaged. In addition, ICRA emphasises the importance of maintaining a healthy work-life balance through workshops and initiatives focused on topics such as 'digital detoxing' and 'setting healthy boundaries.'



• Independence Day Corporate Run with the leader board



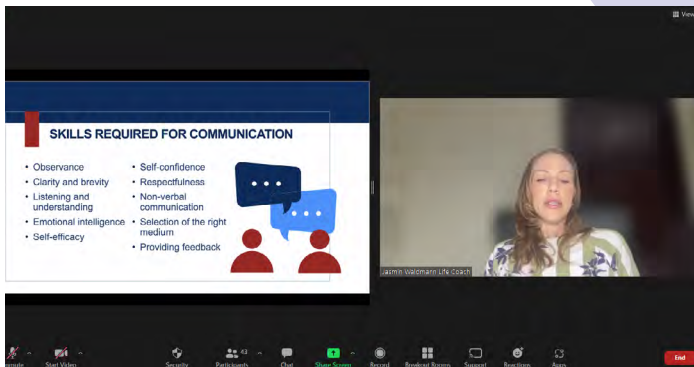
• World Yoga Day celebration to support employee wellness



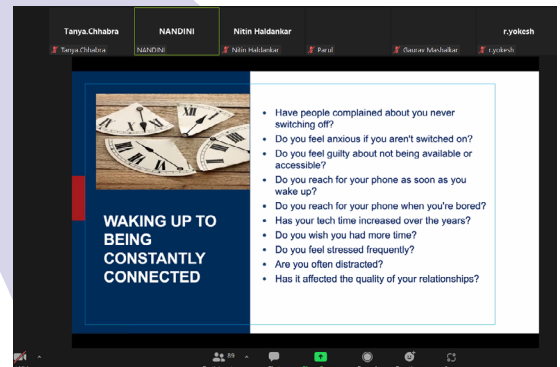
• 19th Corporate Indoor Cricket Tournament



• JBG Kolkata Trail Run



- EAP Session, Canvas of Life - What makes life meaningful



- EAP Session, Switching Off - Life beyond digital devices

Empowering Growth: Skill and Personal Development

ICRA focuses on enabling employees to reach their full potential through learning and development opportunities.


Through initiatives like 'Discovering Unconscious Biases,' 'Speak for Success,' and 'Moody's APAC EnAble,' ICRA is committed to providing a supportive environment for employees to enhance their skills, knowledge, and personal growth, while having a positive impact on the society.



- EAP Session - Discovering unconscious biases

ICRA MAKING WAVES





ICRA is committed to fostering connections with its clients and stakeholders through market outreach initiatives and events.

The Company's efforts include participating in industry events, hosting investor meetings and webinars, and delivering thought leadership through its research reports and publications. ICRA recognises the importance of building strong relationships with its clients and stakeholders, and its approach to engagement reflects this well.

ICRA Market Outreach Event in September 2022



ICRA Market Outreach Event in February 2023



ICRA Key Market Webinars



Moody's-ICRA Joint Webinar on
Indian Airlines and Airports –
Rising traffic but stiff headwinds

Join our analysts and the industry leaders as they discuss the prospects for a sustained recovery for Indian airports and airlines amid stiff macro and competitive headwinds

Wednesday, November 23, 2022 | 2:30-3:30 PM IST

Discussion Agenda:

- Has passenger traffic sustained recovery to pre-pandemic levels?
- Will macro headwinds and intense competition derail the earnings recovery for airlines and airports?
- What are airports doing to broaden their non-aeronautical revenue base?

REGISTER NOW

Moody's Investors Service:

ICRA Limited:

Opening Remarks:
 Mr Ray Tay, Senior Vice President, Moody's Investors Service

Presentation By:
 Mr Spencer Ng, Senior Credit Officer & Vice President, Moody's Investors Service
 Ms Kanjal Shah, Vice President & Co-Group Head, Corporate Ratings, ICRA Limited

Panel Discussion:
 Mr Ankur Goel, Chief Financial Officer, Akasa Air
 Mr G.R.K. Babu, Chief Financial Officer, GMR Airports Limited
 Mr Spencer Ng, Senior Credit Officer & Vice President, Moody's Investors Service
 Mr Shamsheer Dewan, Senior Vice President and Group Head, Corporate Ratings, ICRA Limited

Moderator:
 Mr Abhinav Tyagi, Senior Credit Officer & Vice President, Moody's Investors Service

ICRA's Participation in Industry Events



#BS_BFSI Summit

"India's export markets will be in a lot of trouble next year"

Aditi Nayar
Chief Economist, ICRA



AGSP ANNUAL GAS CONCLAVE

Sabyasachi Majumdar
Group Head and Senior Vice President, ICRA

DIGITAL IMPRESSIONS

ICRA’s impact goes beyond the traditional realm of financial markets, and social media provides a platform to showcase its reach and influence.

The Company greatly values organic and earned conversations around its brand, fueled by influencers who have tagged ICRA or used its reports in their social media posts. These digital impressions are a testament to the Company’s reputation for providing reliable and insightful analysis.

Earned Conversations



Mr. Subir Hazra

Mr. Subir Hazra, Chief Commercial and Strategy Officer at GMR Services, GMR Group has shared the ET Infra Story on his LinkedIn profile, quoting our estimates from our half-yearly note.



Mr. Purnesh Modi

Mr. Purnesh Modi, Cabinet Minister of Roads and Building -Govt. of Gujarat has retweeted the Livemint Story via NaMo App, quoting our estimates.



Ms. Nirmala Sitharaman

We are pleased to share that our report from March 2022 on the Indian Capital Good Sector was mentioned by honourable Finance Minister Ms. Nirmala Sitharaman, during her speech in the Rajya Sabha. In her speech, she mentioned ICRA and cited the report “the healthy CAPEX for energy (power generation, predominantly renewable and storage, transmission, oil & gas, green hydrogen), digitalisation (including data centres), core (cement, metals) and corporate sectors”.



Mr. Tajinder Pal Singh Bagga

Mr. Tajinder Pal Singh Bagga, National Secretary BJP Youth has retweeted the The Economic Times story via NaMo App, quoting our estimates.

ICRA IN NEWS

THE TIMES OF INDIA

Apr-Sept air traffic may grow 111%: Icra

Saurabh Sinha
@timesgroup.com

New Delhi: October 9 witnessed the highest number of domestic flyers since the Covid outbreak in March 2020. Union aviation minister Jyotiraditya Scindia tweeted: "On the road to full recovery, the Indian civil aviation has not only hit 4-lakh daily passengers mark, but also achieved the highest numbers since pre-Covid 19 era! Way to go, India."

For the last few months, steep airfares due to record high aviation turbine fuel prices and record low rupee-dollar exchange rate meant that the daily domestic air traffic was stuck way below the four-lakh mark. Airlines were expecting a recovery in air travel after Dussehra and to see this uptick in trav-



el continuing till early January before the lean travel quarter (Jan-March) kicks in. After the first Super Sunday post-Covid, domestic air traffic went below the 4-lakh mark the next day as is usually the case post weekends.

Rating agency Icra estimates domestic passenger traffic for April-September 2022 at about 6.3 crore, a YoY growth of 111%, and lower by only 11% compared to pre-Covid April-September 2019.

THE ECONOMIC TIMES

Inflation Remains Centre-Stage



Ramnath Krishnan

has been a rise in the system liquidity surplus in early December 2022. So, MPC maintained its stance of remaining focused on withdrawal of accommodation.

Since MPC has now cumulatively hiked the repo rate by 225bps. As per analysis of portfolio entities in interest rate-sensitive sectors like roads and power, the credit profiles of most entities seem to have the tolerance to accommodate the level of interest rate hikes seen so far. They either have the pricing power that emanates from their contractual agreements or have the backing of strong sponsors.

Despite the rate hikes, bank credit growth has been exuberant at a decade-high 17.5% year-on-year as on November 15, 2022. This reflects a combination of factors such as the recovery in economic activity, higher working capital requirements, shift from external commercial borrowings (ECBs) to local financing as well as from the bond/commercial paper

(CP) market to bank credit. While the increase in the repo rate in H1 FY2023 was largely passed on to the borrowers linked to external benchmarks, the transmission to other borrowers was incomplete, as the median increase in the 1-year marginal cost of funds-based lending rate (MCLR) has been lower.

Despite the transmission of policy rate hikes to home loan interest rates, the residential real estate sector maintained its growth trajectory in H1 FY2023 and the sale volumes in the top seven cities grew by 8% on a year-on-year basis, supported by continued end-user demand and good affordability. Even after today's hike, the interest rates would remain lower than the peak interest rates, and demand for residential real estate should remain firm, primarily driven by aspiration and healthy affordability that is expected to keep pace with the increase in EMI burden.

The deposit growth for the banking system stood at a relatively moderate 9.9% as on November 18, amid an incomplete pass-through of the repo hikes to deposit rates. Das added that a close watch is being kept on such transmission.

With a strong base effect coming up, bank credit growth is expected to settle 15-16% by end FY2023, and to moderate further to 11-12% in FY2024. Deposit growth should be at 6%, even in FY2023 and FY2024. The competition for deposit mobilisation is likely to push up the overall deposit rates further and, eventually, the overall cost of funds for banks, leading to moderation in the interest margins in

coming quarters. On liquidity, the governor said that conditions are expected to improve even as sporadic episodes of tightness may re-emerge. He cautioned market participants to win themselves away from the overhang of liquidity surplus. Upon durable signs of a turn in the liquidity cycle when banks draw down large part of standing deposit facility (SDF) and variable rate reverse repo (VRRR) balances, liquidity injection operations may be forthcoming.

What do the rate hikes mean for the nascent capex revival? The recovery in domestic investment activity was tentative in Q2 FY2023, owing to geopolitical tensions, weakening external demand and clarity around the sustainability of domestic demand. With multiple states holding investor meets in Q3 FY2023, the new project announcements are expected to spike in this quarter, although the interest to invest may not be immediate.

The stagnation of consumer demand after the festive season will crucially influence the capacity utilisation levels, and guide the pace of capacity expansion in the coming quarters. Also, a step-up in the state governments' own capex would help support investment demand, amid the ample fiscal space available with them.

MPC has signalled that inflation remains centre-stage, with growth concerns being somewhat secondary. So, it is unlikely to shy away from more rate hikes if headline and/or core inflation remains stubborn.

The writer is managing director group CEO, Icra



It still lingers

THE TIMES OF INDIA

THE TIMES OF INDIA

Opinion Times View Readers' Blog Times Evoke City India World Entertainment Sports Spirituality Business

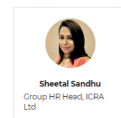
NEWS / BLOCS / INDIA / Gender diversity in the workplace

INDIA

Gender diversity in the workplace

April 23, 2023, 2:46 PM IST / Sheetal Sandhu in Voices, India, TOI

FACEBOOK TWITTER LINKEDIN EMAIL



Sheetal Sandhu Group HR Head, ICRA Ltd

While the Indian economy is inching towards the \$5 trillion mark, its poignant to wonder if the pace of the country's progress is being marred by an inadequate effort to engage women to create value in workplaces productively. Various studies indicate a huge gap in the gender ratio in workplaces, with research identifying that six in every 10 jobs prefer male candidates to women.

Some studies also point out the decrease in Indian women's participation in the workforce to 19% over the past three decades while others feature the alarming gender gap in senior management positions – additionally, women hold only 17% of the Board seats and 5% of the CEO positions.

Business Standard

13 states can incur capex of ₹7.4 trillion in FY23: ICRA

About 13 states, which have a 85 per cent share of the country's gross domestic product (GDP), have a fiscal space of ₹7.4 trillion for capital expenditure in the current fiscal (FY23). This is 81 per cent higher than the capex of ₹4.1 trillion incurred by them in FY22, according to ICRA. The assessed funding potential is 29 per cent higher than their FY23 Budget Estimate of ₹5.8 trillion. The assessment factors in aspects like funds that may be available from the unconditional market borrowings of 3.5 per cent of gross state domestic product, and the interest-free capex loan to be provided by the Centre to states. The analysis is based on Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal. ABHIJIT LELE

CORPORATE INFORMATION

CHAIRMAN EMERITUS

Mr. D. N. Ghosh

BOARD OF DIRECTORS

Mr. Arun Duggal, Chairman
Non-Executive Chairman and 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 Long
Non-Executive and Non-Independent Director

Mr. Ramnath Krishnan
Managing Director & Group CEO

RATINGS SUB-COMMITTEE

Mr. Michael Foley
Chairman

Mr. Arun Duggal

Mr. Stephen Arthur Long

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Ranjana Agarwal
Chairperson

Ms. Shivani Priya Mohini Kak

Mr. Michael Foley

Mr. Ramnath Krishnan

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

Mr. Arun Duggal

Ms. Ranjana Agarwal

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

Mr. Ranjana Agarwal

Ms. Radhika Vijay Haribhakti

Ms. Shivani Priya Mohini Kak

Mr. Ramnath Krishnan

AUDIT COMMITTEE

Ms. Ranjana Agarwal
Chairperson

Mr. Arun Duggal

Ms. Wendy Huay Huay Cheong

Ms. Radhika Vijay Haribhakti

STATUTORY AUDITORS

B S R & Co. LLP
Chartered Accountants

GENERAL COUNSEL

Mr. Amit Kumar Gupta

GROUP CHIEF FINANCIAL OFFICER

Mr. Venkatesh Viswanathan

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S. Shakeb Rahman



STATUTORY AND FINANCIAL SECTIONS

Directors' Report

To,
The Members,
ICRA Limited

Your Directors have the pleasure in presenting the 32nd Annual Report of your Company along with the Audited Financial Statements for the year ended March 31, 2023.

Financial Performance

Revenue from consolidated operations for the year was Rs 40,323 lakhs, compared to Rs 34,281 lakhs in the previous year, an increase of 18%. The overall Operational Expense for the year was Rs 27,157 lakhs, against Rs 23,159 lakhs in the previous year. Profit after tax was Rs 13,673 lakhs, against Rs 11,353 lakhs in the previous year.

Particulars	Consolidated	
	2022-23 (Rs lakhs)	2021-22 (Rs lakhs)
Revenue from operations	40,323	34,281
Other income	4,955	4,088
Total income	45,278	38,368
Total expenses	27,157	23,159
Profit before tax	18,121	15,209
Total tax expense	4,449	3,855
Profit for the year	13,673	11,353
Total other comprehensive income, net of tax	(163)	(38)
Total comprehensive income for the year	13,510	11,316

Particulars	Standalone	
	2022-23 (Rs lakhs)	2021-22 (Rs lakhs)
Revenue from operations	22,254	19,473
Other income	6,557	4,542
Total income	28,811	24,015
Total expenses	17,097	14,680
Profit before tax	11,713	9,335
Total tax expense	2,120	2,004
Profit for the year	9,593	7,331
Total other comprehensive income, net of tax	(42)	47
Total comprehensive income for the year	9,551	7,378

Review of Operations

Rating Services

Market and Business Overview

The credit rating industry grew significantly in FY2023 despite the inflationary pressures and the fears of global recession due to the geo-political challenges arising out of the Russia-Ukraine war. The growth in rated volumes for the industry was backed by growth in bank credit outstanding by more than 15% and bond issuances by 28%. High global interest rates as global central banks tackled inflation and uncertainty on exchange rates pushed the domestic borrowers to the domestic funding market. Bank credit showed stronger growth in the first two quarters over bond issuances as bond yields rose faster than the bank Marginal Cost of Funds-based Lending Rate [MCLR], reflecting quicker transmission of the increase in policy rates by the Reserve Bank of India [RBI] to stem inflationary pressures.

Bank credit offtake to large industries witnessed a strong rebound after sluggish growth during the pandemic years. This growth was supported by higher working capital requirements due to inflationary pressures and an uptick in private capex. In addition, bank funding was available at cheaper rates compared with bonds and overseas borrowing. After a sluggish first half, bond issuances grew strongly in the second half of the year as bank MCLRs increased bond issuances from the NBFCs and corporates as interest rates on

bank loans started converging with bond yields. Strong bank credit growth resulted in banks tapping infrastructure bonds, tier II bonds and Certificates of Deposits (CDs). As mutual funds (MFs) preferred to invest in CDs, the Commercial Paper (CP) outstanding remained flat in FY2023.

Your Company grew its share in both the bank loan and the market debt segment as private sector borrowings increased sharply and your Company was able to improve its share of the same. Your Company was able to enhance its market position in terms of the volume of debt rated and also added some prominent and leading companies to its list of clients. Some novel transactions were rated involving–

- First cross collateralised loan structure for retail malls
- Two of the largest Electric two-wheeler Original Equipment Manufacturers
- Several SPVs of a group running Electric Vehicle (EV) bus operations
- PTC transaction involving pool originated under co-lending partnership
- AIF ratings addressing the capital protection available to the investors

In addition, your Company has been able to gain a sizeable share of ratings of Security Receipts [SRs] of Asset Reconstruction Companies [ARCs] in the last year.

Your Company, in the last financial year, continued to benefit from its focus on the growth segments of the economy such as the financial and infrastructure segments. Adoption of this approach helped improve the revenue compared to the previous year. The structured finance business saw an increase in the number of transactions and volumes over the previous year with growth in the books of NBFCs/HFCs. 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.

Corporate Sector

The Indian Corporate sector witnessed steady business momentum supported by consumption and investment activity. The pace of private sector capital expenditure improved in the second half of FY2023 and, if sustained, would also be a positive for the credit demand from corporates. Private capex, over the near to medium term, would continue to be supported by the general uptick in macroeconomic activity, as well as several supportive policy measures in place such as the PLI, Aatmanirbhar Bharat etc. In addition to these policy-tailwinds, the China+1 strategy adopted by many global players augurs well for Indian companies, and investments in sectors where India can emerge as a major exporter.

Overall, ICRA expects the pick-up in private capex to be more visible in select sectors. For example, several steel players announced expansion plans with a pick-up in infrastructure and industrial activity, resulting in healthy demand. In the automotive sector, demand pick-up coupled with investments for localisation under several schemes such as Phased Manufacturing Programme (PMP) under the FAME II, the PLI for auto-components and Advanced Chemistry Cells (ACC) etc. are supporting investments in both the OEMs as well as the ancillary space. Investments in infrastructure such as data centres, to support the digitisation journey of the country, are also picking up momentum and are expected to remain healthy over the near to medium term. Regulatory and policy push for environment-related mandates also augurs well for investment in related infrastructure such as green hydrogen, scrappage centres, recycling facilities, renewable energy, charging infrastructure etc. to enable compliance to these policies. In addition, the oil & gas and petrochemicals sectors continue to invest in brownfield capex on modernisation, and expansion. Accordingly, there are several avenues for private capex to pick up pace going forward. Nonetheless, sectors or entities that face demand pressures, have limited pricing power, and are high on leverage are likely to face pressure on their credit profiles in FY2024, when the impact of the higher interest rates gets transmitted to the MCLR/base rate linked loans.

Financial Sector

As the effects of pandemic on the asset quality of lenders waned, we witnessed all categories of lenders i.e., banks, non-banking financial companies (NBFCs), housing finance

companies (HFCs) pursue credit growth in FY2023. The strong credit growth across banks, the NBFCs and the HFCs amid tighter liquidity conditions fuelled refinancing demand, thereby leading to higher quantum of bond issuances from all-India financial institutions (AIFIs). To meet the increased funding requirements amid tighter liquidity conditions and slower deposit growth, banks' bond issuances (including AIFIs) nearly doubled to Rs 2.0 trillion in FY2023 compared to the previous year.

While the impact of rising bond yields and uncertainty posed by the war impacted bond issuances by the NBFCs and the HFCs during Q1 FY2023, strong financial performance and attractive bond yields lured investors with bond issuances rising by an overall 27% on a YoY basis to Rs 4.0 trillion in FY2023. Apart from strong traction in the debt issuances by financial sector entities, the strong growth in assets under management for the NBFCs and the HFCs also led to increase in credit flow from banks to these institutions in FY2023. The bank credit to the NBFCs and the HFCs including public financial institutions rose by 32% during FY2023 [year-on-year as of Feb 2023] to Rs 13 lakh crore. To meet the strong credit growth vis-a-vis deposit growth, the certificate of deposits (CDs) volume outstanding rose by 65% on YoY basis to over Rs 3.0 lakh crore. As the mutual funds preferred CDs over CPs, the latter saw a muted growth of just 0.4% in terms of the outstanding amount for FY2023. With higher bond yields and uncertainty on outlook on yield movements, many mutual funds (MFs) launched target maturity schemes leading to an increase in demand for ratings of various mutual fund schemes.

The rate transmission of recent policy rate hikes was more gradual in the deposit rates of banks vis-a-vis debt capital markets, creating an attractive opportunity for life insurance companies to push guaranteed return products. The recent changes in regulatory guidelines for raising sub-debt by insurance companies could see a rise in bond issuances by insurance companies to meet capital requirements. Despite an expected moderation in loan growth amid rising interest rates, the growth outlook for lenders continues to remain positive for the current year; however, changes in taxation laws could impact the near-term growth in life insurance and the MF segments.

Structured Finance

The domestic securitisation volumes witnessed a sharp uptick to about Rs 1.8 lakh crore in FY2023 against about Rs 1.2 lakh crore in FY2022 supported by the healthy credit demand for the NBFCs and the HFCs as the macro-economic situation improved in the country. The securitisation volumes in Q4 of the fiscal were the highest quarterly volumes seen since the spread of the pandemic. The investor sentiments have revived supported by the stable performance of the retail loan pools seen over the past year. 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, business loans and personal loans, had also seen a good pick-up during the year as the challenges arising from the pandemic have abated. The need for certain loan pools to meet priority sector lending (PSL) targets for banks has also driven growth in the securitisation market.

In FY2023, 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 for the second year in a row as the overall market size improved and also managed to deepen its presence by carrying out assignments for new originators, including the maiden transactions for some large-size NBFCs. In FY2023, your Company was involved in rating new and complex structures such as revolver structures as well as securitisation of trade receivables. Your Company also saw a healthy growth in recovery rating of Security Receipts issued by Asset Reconstruction Companies (ARCs) and increased its partnership with such ARCs. 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 expects the expansion in Indian GDP (at constant 2011-12 prices) in FY2024 to moderate to 6.0%, with global slowdown concerns likely to constrain exports. Domestic demand is expected to be resilient albeit uneven, with consumption of services likely to continue to be prioritised over goods. A potential El Nino-weakening monsoon rainfall and high crude oil prices pose upside risks to inflation and could affect the pace of demand in FY2024. The sharp expansion in capital spending budgeted by the Government of India (GoI) and several states should support investment activity, although execution remains key. ICRA expects a rise in capacity utilisation to ~75% in Q4 FY2023, which should boost private sector capacity expansion in FY2024. An upside to our projections could occur with a faster-than-expected pick-up in Government spending, with a downside of up to 50 bps stemming from a deficient monsoon.

Inflation is expected to moderate but print well above the mid-point of the Monetary Policy Committee's (MPC's) medium-term target band of 2-6%. After 250 bps of rate hikes in FY2023, the MPC unanimously voted to keep the policy repo rate unchanged at 6.5% in its First Bi-monthly Monetary Policy Review for FY2024. While it retained the stance of 'withdrawal of accommodation', it revised the wordings to 'ensure inflation progressively aligns with the target, while supporting growth'. Given the heightened uncertainty around financial conditions in advanced economies, as well as evolving domestic inflation risks arising from adverse weather conditions and the El Nino,

the MPC has highlighted that it will continue to stay vigilant and would not hesitate to take further action as may be required in its future meetings. If inflation does not fall in line with the MPC's assessment for Q1 FY2024, a final hike could be in the offing, especially if financial stability concerns recede. Following the unexpected pause, short term rates eased, steepening the yield curve. 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 – both ongoing and those in the pipeline.

Notwithstanding the expectations of some moderation in credit demand because of higher interest rates, credit growth is expected to remain strong in FY2024. This will also be aided by the high likelihood that domestic funding sources will continue to remain competitive vis-a-vis elevated global rates for most borrowers. As the incremental credit demand in FY2023 was partially met by lenders by drawing down the excess on-balance sheet liquidity, we expect that the resource mobilisation activity will remain strong in FY2024 despite expected moderation in credit growth. The incremental bank credit growth is expected to be strong at Rs 15-16 lakh crore during the current year and will be the highest for any year barring FY2023. A higher base would, however, moderate the YoY bank credit growth to 11.0-11.7% for FY2024. A moderation in bank credit growth could result in moderation in bond issuances by banks compared to FY2023, however, we expect that tighter liquidity conditions will result in a further improvement in credit spreads. This shall support investor appetite for corporate bonds whereas rising benchmark lending rates of banks could make bonds an attractive option for the issuers. Hence despite an expected moderation in bond issuances from banks, we expect the bond issuances to remain stable at near all-time high levels of Rs 8.7 lakh crore witnessed in FY2023.

The 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. To meet the NIP targets, significant catchup in budgetary allocations is required in the next couple of years. This is also reflected in the increase in capex allocations by the Government of India to Rs 10 lakh crore in FY2024 BE which augurs well for the sector.

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 and is estimated at Rs 2.5 trillion in the next three 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.

The securitisation market is poised for a healthy growth in FY2024 supported by improving economic conditions and growing business activities of the NBFCs and the HFCs. The healthy disbursements seen in H2 FY2023 would also increase the quantum of eligible loans available to securitise in the current year after taking care of the RBI's requirements for a minimum holding period. The impending merger of a large HFC with a bank would reduce the loan sell-down market, though your Company's business would remain unimpacted as rating agencies were not involved in these transactions. 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

India Inc.'s credit quality continued its strong rebound in FY2023, sustaining the positive momentum initiated in FY2022, post the pandemic's adverse impact on businesses seen in the previous year. Although rating reaffirmations largely reverted to the 10-year average of 80% in FY2023 (compared to 77% in FY2022), the ratings that underwent a change remained skewed towards upgrades. As in the previous fiscal, FY2023 saw almost three upgrades for every downgrade.

As the credit quality improved, the occurrence of defaults were also lower in FY2023. There were only 22 defaults in ICRA's portfolio in FY2023, compared with 42 in FY2022 and 44 in FY2021. This trend has been consistent with the general improvement witnessed in the asset quality indicators of banks and non-banking finance companies.

Real estate, financials, and textiles were the top three sectors in terms of rating upgrades. The warehousing and the office segments, where improved leasing activity and rising occupancy levels supported credit profiles, led upgrades in the real estate sector. In the financial sector, several small to mid-sized NBFCs and housing finance companies (HFCs) were upgraded. These entities had been showing a track record of consistent business growth while maintaining/improving their asset quality and capitalisation metrics. In the textiles sector, ICRA upgraded the ratings of several branded apparel manufacturers and retailers with their business volumes benefiting from the tailwinds of formalisation, including the shift in customer preferences towards branded wear.

The hospitality sector, among the most severely affected by the pandemic, witnessed an equally strong rebound over the

past one year. With both revenues as well as profitability expected to exceed the pre-Covid levels in FY2024, the credit quality is set to improve, which has been driving upgrades in the sector since the second half of FY2023. ICRA has a Positive outlook on the hospitality sector.

Inflationary pressure amid weak pricing power was one prominent credit themes that prompted downgrades in FY2023. The debilitating effect of cost inflation was seen across multiple sectors, including building materials, food products, pharmaceuticals, gas-based power plants, etc. Rs depreciation against the US Dollar provided another inflationary prop to commodity prices, and hence weighed on profits.

With economic growth in the advanced economies expected to falter in FY2024, the export-oriented sectors like textiles and gems & jewellery will likely face demand headwinds in the near term, a phenomenon already in play since H2 FY2023. The IT services sector too could face demand challenges depending on the extent to which discretionary IT spending slows, following the global macro-economic headwinds, setbacks seen in the financial services sector in the US (marked by recent regional bank failures), and the adverse impact on the technology sector caused by the retraction of easy money policies and its manifestation in employee lay-offs.

Another risk to watch out for is the interest rate risk. While the asset quality of banks and financial institutions has been improving steadily, the key downside risk stems from the possibility of an unexpected rise in bad loans when the full impact of the rise in interest rates in FY2023 starts reflecting in the P&L of borrowers in FY2024. A further rise in interest rates (beyond the 250-bps hike in repo rates in FY2023) will test the resilience of the asset quality improvement trends.

Furthermore, looking ahead, the geopolitical machinations and the attendant risks of supply chain disturbances, stubborn inflation, and volatile capital flows, could challenge the gains in credit quality.

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 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	0.0%	0.1%	0.8%
AA	0.0%	0.1%	0.6%
A	0.0%	0.4%	0.9%
BBB	0.4%	1.4%	3.0%
BB	3.0%	5.3%	7.8%
B	2.6%	5.5%	8.8%
C	11.0%	16.4%	22.5%

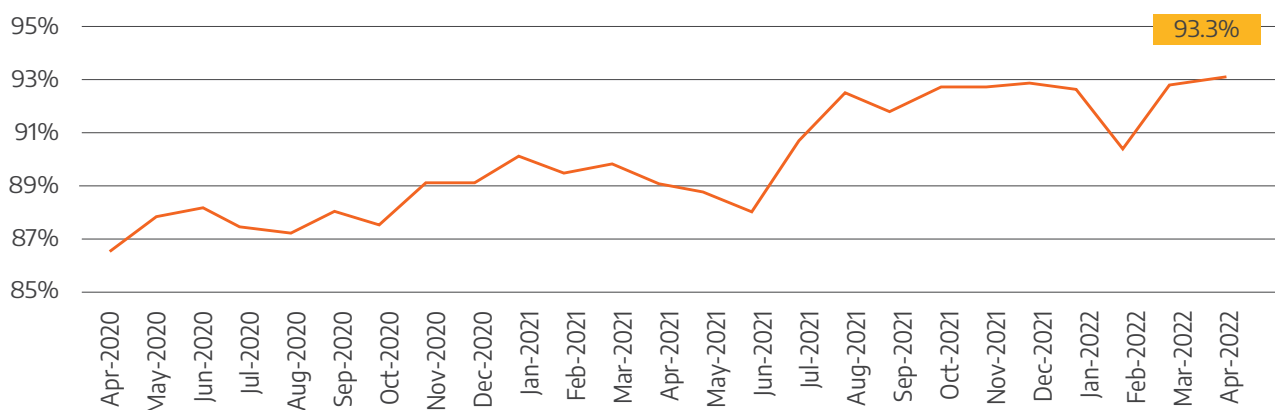
Latest short-run average default rates for short-term instruments (reflects an average of two-years; computation approach as defined by SEBI)

Rating Category	1-Year Default Rate
A1+	0.0%
A1	0.0%
A2	0.1%
A3	0.4%
A4	2.6%

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	97.6%	0.9%	0.0%	0.7%	0.2%	0.0%	0.0%	0.5%
AA	2.7%	93.9%	3.1%	0.1%	0.0%	0.0%	0.0%	0.2%
A	0.3%	5.5%	90.3%	3.6%	0.1%	0.1%	0.1%	0.1%
BBB	0.0%	0.3%	7.3%	87.0%	4.2%	0.1%	0.0%	1.0%
BB	0.0%	0.1%	0.2%	5.6%	86.5%	2.6%	0.1%	4.9%
B	0.0%	0.0%	0.0%	0.0%	7.6%	81.4%	0.3%	10.7%
C	0.0%	0.0%	0.0%	0.0%	0.0%	14.8%	45.9%	39.3%

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 ICRA Business Activity Monitor, Investment Tracker, Interest Rate Outlook, The Climate Series reports, NBFC-MFIs, export duties etc.

During the year FY2023, your Company has shown a strong growth in its research revenue with subscription from entities across sectors – MFs, banks, NBFCs, corporates, multilaterals, consulting firms as well as management institutes. A good renewal rate amongst the existing clients along with acquisition of many new 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 and industries and rating roundups through its webinar series, including a few with Moody's Investors Services, thereby building a strong market franchise. Your company also published many high impact notes on emerging themes making research a high value proposition for its clients.

Your Company's Credit Perspective Reports (CPRs) continue to attract eyeballs because of the enhanced analytical content, making it valuable for the investors.

ICRA Research has an ongoing coverage on more than 60 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. We organised physical conferences on contemporary topics such as Infrastructure, Renewable Energy, INVTs/REITs, Data Centres and Financial sector revival, which attracted overwhelming participation by investors, intermediaries, and issuers. We also continued with our practice of organising webinars on various industry related developments, with a good mix of internal and external panelists, which saw robust participation from various stakeholders. Some of these were coupled with media interactions to promote your Company's visibility and brand.

Automation Initiatives at ICRA

ICRA's automation initiatives have yielded tangible benefits over the past year, and these efforts have allowed ICRA to streamline processes, reduce manual effort, improve the overall quality of work, and help strengthen compliance to the regulatory framework.

Significant investments have been made into improving ICRA's technology stack over the past year, including the automation of standardised documents, system-generated alerts for regulatory timelines, and digitisation of internal rating frameworks. These initiatives helped improve turnaround times, reduced errors, and provided clients with higher quality deliverables. Furthermore, the initiatives helped strengthen ICRA's controls framework and ensured compliance with regulatory requirements.

Your Company has also enhanced its customer relationship management (CRM) solution thereby helping to achieve efficiencies in business development, invoicing, revenue recognition and internal controls. This has also helped improve the lead to opportunity conversion and conduct data analytics.

As part of its efforts to improve its overall technology, ICRA developed a comprehensive three-year technology roadmap that includes upgrading existing infrastructure, investing in new technologies, and enhancing IT security measures. The company is committed to building a state-of-the-art infrastructure that will enable it to better serve clients and support growth ambitions. Efforts are also under way to integrate ICRA's various systems and platforms, which will streamline processes, reduce manual effort, and improve the overall quality of work. The company has also got the right talent, which is critical for success in this area, and has invested in recruiting and retaining top talent.

ICRA's renewed focus on creating a dynamic, agile and integrated information technology infrastructure is in line with the vision to improve operations and better serve clients. ICRA is confident that these efforts will enable it to maintain its leadership position in the industry and deliver even greater value to clients.

Change in Nature of Business

During 2022-23, there was no change in the nature of business of your Company. The CRAs are not allowed to carry out any non-rating activity except only those activities that are specifically permitted by SEBI or any of the specified financial sector regulators. In FY2021-22, SEBI mandated the credit rating agencies to monitor the end use of equity issue proceeds, which was till then being done by banks. During this year, SEBI further expanded this role to include monitoring of preferential issues and Qualified Institutional Placements (QIPs) as well.

Analytics Business

During the year under review, ICRA Analytics Limited (ICRA Analytics), a material subsidiary of your Company registered a 23% growth in operating revenue to Rs 17,413 lakhs (previous year Rs 14,107 lakhs) and profit after tax (PAT) going up by 26 % to Rs 6,254 lakhs (previous year Rs 4,972 lakhs).

Drawing upon more than two decades of experience and a track record of executing over 10,000 assignments, ICRA

Analytics has developed extensive expertise across diverse domains. Clientele includes banks, NBFCs, fund managers, intermediaries, investors, and corporates. Leveraging domain expertise and functional competence, your Company has successfully designed and implemented products, services, and solutions in Risk Management, Data Management, Financial and Accounting Analysis, Bond Valuation, and Financial & Risk Advisory. In addition to expanding reach to previously untapped client segments, ICRA Analytics has introduced new offerings to the portfolio, such as Treasury Solution, workflow & decision facilitation tool/platform for fund managers and other bespoke offering for clients. Keeping pace with the evolving landscape, your Company has enhanced capability with cutting-edge technologies like analytics, automation, and cloud, utilizing them to launch contemporary cloud-hosted products with heightened analytical proficiency for all client segments.

Your Company had a very robust orderbook made possible by significant wins from new and existing clients across all lines of business. Several new assignments and initiatives were undertaken across all the businesses leading to growth in business and capabilities. Grading of Energy Services companies, developing a framework for stress testing of securities portfolio, automating generation of scheme summary documents, online polling tool to collate opinion on market movement from market participants, complex analytical support work for ESG, Corporate Finance, etc. are examples of new work executed by your Company. Apart from extending the out-reach activities, roll-out of new and enhanced solutions like cloud-hosted workflow and analytical solution for corporate treasuries, mutual fund ranking tool, capability assessment of fund management added to the product repository of your Company. Launch of an improved company SEO-friendly website with e-commerce capabilities was another notable achievement.

ICRA Analytics demonstrates a strong process and compliance orientation, as evident from the ISO27001:2013 and ISO9001:2015 certifications. These frameworks enable the Company to continually improve productivity, operations, and security measures. Based on the recent certification exercise, ICRA Analytics has been re-certified as a Great Place to Work for the CY 2023, for fourth consecutive years. The organization remains dedicated to upskilling and engaging with its talent pool of over 800+ trained and qualified personnel, as a key initiative to add value to its customers through innovation and efficiency.

Subsidiary Companies (including step-down subsidiaries)

At the beginning of the year 2022-23, 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, 2023, 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	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

*liquidation initiated by the Company

**credit rating licence surrendered to the Securities and Exchange Commission, Sri Lanka, effective from February 28, 2023. ICRA Lanka Limited will initiate the voluntary liquidation which will be subject to approval of the regulator(s) in Sri Lanka

Highlights of performance of subsidiary companies and their contribution to the overall performance of the Company during the year 2022-23 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 2022-23, 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 salient features of the financial statements 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.

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, six meetings of the Board of Directors of your Company were held, on May 12, 2022, August 4, 2022, August 29, 2022, October 20, 2022, February 13, 2023, and March 23, 2023. The details regarding the attendance of Directors at the Board 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, as notified by the Ministry of Corporate Affairs.

Human Resources

Our human capital function has a strategic approach to nurturing and supporting employees and ensuring a positive workplace environment. During the year, the HR Department continued to uphold the Company's talent management strategy aligned to its business strategy focused on building leaders of tomorrow to foster business growth. A fundamental belief of our management philosophy is to invest in our employees and enable them to develop mutually beneficial skills and capabilities. With this objective, an Organisation Training Matrix was created based on key themes of need and development that were identified, and subsequently implemented training across levels and functions. A total of 16,159 manhours were spent on training and development during the Financial Year.

In alignment with the Company's long-term strategic plan, a robust Annual Talent Review process has been established via 9 Box assessment, which contributes to succession planning for critical positions. A 12-month journey - Leadership Accelerator Management Programme (LAMP) - was launched with the intent to provide a growth framework to individuals identified as High Potential.

Pursuant to the Company's talent management strategy and to enhance talent attraction and retention, we have revisited our Performance and Total Rewards Proposition by undertaking Benchmarking studies. Our overall benefits proposition was restructured in keeping with the latest market trends and practices.

We also seek to add value to the workplace by being cognizant of the changing dynamic of the workforce, particularly in the areas of diversity and equity. At ICRA, 50% board members are women, 35% of the total workforce comprises women, and they constitute 20% of the proportion of senior leadership. Almost 36% of the high performers are women and 34% of all promotions have been of women. Women contribute less to attrition (34%), and 31% of our hiring has been of female candidates.

Employee engagement is of paramount importance for our organisation and plays a critical role in creating an enhanced employee value proposition. During the year, numerous fun events were organised for employees and their families to participate in. The festive events saw good traction and were aimed at enhancing employee recreation. Additionally, frequent Employee Assistance Programme (EAP) sessions have also been conducted on themes of employee health and well-being.

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, 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\(ESOP\)_2023.pdf](https://www.icra.in/InvestorRelation/ShowCorpGovernanceReport/?Id=27&Title=Corporate%20Governance&Report=Disclosure%20by%20Board%20of%20Directors%20(ESOP)_2023.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=599&Title=Annual%20Return&Report=Annual%20Return%202022-23.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 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, 2023, the Company's issued, subscribed and paid-up equity share capital stood at Rs 9,65,12,310 (Nine Crore 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.

Directors and Key Managerial Personnel

During 2022-23, Dr. Min Ye, 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 Dr. Ye was effective from May 13, 2022. The Board places on record its appreciation for his valuable contribution and guidance throughout his tenure.

The Board of Directors of your Company had appointed Mr. Stephen Arthur Long as an Additional Director of your Company under the category of Non-Executive Non-Independent. Mr. Long's appointment was effective from May 13, 2022. The approval from members was obtained in Annual General Meeting held on August 4, 2022 for appointment of Mr. Long 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, Ms. Wendy Huay Huay Cheong is due to retire by rotation, and being eligible, has offered herself for reappointment, subject to approval by the Members of the Company at the forthcoming 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 profile of Ms. Cheong is presented in the Notice of the 32nd 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 2022-23, Mr. Amit Kumar Gupta, the Chief Financial Officer, appointed for an interim period, had stepped down as Chief Financial Officer, effective from August 30, 2022, and the Board of Directors at its meeting held on August 29, 2022, had approved the appointment of Mr. Venkatesh Viswanathan as a Group Chief Financial Officer effective from August 30, 2022, as recommended by the Audit Committee and the Nomination and Remuneration Committee of your Company.

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, 2023, 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 Board needs to consist of eminent persons of proven competency and integrity with an established track record. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the members are required to have a significant degree of commitment to the Company and should devote adequate time in preparing for the Board meeting and attending the same. The members of the Board of Directors are required to possess the education, expertise, skills and experience in various sectors and industries needed to manage and guide the Company. The members are also required to look at strategic planning and policy formulations.

The members of the Board should not be related to any executive or independent director of the Company or any of its subsidiaries. They are not expected to hold any executive or independent positions in any entity that is in direct competition with the Company. Board members are expected to attend and participate in the meetings of the Board and its Committees, as relevant. They are also expected to ensure that their other commitments do not interfere with the responsibilities they have by virtue of being a member of the Board of the Company. While reappointing Directors on the Board and Committees of the Board, the contribution and attendance record of the 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 mentioned in the notice of the Annual General Meeting, 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 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 2022-23 in terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the Listing Regulations. The Secretarial Audit Report for financial year 2022-23 has been annexed to this Report (Annexure IV). The Secretarial Audit Report does not contain any qualifications.

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 40 per equity share of the face value of Rs 10 each, and a special dividend of Rs 90 per equity share. The Board of Directors recommends a total dividend of Rs 130 per equity share for the financial year ended March 31, 2023. 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 28, 2023; 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 2022-23, the unclaimed dividend amount of Rs 99,144 towards the unpaid dividend account of the Company for the financial year 2014-15 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 85 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. The 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 and Sustainability Report

Your Company, in accordance with the provisions of Regulation 34(2)(f) of the Listing Regulations has prepared a Business Responsibility and Sustainability Report for the year 2022-23 ('BRSR'). The BRSR is an effective compliance and communication tool for a company's non-financial disclosures and is the next step in mandatory Environmental, Social and Governance ('ESG') reporting in India. The BRSR describes the initiatives taken by your Company from the ESG perspective. The BRSR 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, 2023. 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 for 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).

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, 2023. The disclosures in relation to 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, 2023. 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 financial year 2022-23, the Board accepted all the recommendations of the Audit Committee.

Secretarial Standards

During the year under review, the Company 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.

Covid-19

There was no lockdown imposed in any part of the country in FY23 as Covid-19 was brought under control and many businesses recovered to pre-pandemic levels.

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 customers and the customer's subsidiaries (the '**Impugned Order**') and deposited the penalty amount of INR 25 lakh 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 lakh, without prejudice to the rights and contentions of the Company.

Acknowledgements

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

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

For and on behalf of the Board of Directors

Arun Duggal

Chairman

DIN: 00024262

Place: Gurugram

Date: May 24, 2023

Annexure I

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2022-23 and the percentage increase in remuneration of each Director and Key Managerial Personnel during the financial year 2022-23:

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. Michael Foley	Non- Executive and Non-Independent	Not Applicable ¹	Not Applicable ¹
Ms. Wendy Huay Huay Cheong	Non- Executive and Non-Independent	Not Applicable ¹	Not Applicable ¹
Ms. Shivani Priya Mohini Kak	Non- Executive and Non-Independent	Not Applicable ¹	Not Applicable ¹
Mr. Stephen Arthur Long**	Non- Executive and Non-Independent	Not Applicable ¹	Not Applicable ¹
Mr. Ramnath Krishnan	Managing Director & Group CEO	30.51:1	Not Applicable ²
Mr. Amit Kumar Gupta***	General Counsel	Not Applicable	51.56%
Mr. Venkatesh Viswanathan****	Group Chief Financial Officer	Not Applicable	Not Applicable
Mr. S. Shakeb Rahman	Company Secretary	Not Applicable	16.14%

*Ceased to be a Director with effect from May 13, 2022.

**Appointed as a Director with effect from May 13, 2022.

¹Non-Executive Non-Independent Directors have waived sitting fees and also waived commission payable to them for the financial year 2022-23.

²Appointment is effective from October 23, 2021.

***Ceased to be a Chief Financial Officer with effect from August 30, 2022.

****Appointed as Chief Financial Officer with effect from August 30, 2022.

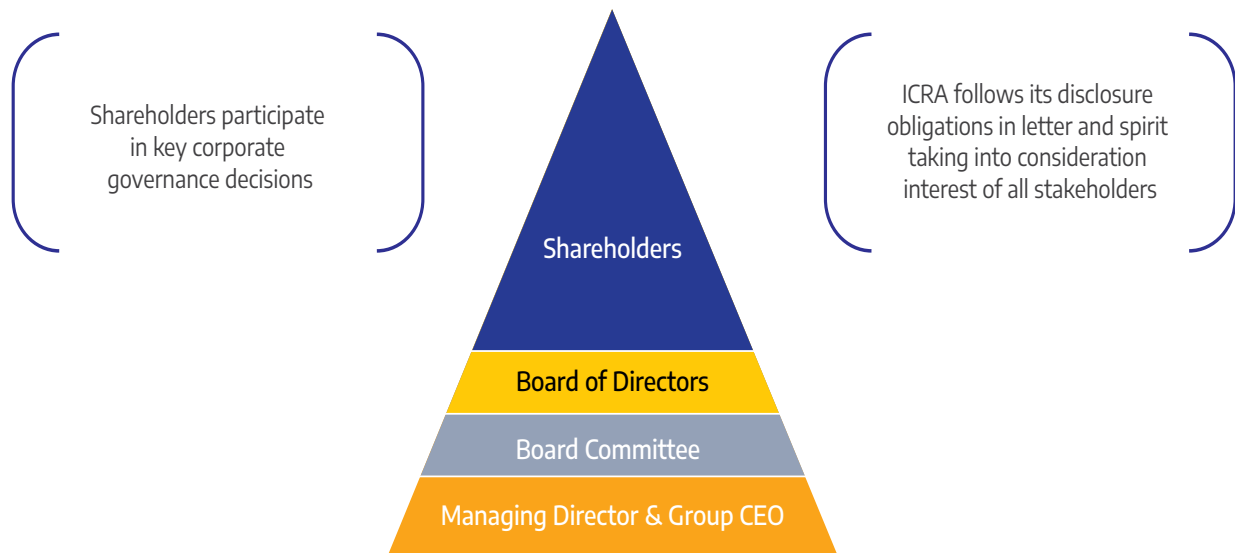
- (ii) The percentage increase in the median remuneration of employees for the financial year 2022-23 was 19.34%.
- (iii) The number of permanent employees on the rolls of the Company as of March 31, 2023 was 414
- (iv) Average percentage increase made in the salaries of employees other than the managerial personnel (including KMP) in the financial year was 19.76%. 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 financial year 2022-23 is as per the Remuneration Policy of the Company.

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

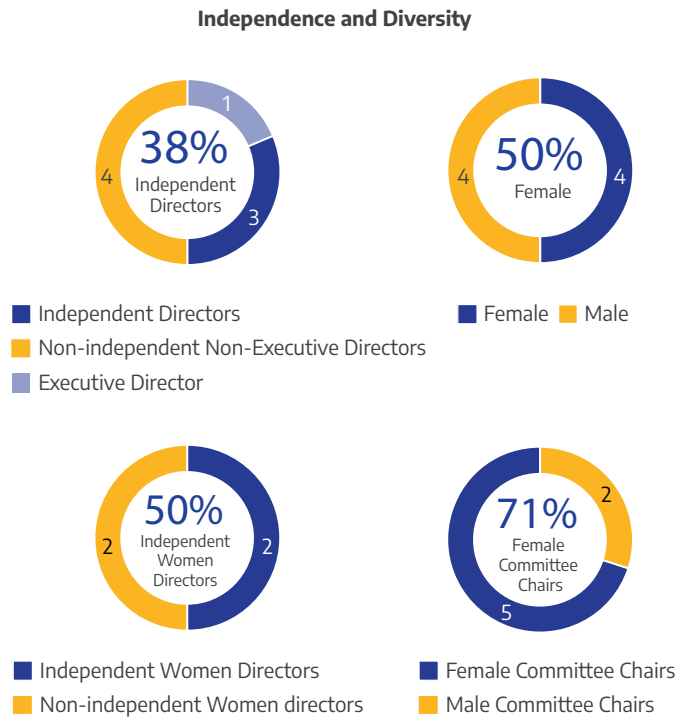
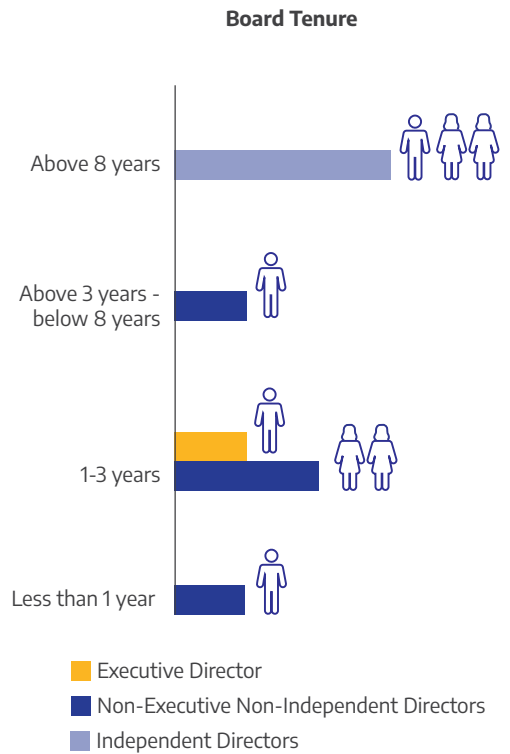
The members of the Board of Directors of your Company are expected to possess the required expertise, skill and experience to effectively manage and direct your Company so that it can attain its organisational goals. The members are expected to be individuals with vision, leadership qualities and a strategic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

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 an 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	4	6	2	<ul style="list-style-type: none"> ITC Limited (Non-Executive Independent Director) Davenport Management Consultants Services Private Limited (Director) Dr. Lal PathLabs Limited (Non-Executive Independent Director) ASK Automotive Limited (Non-Executive Independent Director)
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"> EIH 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)
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)

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 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 Ltd (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) • Moody's Asia-Pacific Group (Singapore) Pte. Ltd. (Director) • China Chengxin International Credit Rating Co., Ltd. (Director)

Name of Director	Category of Director	Relationship with Other Directors inter se	Directorship in Other Companies ²	No. of Board Committee(s) 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. Shivani Priya Mohini Kak DIN: 09486147	Non-Executive Non-Independent Director	None	None	1	1	None
Mr. Stephen Arthur Long DIN: 09595066	Non-Executive Non-Independent Director	None	5	None	None	<ul style="list-style-type: none"> • Midroog Limited (Director) • Moody's Investors Service Middle East Limited (Director) • Moody's Investors Service Limited (Director) • Moody's France SAS (Director) • Moody's Deutschland GmbH (Director)
Mr. Rammath Krishnan DIN: 09371341	Managing Director & Group CEO	None	1	1	None	<ul style="list-style-type: none"> • ICRA Analytics Limited (Non-Executive Director)

Notes:

¹Mr. Stephen Arthur Long was appointed as a Director with effect from May 13, 2022.

²Including private companies and foreign companies.

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

None of the Directors of your Company were holding any shares of your Company as on March 31, 2023.

(iii) Board Meetings/Annual General Meeting

During the year 2022-23, the Board of Directors of your Company met six times – on May 12, 2022, August 4, 2022, August 29, 2022, October 20, 2022, February 13, 2023 and March 23, 2023. 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. Sufficient time is allocated for discussions and deliberations at the meeting.

The Board of Directors are provided the facility to attend the meetings video conferencing or other audio-visual means, pursuant to the Companies Act, 2013 and the rules made thereunder. 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 Circulars Nos. 20/2020 dated May 5, 2020 and 10/2022 dated February 28, 2022, issued by the MCA, the previous Annual General Meeting was held through Video Conferencing ('VC') on August 4, 2022. Details regarding the attendance of Directors at the Board meetings and the Annual General Meeting held during the year 2022-23 are presented in the following table.

Name of the Director	Attended the last AGM held on August 4, 2022	Board Meetings						No. of meetings attended	% of attendance
		No. (1) May 12, 2022	No. (2) August 4, 2022	No. (3) August 29, 2022	No. (4) October 20, 2022	No. (5) February 13, 2023	No. (6) March 23, 2023		
Mr. Arun Duggal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Ms. Ranjana Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Ms. Radhika V. Haribhakti	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Mr. Michael Foley	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Ms. Wendy Huay Huay Cheong	Yes	Yes	Yes	Yes	Yes	Yes	No	5/6	83.33%
Ms. Shivani Priya Mohini Kak	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Mr. Stephen Arthur Long ¹	Yes	NA	Yes	Yes	Yes	Yes	Yes	5/5	100%
Mr. Ramnath Krishnan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Dr. Min Ye ²	NA	Yes	NA	NA	NA	NA	NA	1/1	100%

¹Mr. Stephen Arthur Long was appointed as a Director with effect from May 13, 2022.

²Dr. Min Ye ceased to be a Director with effect from May 13, 2022.

Not applicable: NA

Capacity of Board Member

Independent

Non-independent – Non-Executive/ Executive

The necessary quorum was present at all the meetings.

(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, 2023.

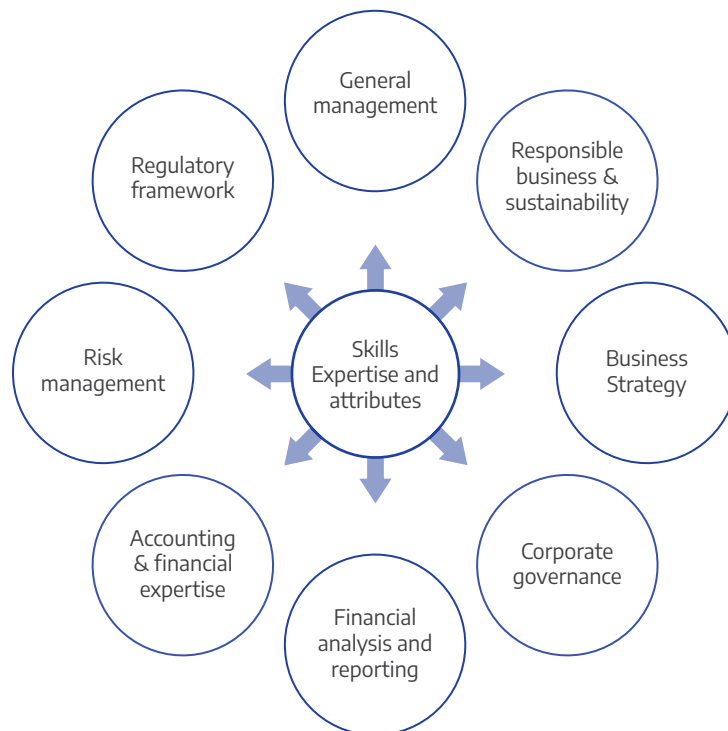
(vi) Familiarisation Programme for Independent Directors

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/ShowCorporateGovernanceReportExternally? typeId=12>

(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:



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

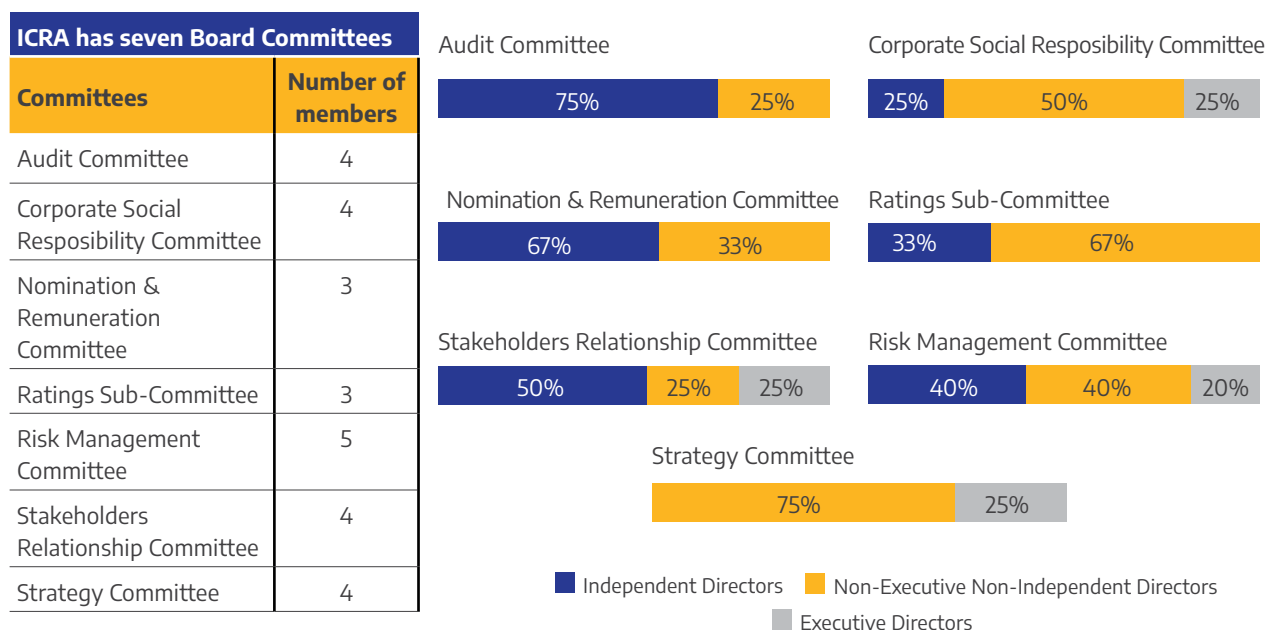
Directors/Skills	Mr. Arun Duggal	Ms. Ranjana Agarwal	Ms. Radhika Vijay Haribhakti	Mr. Michael Foley	Ms. Wendy Huay Cheong	Ms. Shivani Priya Mohini Kak	Mr. Stephen Arthur Long	Mr. Ramnath Krishnan
General Management (100%)	√	√	√	√	√	√	√	√
Responsible business & sustainability (100%)	√	√	√	√	√	√	√	√
Business Strategy (87.5%)	√	-	√	√	√	√	√	√
Corporate Governance (100%)	√	√	√	√	√	√	√	√
Financial Analysis & Reporting (75%)	√	√	√	√	-	-	√	√
Accounting & Financial Expertise (62.5%)	√	√	√	-	√	-	-	√
Risk Management (75%)	√	√	√	-	-	√	√	√
Regulatory Framework (75%)	√	√	√	√	-	√	√	-

(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.



The composition of the various committees as on March 31, 2023, the number of meetings held by each committee and the average attendance during the financial year 2022-23 are given below.

Audit Committee	Chairperson 	Ms. Ranjana Agarawal	Independent Director	Number of meetings in 2022-23 6 Average attendance in 2022-23 96%
	Other Members 	Mr. Arun Duggal Ms. Radhika Vijay Haribhakti Ms. Wendy Huay Huay Cheong	Independent Director Independent Director Non-Executive Non-Independent Director	
Corporate Social Responsibility Committee	Chairperson 	Ms. Ranjana Agarawal	Independent Director	Number of meetings in 2022-23 2 Average attendance in 2022-23 100%
	Other Members 	Ms. Shivani Priya Mohini Kak Mr. Michael Foley Mr. Ramnath Krishnan	Non-Executive Non-Independent Director Non-Executive Non-Independent Director Executive Director	
Nomination and Remuneration Committee	Chairperson 	Ms. Radhika Vijay Haribhakti	Independent Director	Number of meetings in 2022-23 5 Average attendance in 2022-23 100%
	Other Members 	Ms. Ranjana Agarawal Ms. Wendy Huay Huay Cheong	Independent Director Non-Executive Non-Independent Director	
Ratings Sub-Committee	Chairman 	Mr. Michael Foley	Non-Executive Non-Independent Director	Number of meetings in 2022-23 4 Average attendance in 2022-23 100%
	Other Members 	Mr. Arun Duggal Mr. Stephen Arthur Long	Independent Director Non-Executive Non-Independent Director	
Risk Management Committee	Chairman 	Mr. Stephen Arthur Long	Non-Executive Non-Independent Director	Number of meetings in 2022-23 2 Average attendance in 2022-23 100%
	Other Members 	Ms. Ranjana Agarawal Ms. Radhika Vijay Haribhakti Ms. Shivani Priya Mohini Kak Mr. Ramnath Krishnan	Independent Director Independent Director Non-Executive Non-Independent Director Executive Director	
Stakeholders' Relationship Committee	Chairperson 	Ms. Shivani Priya Mohini Kak	Non-Executive Non-Independent Director	Number of meetings in 2022-23 1 Average attendance in 2022-23 100%
	Other Members 	Ms. Ranjana Agarawal Mr. Arun Duggal Mr. Ramnath Krishnan	Independent Director Independent Director Executive Director	
Strategy Committee	Chairperson 	Ms. Wendy Huay Huay Cheong	Non-Executive Non-Independent Director	Number of meetings in 2022-23 1 Average attendance in 2022-23 100%
	Other Members 	Mr. Michael Foley Mr. Stephen Arthur Long Mr. Ramnath Krishnan	Non-Executive Non-Independent Director Non-Executive Non-Independent Director Executive Director	

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. Present an oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approve 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.
 - 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 utilized 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 issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approve any subsequent modification of transactions of the Company with related parties;
9. Scrutinise inter-corporate loans and investments;
10. Conduct valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluate 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 discussion 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 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. Carry out any other function as is mentioned in the terms of reference of the Committee;
22. Review the utilisation of loans and/or advances from/investment by the Company in the subsidiary

exceeding Rs 100 crore 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;

23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

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. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;

4. The appointment, removal and terms of remuneration of the chief internal auditor; and
5. Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1) of the Listing Regulations.
 - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32(7) of the Listing Regulations.

The Audit Committee met six times during the year 2022-23: on May 12, 2022, August 4, 2022, August 29, 2022, October 19, 2022, February 13, 2023 and March 23, 2023. The members of the Audit Committee are provided with the facility to attend the meetings 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, 2023, the details of attendance at the meetings held during the financial year 2022-23.

Composition of Audit Committee			Audit Committee Meetings						No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) May 12, 2022	No. (2) August 4, 2022	No. (3) August 29, 2022	No. (4) October 19, 2022	No. (5) February 13, 2023	No. (6) March 23, 2023		
Ms. Ranjana Agarwal	Non-Executive Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Mr. Arun Duggal	Chairman, Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes	6/6	100%
Ms. Wendy Huay Cheong	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	No	5/6	83.3%

The necessary quorum was present at all the meetings.

The committee invites executives at its meeting as it considers appropriate such as representatives of the statutory auditors and internal auditors.

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 August 4, 2022.

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:

- the Committee shall recommend corporate social responsibility programme or projects or activities to be undertaken in areas identified by the Committee in compliance with the Act and with the approval of the Board and in accordance with the corporate social responsibility policy and the corporate social responsibility mission and processes laid down by the Board in this regard.
- the Committee shall recommend allocation of funds to the Board.
- the Committee shall recommend the amount of expenditure to be incurred on the activities referred to in corporate social responsibility policy.
- the Committee shall recommend the transfer of unspent amount referred to in corporate social responsibility policy to a fund specified in schedule VII of the Act, within a period of six months of the expiry of the financial year.
- the Committee shall recommend to the Board the amount of administrative overheads referred to in the corporate social responsibility policy.
- the Committee shall review the progress of corporate social responsibility activities at least once a year.
- the Committee shall submit an annual report on corporate social responsibility to the Board.
- the Committee shall monitor the implementation of the corporate social responsibility policy from time to time and set up a transparent monitoring mechanism in relation to the same.
- the Committee shall develop internal monitoring mechanism with the Board's approval to monitor corporate social responsibility programmes on monthly, quarterly, bi-annual or annual basis.
- the Committee shall formulate and recommend to the Board, the annual action plan in pursuance of the corporate social responsibility policy.
- the Committee shall undertake impact assessment through an independent agency as required under the Act.
- the Committee shall review the corporate social responsibility policy annually and recommend any proposed changes to the Board for approval.
- the Committee may recommend to the Board for setting off the excess amount spent against the CSR spend of the financial year(s), following the financial year of excess spend.
- the Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

During the year 2022-23, the CSR Committee met twice: May 11, 2022 and October 20, 2022.

The following table presents the composition of the CSR Committee as on March 31, 2023 and the details of attendance at the CSR Committee meeting held during the year 2022-23.

Composition of Corporate Social Responsibility Committee			Corporate Social Responsibility Committee Meetings		No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) May 11, 2022	No. (2) October 20, 2022		
Ms. Ranjana Agarwal	Non-Executive Independent Director	2/2	Yes	Yes	2/2	100%
Mr. Michael Foley	Non-Executive Non-Independent Director	2/2	Yes	Yes	2/2	100%
Ms. Shivani Priya Mohini Kak	Non-Executive Non-Independent Director	2/2	Yes	Yes	2/2	100%
Mr. Ramnath Krishnan	Executive Director	2/2	Yes	Yes	2/2	100%

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:

1. 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;
2. recommend to the Board, policy relating to remuneration for the Directors, Key Managerial Personnel and other employees ensuring that:
 - a. 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;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. 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;
3. recommend to the Board all remuneration, in whatever form, payable to senior management;
4. review the Company's succession plan on an annual basis and recommend to the Board for approval;
5. for every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
6. formulate the criteria for evaluation of Independent Directors and the Board;
7. recommend to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
8. 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;
9. devise policy on Board diversity;
10. formulate the criteria for determining qualifications, positive attributes and independence of a Director;
11. attend through the chairperson, general meeting of the Company to answer shareholders' queries;
12. 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 and Sweat Equity) Regulations, 2021, and other applicable laws;
13. determine the eligibility of an employee for participation under any employee stock option scheme and to grant options thereunder based on, inter alia, the following criteria:
 - a. Performance of the employee in contributing to business results, organizational strength and market position of the Company;
 - b. Employee's potential and criticality to the role(s) assigned;
 - c. Level in the Company/Subsidiary; and
 - d. Any other criteria that may be determined by the Committee from time to time.
14. determine the quantum of options to be granted under any employee stock option scheme per employee and in aggregate;
15. determine the number of shares to be covered by each such option granted under any employee stock option scheme;
16. approve forms of agreement for use under any employee stock option scheme;
17. 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;
18. grant waiver of and variations in the terms, conditions, restrictions and limitations under any employee stock option scheme and amend or adjust the terms and

conditions of any option outstanding thereunder, correct any errors, supply any omissions or reconcile any inconsistencies in any employee stock option scheme, any employee stock option agreement or any other instrument relating to any options granted pursuant to any employee stock option scheme;

19. 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;
20. 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;
21. appoint such agents as it shall deem appropriate for the proper administration of any employee stock option scheme;

22. 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;
23. make any other determination and to take any other action that it or the Board may deem necessary or desirable for the administration of any employee stock option scheme including the actions required under the regulations framed by SEBI and other applicable laws.

The Nomination and Remuneration Committee met five times during the year 2022-23: on May 11, 2022, August 3, 2022, August 29, 2022, October 11, 2022 and February 13, 2023. The members of the Committee are provided with the facility to attend the meetings 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, 2023 and the details of attendance at the meetings held during the financial year 2022-23.

Composition of Nomination and Remuneration Committee			Nomination and Remuneration Committee Meetings					No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) May 11, 2022	No. (2) August 3, 2022	No. (3) August 29, 2022	No. (4) October 11, 2022	No. (5) February 13, 2023		
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes	5/5	100%
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	5/5	100%
Ms. Wendy Huay Huay Cheong	Non-Executive Non-Independent Director	Member	Yes	Yes	Yes	Yes	Yes	5/5	100%

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 August 4, 2022.

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 teamwork, 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%202028,%202020.pdf

Executive Directors

During the year 2022-23, your Company paid remuneration to its Executive Director within the limits envisaged under the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The remuneration mix for the Executive Director shall be as per his terms of appointment approved by the members of the Company, which shall include fixed pay, deferred pay and perquisites.

Remuneration Paid/Payable to Executive Director for the year ended March 31, 2023

(in Rs lakhs)

Name	Mr. Ramnath Krishnan
Designation	Managing Director & Group CEO
Basic Salary	110.25
Allowances	181.23
Variable Pay	199.09
Provident Fund Contribution	13.23
Total Remuneration	503.80
Appointment Valid Till	October 22, 2024
Notice Period	Three months
Severance Pay	Three months basic salary and allowances, but excluding perquisites and annual bonus, in lieu of notice by him or the Company.
No. of Stock Options Granted During the Year	Nil

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.

Your Company reimburses the travelling, hotel and other out-of-pocket expenses incurred by the Independent Directors for attending the meetings and for other work on behalf of 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.

(in Rs lakhs)

Name of Director	Sitting Fee paid/ payable	Commission paid/payable
Mr. Arun Duggal	13.50	25.00
Ms. Ranjana Agarwal	17.25	20.00
Ms. Radhika Vijay Haribhakti	15.00	20.00
Mr. Michael Foley	Nil*	Nil*
Ms. Wendy Huay Huay Cheong	Nil*	Nil*
Ms. Shivani Priya Mohini Kak	Nil*	Nil*
Mr. Stephen Arthur Long ¹	Nil*	Nil*
Dr. Min Ye ²	Nil*	Nil*

*Non-Executive Non-Independent Directors have waived sitting fee and commission payable to them for the financial year 2022-23.

¹Mr. Stephen Arthur Long was appointed as a Director with effect from May 13, 2022.

²Dr. Min Ye ceased to be a Director with effect from May 13, 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.

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:

1. Review of 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);
2. Review 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;

3. Review of the process for developing, vetting, and approving methodologies and analytical methods, including quantitative data and models, that ICRA uses to determine credit ratings;
4. Review of the establishment, maintenance, and enforcement of ICRA's policies and procedures to address, manage, and disclose any conflicts of interest;
5. Review, with the management, report of external audit of the rating process;
6. Review reports and findings from the credit policy function;
7. Review the compensation and promotion policies of ICRA to assess consistency with commercial/analytic separation and rating quality objectives;
8. Review 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
9. Review and assess the adequacy of this Charter periodically and recommending appropriate changes to the Charter to the Board for approval.

10. Review, address and consider 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 year 2022-23: on May 11, 2022, August 3, 2022, October 19, 2022 and February 1, 2023. The members of the Committee are provided with the facility to attend the meetings 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, 2023 and the details of attendance at the Committee meeting held during the year 2022-23.

Composition of Ratings Sub – Committee			Ratings Sub - Committee Meetings				No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) May 11, 2022	No. (2) August 3, 2022	No. (3) October 19, 2022	No. (4) February 1, 2023		
Mr. Michael Foley	Non-Executive Non-Independent Director	Chairman	Yes	Yes	Yes	Yes	4/4	100%
Mr. Arun Duggal	Chairman, Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	4/4	100%
Mr. Stephen Arthur Long ²	Non-Executive Non-Independent Director	Member	NA	Yes	Yes	Yes	3/3	100%
Dr. Min Ye ¹	Non-Executive Non-Independent Director	Member	Yes	NA	NA	NA	1/1	100%

¹Mr. Stephen Arthur Long was appointed as a member with effect from May 13, 2022.

²Dr. Min Ye ceased to be a Director with effect from May 13, 2022.

Not applicable: NA

Risk Management Committee

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

The Risk Management Committee consists of four Non-Executive Directors (two of whom are Independent Directors) and one Executive Director.

The terms of reference of the Risk Management Committee include:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including strategic, financial, operational, sectoral, sustainability (particularly, Environmental Social and Governance (ESG) related risks), information, cyber security risks, legal or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To recommend and/or review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
7. To coordinate its activities with other Board committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
8. To review and approve the risk management framework of the Company at least annually;
9. To review and assess the effectiveness of the Company's enterprise-wide risk assessment processes and recommend improvements, where appropriate;
10. To 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;
11. To form and delegate authority to sub-committees whenever appropriate;
12. To review and reassess the adequacy of the charter of the Committee annually and recommend any proposed changes to the Board for approval; and
13. To have access to any internal information necessary to fulfill its oversight role.

The Risk Management Committee met twice during the year 2022-23: on July 20, 2022 and January 11, 2023. The meetings of the Committee 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, 2023 and the details of attendance at the Committee meeting held during the year 2022-23.

Composition of Risk Management Committee			Risk Management Committee Meetings		No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) July 20, 2022	No. (2) January 11, 2023		
Mr. Stephen Arthur Long ¹	Non-Executive Non-Independent Director	Chairman	Yes	Yes	2/2	100%
Mr. Michael Foley ²	Non-Executive Non-Independent Director	Chairman	NA	NA	NA	NA
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	Yes	Yes	2/2	100%
Ms. Radhika Vijay Haribhakti	Non-Executive Independent Director	Member	Yes	Yes	2/2	100%

Composition of Risk Management Committee			Risk Management Committee Meetings		No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) July 20, 2022	No. (2) January 11, 2023		
Ms. Shivani Priya Mohini Kak	Non-Executive Non-Independent Director	Member	Yes	Yes	2/2	100%
Mr. Ramnath Krishnan	Executive Director	Member	Yes	Yes	2/2	100%

¹Mr. Stephen Arthur Long was appointed as the Chairman with effect from May 13, 2022.

²Mr. Michael Foley ceased to be the Chairman and a member of Risk Management Committee with effect from May 13, 2022.

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:

1. looking into various aspects of interest of shareholders, debenture holders, and other security holders.
2. 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.
3. reviewing measures taken by the Company for effective exercise of voting rights by shareholders.

4. 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.
5. 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.
6. reviewing and assessing the adequacy of the Charter for the Committee periodically and recommending appropriate changes to the Charter to the Board for approval.

The Stakeholders' Relationship Committee met once during the year 2022-23: on August 3, 2022. The members of the Committee are provided with the facility to attend the meeting 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, 2023 and the details of attendance at the Committee meeting held during the year 2022-23.

Composition of Stakeholders Relationship Committee			Stakeholders Relationship Committee Meetings	No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) August 3, 2022		
Ms. Shivani Priya Mohini Kak	Non-Executive Non-Independent Director	Chairperson	Yes	1/1	100%
Ms. Ranjana Agarwal	Non-Executive Independent Director	Member	Yes	1/1	100%
Mr. Arun Duggal	Chairman, Non-Executive Independent Director	Member	Yes	1/1	100%
Mr. Ramnath Krishnan	Executive Director	Member	Yes	1/1	100%

The necessary quorum was present at the meetings.

The Chairperson of the Committee was present at the last Annual General Meeting of the Company held on August 4, 2022.

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.

Your Company received eight complaints from Shareholders/ Investors during the financial year 2022-23. All complaints were redressed to the satisfaction of the Shareholders/ Investors and no complaint was pending as on March 31, 2023.

The details of the complaints received and resolved during the financial year 2022-23 are as follows:

S. No.	Complaint relating to/received from	Pending as on April 1, 2022	Received during the year	Resolved during the year	Pending as on March 31, 2023
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	Nil	Nil	Nil
4.	Complaint received from:				
	(a) Securities and Exchange Board of India/SCORES	Nil	Nil	Nil	Nil
	(b) Stock Exchanges:	Nil	Nil	Nil	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	Nil	Nil	Nil
7.	Non-receipt of Electronic Credit	Nil	Nil	Nil	Nil
8.	Non-receipt of Annual Report	Nil	Nil	Nil	Nil
9.	Miscellaneous	Nil	2	2	Nil
	Total	Nil	8	8	Nil

Your Company has registered itself on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit since the receipt of the complaint. During the year 2022-23, 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 year 2022-23: on August 3, 2022. The members of the Committee are

provided with the facility to attend the meeting through video conferencing or other audio-visual means (VC/OAVM).

The following table presents the composition of the Strategy Committee as on March 31, 2023 and the details of attendance at the Committee meeting held during the year 2022-23.

Composition of Strategy Committee			Strategy Committee Meetings	No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) August 3, 2022		
Ms. Wendy Huay Huay Cheong	Non-Executive Non-Independent Director	Chairperson	Yes	1/1	100%
Mr. Michael Foley	Non-Executive Non-Independent Director	Member	Yes	1/1	100%
Mr. Stephen Arthur Long ¹	Non-Executive Non-Independent Director	Member	Yes	1/1	100%
Mr. Ramnath Krishnan	Executive Director	Member	Yes	1/1	100%

Composition of Strategy Committee			Strategy Committee Meetings	No. of meetings attended	% of attendance
Name of the Director	Category	Position	No. (1) August 3, 2022		
Dr. Min Ye ²	Non-Executive Non-Independent Director	Member	NA	NA	NA

¹Mr. Stephen Arthur Long was appointed a member with effect from May 13, 2022.

²Dr. Min Ye ceased to be a member with effect from May 13, 2022.

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 subsidiary companies using, inter alia, the following means:

- (a) Financial statements, in particular the investments made by the unlisted subsidiary companies,

are reviewed quarterly by the Audit Committee of the Company.

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

E. General Body Meeting

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

Nature of Meeting	Date and Time	Venue	Special Resolution Passed by Members during the Annual General Meetings
Twenty-Ninth Annual General Meeting	September 23, 2020 at 16:00 hours		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
Thirty-First Annual General Meeting	August 4, 2022 at 15:30 hours		No Special Resolution was passed by the Members.

Postal Ballot

During 2022-23, no special resolution was passed through Postal Ballot. No special resolution is proposed to be conducted through postal ballot as of now.

F. Disclosures

(i) Related-party transactions

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, the Management, subsidiary companies or related parties that may have a potential conflict with the Company's interest.

The 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, exceed 10% of the annual consolidated turnover of previous financial year, hence considered as material transactions. The transactions are in the ordinary course of business of the concerned subsidiary and on an arm's length basis.

The related-party transactions are disclosed in the financial statements for the year ended March 31, 2023. As required under Schedule V of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions, which has been uploaded on the website of the Company at:

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

(ii) Details of non-compliance

There has been no instance of non-compliance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Further, there were no penalties or strictures imposed on the Company by the stock exchanges or the Securities and Exchange Board of India, or any statutory authority on any matter related to the capital markets.

(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, 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 also 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 make 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.
During the year 2022-23, 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.
- (iii) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Your Company's Chairman is a non-executive director and not related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.
- (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 February 1, 2023, 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 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 financial year 2022-23 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.

Particulars	Amount (In Rs lakhs)
Audit fees	69.83
Other certification services fees	1.15
Reimbursement of expenses	5.85
Total	76.83

(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, 2023 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 financial year 2022-23 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/

(xx) Material unlisted subsidiary

Disclosure requirements pertaining to material unlisted subsidiary companies prescribed under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as follows:

S. No.	Name of material Unlisted subsidiary	Date of Incorporation	Place of Incorporation	Name of statutory auditors	Date of appointment of statutory auditor
1.	ICRA Analytics Limited	January 22, 1999	New Delhi	B S R & Co. LLP	September 20, 2019

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 financial year 2022-23, 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 financial year 2022-23, there is no loan given by the Company and its subsidiaries to firms/companies in which directors are interested.

Means of Communication

- 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.
- The quarterly and annual financial results of the Company are published in English and Hindi daily newspapers, viz. Business Standard (English and Hindi), The Financial Express and Jansatta. 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).

- The Company has a designated email id, investors@icraindia.com for investor services.
- The official news releases issued by the Company, including presentations made to institutional investors and to analysts, are also displayed on the Company's website www.icra.in. As required under Regulation 46 of the Listing Regulations, your Company maintains a functional website www.icra.in, which, inter alia, presents the following information in compliance with the said Regulation:
 - Details of business
 - Terms and conditions of appointment of independent directors

- | | |
|---|--|
| <ul style="list-style-type: none"> (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 | <ul style="list-style-type: none"> (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 authorized 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 |
|---|--|

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

Particulars	Regulation	Compliance status (Yes/No/NA)
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), & (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
Obligations of directors and senior management	26(2) & 26(5)	Yes
Other corporate governance requirements	27	Yes

H. Auditors' Certificate on Corporate Governance

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

I. CEO and CFO Certification

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

J. Reconciliation of Share Capital Audit

As stipulated by 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, 2023, 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 3, 2023
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, 2023 to March 31, 2024
	Quarterly results will be declared as per the following tentative schedule:
• Financial reporting for the quarter ending June 30, 2023	First fortnight of August 2023
• Financial reporting for the half year ending September 30, 2023	Second fortnight of October 2023
• Financial reporting for the quarter ending December 31, 2023	Second fortnight of January 2024
• Financial reporting for the year ending March 31, 2024	First fortnight of May 2024
3. Dates of Book Closure	Saturday, July 29, 2023 to Wednesday, August 2, 2023 (both days inclusive)
4. Proposed Dividend	Rs 130 per share
5. Dividend Payment Date	On or before Friday, August 25, 2023
6. Listing on Stock Exchanges	The shares of your Company are listed on: <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 Your Company has paid the annual listing fee for the financial year 2023-24 to both the Exchanges.
7. Stock Code	BSE Limited: 532835 National Stock Exchange of India Limited: ICRA ISIN: INE725G01011 CIN: L74999DL1991PLC042749
8. Registrar and Share Transfer Agent	M/s. Link Intime India Private Limited 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

9. Share Transfer System	The Board of Directors has delegated the power of share transfer to the Registrar and Share Transfer Agent, Link Intime India Private Limited (address mentioned above). A summary report on the transfer/transmission of shares of the Company is placed at every meeting of the Board of Directors. 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.
10. Compliance Officer	Mr. S. Shakeb Rahman Company Secretary & Compliance Officer ICRA Limited Building No. 8, 2 nd Floor, Tower A DLF Cyber City, Phase-II Gurugram-122002, Haryana Tel: +91 124 4545300 Email: investors@icraindia.com
11. Dematerialisation of Shares and Liquidity	99.99% shares of your Company are held in the electronic mode.
12. Payment of Dividend	Your Company provides Direct Credit (DC), Real Time Gross Settlement (RTGS), National Electronic Clearing Service (NECS) for payment of Dividend. Through DC/RTGS/NECS, Members can receive their Dividend electronically by way of direct credit to their bank accounts. This obviates problems like loss/fraudulent interception of Dividend warrants during postal transit while also expediting payment. It is strongly recommended that Members opt for DC/RTGS/NECS, if not done already. Members may kindly note that DC/RTGS/NECS details are accessed from the Depositories (for shares held in the electronic form) and from the Company's Registrar and Share Transfer Agent (for shares held in the physical form) and used for payment of Dividend.
13. Green Initiative	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. 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 2022-23 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 2022-23 will also be available on the Company's website viz. www.icra.in .
14. Bank Details for Electronic Shareholding	Members are requested to notify their Depository Participant (DP) about the changes in the bank details and furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.

15. KYC Details

The Members are requested to note that the Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 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/>.

Form No. ISR-1 - request for registering PAN, KYC details or changes / updation thereof

Form No. ISR-2 - confirmation of signature of securities holder by the banker

Form No. ISR-3 - declaration form for opting-out of nomination by holders of physical securities

Form No. SH-13 - nomination form

Form No. SH-14 - cancellation or variation of nomination

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:

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.

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 October 1, 2023, since folios for which the above documents/details are not available thereafter shall be frozen.

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

19. Plant locations

Not Applicable

20. Credit ratings

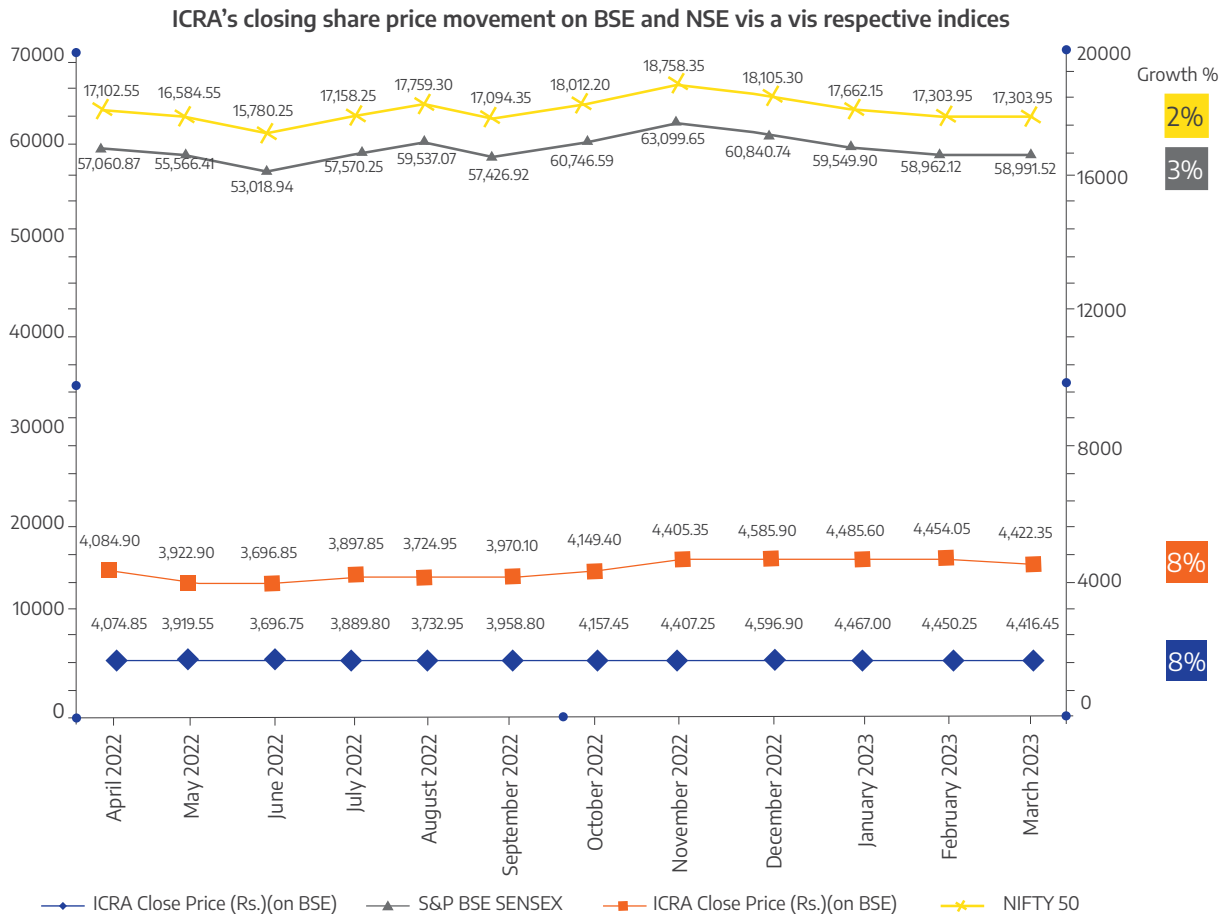
Not Applicable

21. Market Price Data for the year 2022-23

High and low share prices (based on daily closing prices) and numbers of equity shares traded during each month in the year 2022-23 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		
Apr-22	4,511.00	3,987.20	3,689	4,530.45	3,976.10	81,332	85,021
May-22	4,224.95	3,735.10	2,759	4,267.70	3,713.25	97,380	100,139
Jun-22	4,001.55	3,671.25	6,060	4,015.00	3,653.90	103,434	109,494
Jul-22	4,200.00	3,671.25	4,440	4,250.00	3,652.00	1,09,719	114,159
Aug-22	3,998.65	3,689.45	7,257	3,980.00	3,700.00	139,080	146,337
Sep-22	4,231.55	3,663.65	7,108	4,200.00	3,675.50	224,773	231,881
Oct-22	4,331.90	3,914.05	3,423	4,377.00	3,950.00	215,472	218,895
Nov-22	4,574.65	3,907.60	18,132	4,688.80	3,900.00	215,126	233,258
Dec-22	4,750.00	4,155.50	9,425	4,699.00	4,301.25	108,193	117,618
Jan-23	5,455.55	4,300.00	15,959	5,477.00	4,275.00	202,762	218,721
Feb-23	4,660.00	4,350.00	4,670	4,673.70	4,333.00	67,385	72,055
Mar-23	4,790.00	4,251.25	2,271	4,799.00	4,378.85	68,447	70,718

22. Performance in Comparison with Broad-based Indices



23. Distribution of Shareholding as on March 31, 2023

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	17871	97.51	68	567225	157544	724837	7.51
501 – 1000	249	1.36	0	151513	26533	178046	1.85
1001 – 2000	90	0.49	0	111419	12967	124386	1.29
2001 – 3000	35	0.19	0	83806	2027	85833	0.89
3001 – 4000	25	0.14	0	67912	18957	86869	0.90
4001 - 5000	10	0.05	0	35642	8162	43804	0.45
5001 – 10000	16	0.09	0	101208	5519	106727	1.11
10001 & Above	31	0.17	0	8268779	31950	8300729	86.00
Total	18327	100	68	9387504	263659	9651231	100

*not clubbed based on permanent account number.

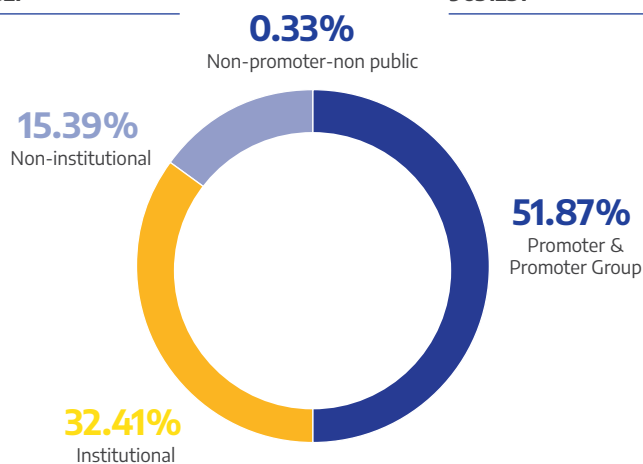
24. Shareholding Pattern as on March 31, 2023

Sharholders

18327

Shares

9651231



Shareholders holding 1% or more than 1% of shares

Moody's investment Company India Private Limited	31.66%
Moody's Singapore Pte Ltd	20.20%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla...	7.74%
Pari Washington India Master Fund, Ltd.	7.29%
Parag Parikh Flexi Cap Found	4.55%
Sundaram Mutual Fund A/C Sundaram Small Cap Fund	4.03%
Pari Washingtone Investment Fund	2.58%
Canara Robeco Mutual Fund A/C Canara Robeco Small Cap...	1.59%
General Insurance Corporation of India	1.59%
HDFC life indurance Company Limited	1.24%

Statement of Shareholding Pattern as on March 31, 2023

Table I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of share-holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of under-lying Depository Receipts	No. of Total nos. shares held	Share-holding as a % of total no. of shares (calculated as per SCRR, 1957)	No. of Voting Rights Class eg: X	Total Voting Rights	Total (A+B+C)	No. of securities (including share Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of Locked in shares	Number of Shares of equity pledged or otherwise held in dematerialised form				
(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	17239	4613659	0	0	4613659	47.8038	4613659	0	4613659	47.9626	0	47.8038	0	0.0000	NA	NA	4613591
(C)	Non Promoter - Non Public	0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0
(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	17242	9651231	0	0	9651231	100.0000	9619281	0	9619281	100.0000	0	100.0000	0	0.0000	0	0.0000	9651163

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

Category & Name of the shareholders	Entity Type	PAN	Nos. of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share-holding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities	No of Voting Rights	No. of Shares Outstanding convertible securities (including Warrants)	Sharehold-ing, 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 dema-terialised form	
													(II)	(III)	(IV)	(V)		(VI)
1	Indian																	
(a)	Individuals / Hindu Undivided Family		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0
(b)	Central Government / State Government(s)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0
(c)	Financial Institutions / Banks		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0
(d)	Any Other (Specify)		1	3055900	0	0	3055900	31.6633	3055900	317685	0	31.6633	0	0.0000	0	0.0000	0	3055900
	Bodies Corporate		1	3055900	0	0	3055900	31.6633	3055900	317685	0	31.6633	0	0.0000	0	0.0000	0	3055900
	Moody's Investment Company India Private Limited		1	3055900	0	0	3055900	31.6633	3055900	317685	0	31.6633	0	0.0000	0	0.0000	0	3055900
	Sub Total (A)(1)		1	3055900	0	0	3055900	31.6633	3055900	317685	0	31.6633	0	0.0000	0	0.0000	0	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
(b)	Government		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0
(c)	Institutions		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	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
(e)	Any Other (Specify)		1	1949722	0	0	1949722	20.2018	1949722	202689	0	20.2018	0	0.0000	0	0.0000	0	1949722
	Bodies Corporate		1	1949722	0	0	1949722	20.2018	1949722	202689	0	20.2018	0	0.0000	0	0.0000	0	1949722
	Moody's Singapore Pte Ltd		1	1949722	0	0	1949722	20.2018	1949722	202689	0	20.2018	0	0.0000	0	0.0000	0	1949722
	Sub Total (A)(2)		1	1949722	0	0	1949722	20.2018	1949722	202689	0	20.2018	0	0.0000	0	0.0000	0	1949722
	Total Shareholding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)		2	5005622	0	0	5005622	51.8651	5005622	520374	0	51.8651	0	0.0000	0	0.0000	0	5005622

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	No. of shares underlying Depository Receipts	No. of shares calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities	Total as a % of Total Voting Rights	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 dematerialised shares held in form	Sub-categorization of shares			
																(I)	(II)	(III)
1 Institutions (Domestic)																		
(a) Mutual Fund		6	1758717	0	0	1758717	18.2227	1758717	18.2832	0	18.2227	0.0000	NA	NA	1758717	0	0	0
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Mnc Fund		1	747472	0	0	747472	7.7448	747472	7.7706	0	7.7448	0.0000	NA	NA	747472	0	0	0
Parag Parikh Flexi Cap Fund		1	439259	0	0	439259	4.5513	439259	4.5664	0	4.5513	0.0000	NA	NA	439259	0	0	0
Sundaram Mutual Fund A/C Sundaram Small Cap Fund		1	389274	0	0	389274	4.0334	389274	4.0468	0	4.0334	0.0000	NA	NA	389274	0	0	0
Canara Robeco Mutual Fund A/C Canara Robeco Small Cap Fund		1	153320	0	0	153320	1.5886	153320	1.5939	0	1.5886	0.0000	NA	NA	153320	0	0	0
(b) Venture Capital Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0.0000	NA	NA	0	0	0	0
(c) Alternate Investment Funds		4	282917	0	0	282917	2.9314	282917	2.9411	0	2.9314	0.0000	NA	NA	282917	0	0	0
Pari Washington Investment Fund		1	248573	0	0	248573	2.5756	248573	2.5841	0	2.5756	0.0000	NA	NA	248573	0	0	0
(d) Banks		3	3306	0	0	3306	0.0343	3306	0.0344	0	0.0343	0.0000	NA	NA	3306	0	0	0
(e) Insurance Companies		4	342815	0	0	342815	3.5520	342815	3.5638	0	3.5520	0.0000	NA	NA	342815	0	0	0
General Insurance Corporation Of India		1	153801	0	0	153801	1.5936	153801	1.5989	0	1.5936	0.0000	NA	NA	153801	0	0	0
Hdfc Life Insurance Company Limited		1	120000	0	0	120000	1.2434	120000	1.2475	0	1.2434	0.0000	NA	NA	120000	0	0	0
(f) Provident Funds/ Pension Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0.0000	NA	NA	0	0	0	0
(g) Asset Reconstruction Companies		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0.0000	NA	NA	0	0	0	0
(h) Sovereign Wealth Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0.0000	NA	NA	0	0	0	0
(i) NBFCS registered with RBI		1	2500	0	0	2500	0.0259	2500	0.0260	0	0.0259	0.0000	NA	NA	2500	0	0	0
(j) Other Financial Institutions		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0.0000	NA	NA	0	0	0	0
(k) Any Other (Specify)		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0.0000	NA	NA	0	0	0	0
Sub Total (B)(1)		18	2390255	0	0	2390255	24.7663	2390255	24.8486	0	24.7663	0.0000	NA	NA	2390255	0	0	0
2 Institutions (Foreign)																		
(a) Foreign Direct Investment		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0.0000	NA	NA	0	0	0	0

Category & Name of the shareholders	PAN	Nos. of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of under-lying Depository Receipts	No. of shares under-lying Depository Receipts	No. of shares as calculated per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities	Total Voting Rights	No. of Underlying Outstanding convertible securities (including Warrants)	Sharehold- ing, 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 held in demate- rialised form	Sub-categorization of shares				
															(i)	(ii)	(iii)	(iv)
(b) Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	0	0	0	0
(c) Sovereign Wealth Funds		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	0.0000	0	0	0	0
(d) Foreign Portfolio Investors Category I		23	732354	0	0	732354	7.5882	732354	7.6134	0	7.5882	0	0.0000	NA	732354	0	0	0
Pari Washington India Master Fund, Ltd.		1	703664	0	0	703664	7.2909	703664	7.3151	0	7.2909	0	0.0000	NA	703664	0	0	0
(e) Foreign Portfolio Investors Category II		2	5264	0	0	5264	0.0545	5264	0.0547	0	0.0545	0	0.0000	NA	5264	0	0	0
(f) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
(g) Any Other (Specify)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
Sub Total (B)(2)		25	737618	0	0	737618	7.6427	737618	7.6681	0	7.6427	0	0.0000	NA	737618	0	0	0
3 Central Government/ State Government(s)																		
(a) Central Government / President of India		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
(b) State Government / Governor		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
(c) Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
Sub Total (B)(3)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
4 Non-Institutions																		
(a) Associate companies / Subsidiaries		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
(b) Directors and their relatives (excluding Independent Directors and nominee Directors)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
(c) Key Managerial Personnel		1	300	0	0	300	0.0031	300	0.0031	0	0.0031	0	0.0000	NA	300	0	0	0
(d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
(e) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0	NA	0	0	0	0
(f) Investor Education and Protection Fund (IEPF)		1	844	0	0	844	0.0087	844	0.0088	0	0.0087	0	0.0000	NA	844	0	0	0

Category & Name of the shareholders	PAN	Nos. of share-holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	No. of shares underlying Depository Receipts	No. of shares underlying Depository Receipts	No. of Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities	Total Voting Rights	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 held in dematerialised form	Sub-categorization of shares					
															Sub-cat-egory(i)	Sub-cat-egory(ii)	Sub-cat-egory(iii)			
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X) = (VII)+(X)	(XI) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)	(XV)						
(g) i. Resident individual holding nominal share capital up to Rs 2 lakhs.		15533	1088104	0	0	1088104	11.2743	1088104	0	1088104	11.3117	0	11.2743	0	0.0000	NA	1088036	0	0	0
(h) ii. Resident individual holding nominal share capital in excess of Rs 2 lakhs.		2	52810	0	0	52810	0.5472	52810	0	52810	0.5490	0	0.5472	0	0.0000	NA	52810	0	0	0
(i) Non Resident Indians (NRIs)		879	156869	0	0	156869	1.6254	156869	0	156869	1.6308	0	1.6254	0	0.0000	NA	156869	0	0	0
(j) Foreign Nationals		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	0	0	0	0
(k) Foreign Companies		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	0	0	0	0
(l) Bodies Corporate		191	146368	0	0	146368	1.5166	146368	0	146368	1.5216	0	1.5166	0	0.0000	NA	146368	0	0	0
(m) Any Other (Specify)		589	40491	0	0	40491	0.4195	40491	0	40491	0.4209	0	0.4195	0	0.0000	NA	40491	0	0	0
Trusts		2	3008	0	0	3008	0.0312	3008	0	3008	0.0313	0	0.0312	0	0.0000	NA	3008	0	0	0
Body Corp-Ltd Liability Partnership		16	8090	0	0	8090	0.0838	8090	0	8090	0.0841	0	0.0838	0	0.0000	NA	8090	0	0	0
Hindu Undivided Family		562	29195	0	0	29195	0.3025	29195	0	29195	0.3035	0	0.3025	0	0.0000	NA	29195	0	0	0
Clearing Member		9	198	0	0	198	0.0021	198	0	198	0.0021	0	0.0021	0	0.0000	NA	198	0	0	0
Sub Total (B)(4)		17196	1485786	0	0	1485786	15.3948	1485786	0	1485786	15.4459	0	15.3948	0	0.0000	NA	1485718	0	0	0
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+b(4)		17239	4613659	0	0	4613659	47.8038	4613659	0	4613659	47.9626	0	47.8038	0	0.0000	NA	4613591	0	0	0

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

Category & Name of the shareholders	PAN shareholders	Nos. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Share-holding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) No. (a)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialised form
						No of Voting Rights	Class eg: X	Class eg: Y					
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII)+(X)	(XII)	(XIII)	(XIV)
1	Custodian/DR Holder	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	0
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	1	31950	0	0	0	0.3310	0	0	0.3310	0	0.0000	31950
	Total Non-Promoter- Non Public Shareholding (C) = (C)(1)+(C)(2)	1	31950	0	0	0	0.3310	0	0	0.3310	0	0.0000	31950

On behalf of the Board of Directors

Arun Duggal

Chairman

DIN: 00024262

Place: Gurugram

Date: May 24, 2023

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 2022-23.

Ramnath Krishnan

Managing Director & Group CEO

DIN: 09371341

Place: Mumbai

Date: May 24, 2023

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 Venkatesh Viswanathan, Group 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, 2023 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

Venkatesh Viswanathan

Group Chief Financial Officer

Place: Mumbai

Date: May 24, 2023

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, 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 and its officers and declarations received from respective Directors, we hereby certify that as on Financial Year ended on March 31, 2023. None of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 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.	Radhika Vijay Haribhakti	02409519	04/12/2014
3.	Ranjana Agarwal	03340032	11/11/2014
4.	Michael Foley	08583960	25/10/2019
5.	Wendy Huay Huay Cheong	08927070	06/11/2020
6.	Ramnath Krishnan	09371341	23/10/2021
7.	Shivani Priya Mohini Kak	09486147	18/02/2022
8.	Stephen Arthur Long	09595066	13/05/2022

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
CP No. 5673
UDIN: A016302E000246763

Date: May 03, 2023

Place: Delhi

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 December 19, 2019 and addendum to the engagement letter dated May 19, 2023.
2. We have examined the compliance of conditions of Corporate Governance by **ICRA Limited** ("the Company"), for the year ended March 31, 2023, 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 March 31, 2023.

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.

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

Manish Kapoor

Partner

Membership No. 510688

UDIN: 23510688BGZGTD2176

Place - Gurugram

Date - May 24, 2023

Annexure III

Management Discussion and Analysis Report

(Annexure to the Directors' Report)

A. Industry Structure and Developments

Ratings

The financial year 2023 started with uncertainties posed by the Russia-Ukraine war and the subsequent sharp increase in commodity prices that led to a spike in inflation and consequently aggressive hikes in policy rates by major central banks. The adverse global macro environment also led to a steep rise in bond yields with the shorter end of the yield curve rising sharply compared to the longer end of the curve. Consequently, the corporate bond issuances were muted in the first quarter as issuers and debt investors adopted a wait-and-watch approach. While it appeared to be a challenging start to the year amid global challenges, the domestic demand conditions remained buoyant. The resulting surge in credit demand from banks led to an all-time high incremental credit flow of Rs 18.4 trillion from the banking system. To combat inflation, the RBI reduced surplus liquidity in the banking system, which, coupled with the sharp increase in credit demand locally, led to tighter liquidity conditions and a rise in borrowing costs. While interest rates increased domestically, funding costs continued to remain competitive locally vis-a-vis overseas borrowings. With an increase in bond yields and credit spreads, investor appetite also improved, leading to all-time high corporate bond issuances of Rs 8.7 trillion in FY2023.

In FY2023, your Company saw strong growth in its rated volumes in both the bank loan as well as debt segments. Revenue growth was driven by a focus on evolving opportunities across corporate, infrastructure and financial segments. With a strong rating performance, in terms of rating stability and accuracy, your Company was a preferred rating agency for investors and issuers.

Analytics

The Analytics business performance was supported by growth in the knowledge services, driven by the expansion of ESG analytical support as well as growth in other value-added financial services segments. Leveraging domain expertise and functional competence, your Company successfully designed and implemented products, services, and solutions in Risk Management, Data Management, Financial and Accounting Analysis, Bond Valuation, and Financial & Risk Advisory. In addition to expanding its reach to

previously untapped client segments, ICRA Analytics introduced new offerings to the portfolio, such as treasury solution, workflow & decision facilitation tool/platform for fund managers and other bespoke offering for clients. Keeping pace with the evolving landscape, your Company enhanced capability with cutting-edge technologies like analytics, automation, and cloud, utilising them to launch contemporary cloud-hosted products with heightened analytical proficiency for all client segments.

(A detailed overview of the businesses is presented in the section titled Review of Operations in the Directors' Report.)

B. Opportunities and Threats

Opportunities

Ratings

The Ratings business continues to benefit from a favourable regulatory environment. The Securities Exchange Board of India (SEBI) and Reserve Bank of India (RBI) continue to support enhanced 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 crore) 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 the RBI's requirement of rating of bank loans for arriving at the computation of capital adequacy, the National Housing Bank also requires that the financing extended by them to Housing Finance Companies be rated.

SEBI has also mandated that monitoring of the end-use of proceeds of equity issues above Rs 100 crore – whether the Initial Public Offer or the follow-on public offer or the rights issue – are to be done only by credit rating agencies and not banks as was the requirement earlier. This has been expanded now to include preferential and Qualified Institutional Placements also. SEBI has also proposed a regulatory framework for Environment Social Governance (ESG) ratings, the details of which are expected shortly, which presents an opportunity at the Group level for ICRA.

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

Analytics

The market for analytics, data, research, financial analysis, consultancy, and related support services remains attractive. Your Company is steadfast in its efforts to enhance market access through digital means, upgrading technology infrastructure, and expanding product and services portfolio to cater to customer requirements.

Threats

The threats confronting the business have been discussed in Section D of this report.

C. Segment-wise or Product-wise Performance

Details on segment-wise performance have been discussed in Section F of this report.

D. Risks and Concerns

(1) Business Risks

Any economic slowdown in India may impact the volume of bank credit or debt securities issued in the domestic capital markets, and may have an adverse impact on the rating business. 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 your Company's business and financial results. Similarly, revenues from knowledge services may be impacted by any adverse global macroeconomic event, including currency movement.

The rating business is largely dependent on the recognition of our brand and reputation. In this regard, prominent investment-grade defaults or multi-notch downgrades could negatively affect

our reputation and position as a quality credit rating agency.

To mitigate business risks arising from changes in economic and market conditions and in regulations, your Company constantly monitors developments on these fronts and adjusts its business strategies accordingly and remains focused on maintaining the robustness of its ratings and gradings while at the same time promoting brand ICRA through webinars, seminars and conferences, apart from the publication of research reports and thematic notes.

(2) Operational Risk

Your 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. It may also rely on representations as to the accuracy and adequacy of the information obtained. The quality of the ratings that the Company assigns is inherently dependent upon the accuracy of the information presented to us.

The Company has robust checks in place to ensure accuracy in sourcing, processing and delivering quality information and has been investing in upgrading technology and related infrastructure to automate process and minimise manual intervention.

(3) Policy Risk

Material changes in the regulations that govern us or our businesses could affect the results of our operations. Most of your Company's revenues come from rating services, which are influenced by regulatory requirements. SEBI has enhanced disclosure and monitoring requirements for credit rating agencies with an objective of bringing in more transparency in the capital market.

The Company keeps a close watch on key regulatory developments to anticipate changes and their potential impact on its business. ICRA continues to enhance its system and process to keep pace with the evolving regulatory environment. The recent policy changes like mandatory financing from capital market, insolvency and bankruptcy code, augur well for the rating business.

(4) Client Concentration

The Knowledge Services segment in ICRA Analytics has significant dependency on a single client for revenue and margins. High client concentration may expose the business for sudden loss of revenue or margins.

The Company has put in place a strategy which aims to reduce the dependence on a single client to an acceptable level. The strategy and related plan for reducing client concentration are periodically evaluated by the management.

(5) Investment Risk

Your 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.

It has a well-defined investment policy with specific guidelines on investments which is duly approved by the Board. All investments are periodically reviewed and assessed for compliance with policy and market risks.

(6) Information and Cyber Security Risk

Your Company's ability to conduct business may be adversely impacted on account of cyber incidents resulting in financial loss, disruption or damage to the reputation of an organisation. 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.

ICRA has a well-designed Information Security Management System (ISMS) with various policies, procedures and guidelines in place to set the security controls. The Company invested in various security tools and infrastructure to strengthen monitoring. Employee training and awareness sessions are conducted to remain vigilant against cyber incidents.

(7) Regulatory 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. A complex and dynamically-evolving regulatory environment may expose the Company to regulatory risk.

Your Company has put in place a compliance framework and tool to proactively monitor regulatory requirements. Periodic reviews are undertaken by compliance team to assess effectiveness of the compliance framework. The Compliance team provides periodic training to users to ensure adherence to policies, the

Code of Conduct, and applicable laws. All employees are mandatorily required to undergo compliance assessment.

(8) Talent Risk

Your Company's performance and success depend largely on its ability to attract, nurture, engage and retain best-in-class talent on a continuous basis. There is significant competition for talent and a pick-up in the job market created a shortage of talent resulting in hiring challenges.

The Company has a compensation framework aimed at attracting and retaining high performers. Periodic benchmarking of compensation is undertaken to ensure employee benefits are aligned to industry benchmarks. Employee engagements are undertaken periodically with an intent to increase awareness on the Company's value proposition and thereby reduce attrition.

A leadership development programme is in place to ensure succession planning and continuity.

E. 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 designed such controls and procedures or caused such controls and procedures to be designed under its supervision 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.)

F. Discussion on Financial Performance with respect to Operational Performance

The key features of your Company's financial performance for the year ended March 31, 2023 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 Company's Management accepts responsibility for the integrity and objectivity of these financial statements. The financial information discussed in this section is derived from the consolidated financial results of the Company.

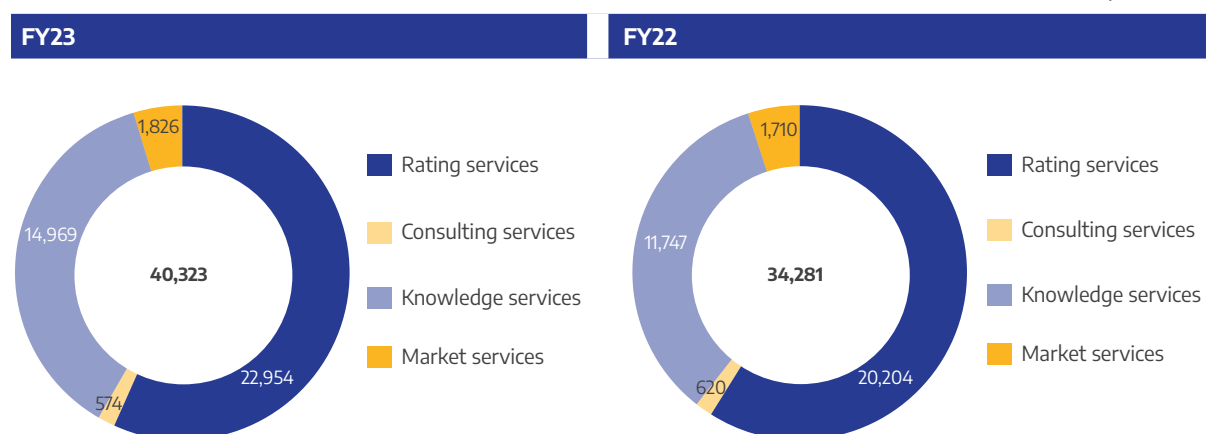
I. Results of operations

The financial performance of the ICRA is summarised below:

(a) Revenue from operations

ICRA earns revenue primarily from rating, research, analytics, data and information services. During the year, the revenue from operations shows 18% growth to Rs 40,323 lakhs, against Rs 34,281 lakhs from FY22. Revenue from operations was driven by strong growth in rating and knowledge services.

(Rs in lakhs)



Rating revenue grew by 14% to Rs 22,954 lakhs due to an uptick in bank loan and the market debt segment as private sector borrowings increased sharply. Bank credit offtake to large industries witnessed a strong rebound after sluggish growth during the pandemic years. After a sluggish first half, bond issuances grew strongly in the second half of the year as bank Marginal Cost of Funds-based Lending Rate [MCLR] increased bond issuances from the NBFCs and corporates as interest rates on bank loans started converging with bond yields. Strong bank credit growth resulted in banks tapping infrastructure, tier II bonds and Certificates of Deposits Replace with (CDs). As mutual funds (MFs) preferred to invest in CDs, the Commercial Paper (CP) outstanding remained flat in FY23.

Knowledge services grew by 27% to Rs 14,969 lakhs supported by expansion in ESG analytical projects.

(b) Other income

Other income primarily consists of interest income on fixed deposits and investments and gain on financial assets carried at fair value through profit or loss. Other income has grown by 21% in FY23 over FY22 due to beneficial interest regime and overall growth in treasury.

(c) Expenses

(Rs in lakhs)

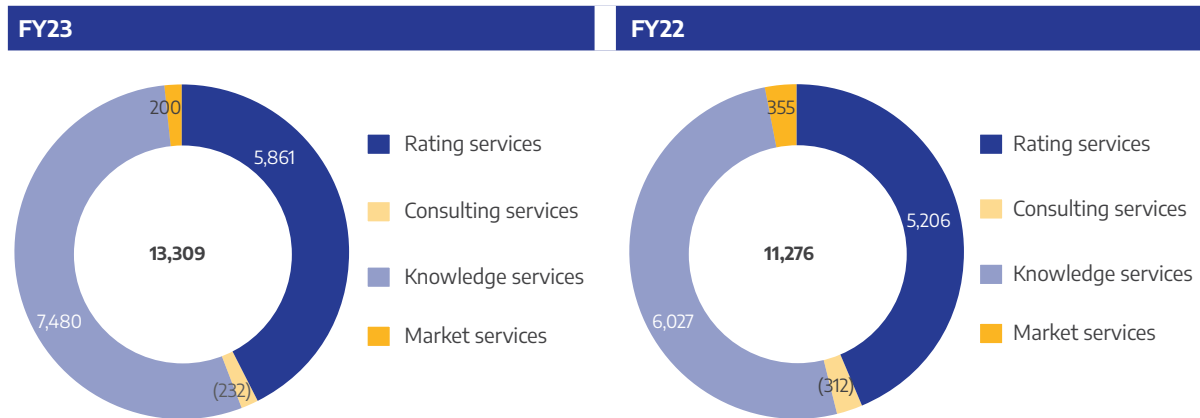
Particulars	FY23	FY22	Growth
a) Employee benefit expenses	20,756	17,925	16%
b) Operating and Other expenses:			
Other operating expenses	5,276	4,297	23%
Finance costs	141	156	-10%
Depreciation and amortization	983	781	26%
Total operating and Other Expenses	6,401	5,234	22%
Total Expenses	27,157	23,159	17%

Employee benefits expenses increased 16% due to merit increase and increase in headcount linked to billable role adds. Headcount at end of FY23 was 1,281 compared with 1,206 for FY22.

Other operating expense increase are largely on account of infrastructure and utility costs due to return to office post Covid.

Segment Operating Profit

(Rs in lakhs)

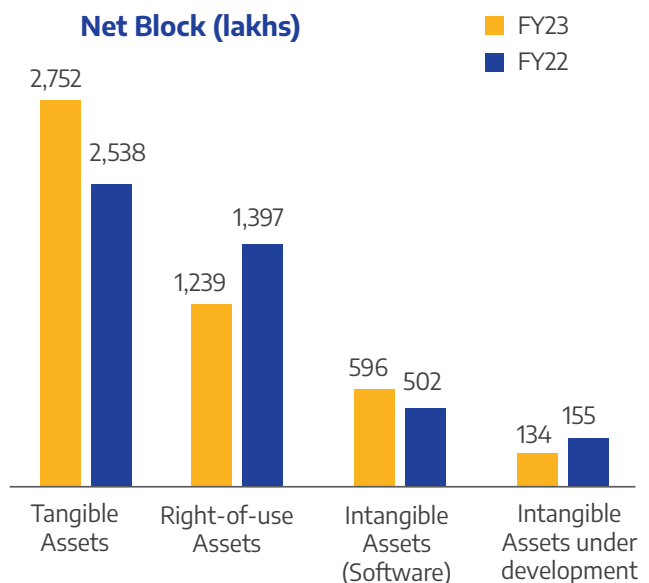


ICRA segmental profit before tax increased by 18% to Rs 13,309 lakhs driven by strong performance in Ratings and Knowledge services.

II. Property, plant and equipment, right-of-use assets, intangible assets and intangible assets under development

Property, plant and equipment (net) of the group increased by 3% in FY23 over previous year.

Particulars	(Rs in lakhs)
Tangible Assets	
Gross Block FY22	4,983
Addition	735
Disposals/adjustments	(362)
Gross Block FY23	5,356
Right-of-use assets	
Gross Block FY22	2,425
Addition	199
Disposals/adjustments	(159)
Gross Block FY23	2,465
Intangible Assets (Software)	
Gross Block FY22	1,007
Addition	216
Disposals/adjustments	(8)
Gross Block FY23	1,215
Intangible assets under development	
Gross Block FY22	155
Addition	186
Disposals/adjustments	(207)
Gross Block FY23	134

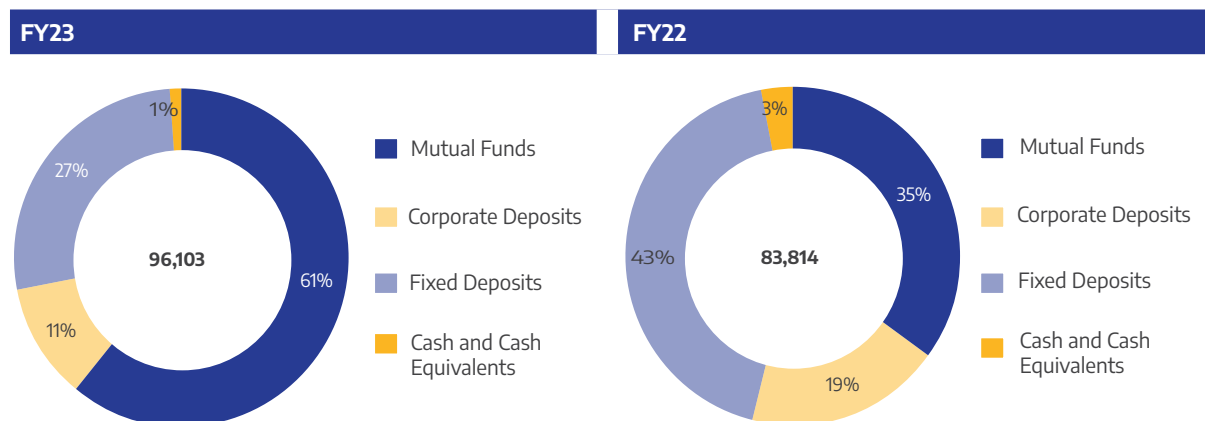


Overall increase in assets is linked to growth in technology assets in line with the Company's vision to leverage technology for business growth. During the year, the company added Rs 1,149 lakhs of property, plant and equipment, right-of-use assets and intangible assets. Accumulated depreciation stood at 49% of the gross block in FY23 as compared to 47% in FY22.

III. Financial Assets

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

- (a) **Treasury:** Treasury includes investment in mutual funds, corporate deposits, fixed deposits and cash and cash equivalents. (Rs in lakhs)



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.

- (b) **Other financial assets:** Other financial assets include trade receivables, interest accrued, loans, security deposits etc.

(Rs in lakhs)			
Particulars	FY23	FY22	Growth
Trade Receivables	3,805	2,650	44%
Accrued Interest on FD & Investments	-	1,851	(100%)
Others	968	976	(1%)
Total	4,773	5,477	13%

Trade receivables grew in line with revenue growth. Overall DSO (Days Sales Outstanding) for the year was 29 days compared with 39 days in FY22.

IV. Equity

- (a) **Equity share capital**

ICRA has only one class of equity shares having a par value of Rs 10 each. The issued, subscribed and paid-up capital stood at Rs 965 lakhs into 96,51,231 equity shares of Rs 10 each.

- (b) **Other Equity**

(Rs in lakhs)		
Particulars	FY23	FY22
Capital reserves	3,302	3,302
Capital redemption reserves	65	65
Treasury shares	(105)	(105)
General reserves	8,281	8,281
Foreign currency translation reserve	(60)	(46)
Other comprehensive loss	(306)	(157)
Retained earnings	82,886	72,056
Total other equity	94,063	83,396

Other equity increased by 13% as on March 31, 2023 in comparison to March 31, 2022.

V. Financial Liabilities

(Rs in lakhs)			
Particulars	FY23	FY22	Growth
Lease liability	1,303	1,403	(7%)
Trade payables	838	924	(9%)
Others	723	623	16%
Total financial liabilities	2,864	2,950	(3%)

Other financial liabilities were lower than previous year due to decrease in lease liability and trade payable on account of timing difference.

VI. Other Liabilities

Other current liabilities consist of unearned revenue, statutory dues payable and advances received from customers. Total other current liabilities increased by 18% on March 31, 2023, as against March 31, 2022 mainly due to increase in unearned revenue.

VII. Key Financial Ratios

Key financial ratios are provided in the table below.

Particulars	FY23	FY22
Debtors turnover (no. of days)	29	39
Current ratio	4.3	3.8
Operating profit margin (%)	32.7%	32.4%
Net profit margin (%)	33.9%	33.1%
Return on net worth (%)	14.3%	13.4%

There is no significant change, i.e., change of 25% or more, compared to the immediately previous financial year, in key financial ratios.

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

ICRA Group, with a total employee strength of 1,281 as of year-end 2022-23, continues to accord high priority to human resource development, with emphasis on improving skill, competence and knowledge through regular virtual/online training and in-house/external professional development programmes.

On behalf of the Board of Directors

Arun Duggal

Chairman

DIN: 00024262

Place: Gurugram

Date: May 24, 2023

Annexure IV

Secretarial Audit Report

For The Financial Year Ended March 31, 2023

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"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 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, 2023 (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 to the extent applicable ("**PIT Regulations**"); The Company is maintaining a Structured Digital Database ("**SDD**"), being a listed entity, in accordance with regulation 3(5) of the PIT Regulations. The Company has to maintain SDD being an intermediary for its credit ratings operations.
 - (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;
 - (e) The Securities and Exchange Board of India (Issue and Listing of convertible Securities) Regulations, 2021 to the extent applicable; **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) The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;
- (b) The Securities and Exchange Board of India (Intermediaries) Regulations, 2008 to the extent applicable.

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 to the extent applicable.

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

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 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.

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: A016302E000353782

Date: May 23, 2023

Place: Delhi

Note:

- (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.

Annexure-A to the Secretarial Audit Report

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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: A016302E000353782

Date: May 23, 2023

Place: Delhi

Annexure IV-A

FORM MR-3

Secretarial Audit Report

For the financial year ended March 31, 2023

[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.

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, 2023, 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, 2023, 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 Non-Convertible Securities) Regulations, 2021;
 - 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 Risk Management advice and solutions, Market Data research, content and analytics, Financial and Risk Advisory as well as technical assistance, Knowledge Services in the area of Automated Data Management, GAAP & IFRS Accounting Support, Financial Statement Analysis, Modelling and IT Services, Risk models and software implementation. 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 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 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. Ramnath Krishnan (DIN: 09371341) was appointed as an additional director in FY 21-22, and appointed as Director at the 23rd AGM of the Company on June 21, 2022
 - Ms. Sushmita Ghatak has been appointed as Managing Director & CEO of the Company effective Feb 10, 2022 for a term of 3 years. The same was approved by the members of the company on June 21, 2022 at the 23rd AGM of the Company
 - (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 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 Secretarial Audit Report ('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

Place : Kolkata

Date : May 02, 2023

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

UDIN: A013216E000234844

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

Place : Kolkata

Date : May 02, 2023

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

UDIN: A013216E000234844

Annual Corporate Social Responsibility Report for the Financial Year 2022-23

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.

The following CSR activities have been undertaken by the Company through its project partners during the financial year ended March 31, 2023:

Sl. No.	Name of the Project Partner	Project Location	Activities
1.	Anudip Foundation	Magrahat, Diamond Harbor West Bengal	Skill training and livelihood opportunities for 500 youth from marginalized communities.
2.	Vidya Integrated Development for Youth and Adults (VIDYA)	Gurugram Haryana	Sponsoring quality education for 41 students through a holistic development approach.
3.	Deepalaya	Nuh Haryana	Quality education support for 200 students from weaker sections of society.
4.	Friends of Women World Banking (FWWB)	Kheda, Gandhinagar, Ahmedabad, Mehsana Gujarat	Offering skill training and financial and business management knowledge to 550 potential entrepreneurs.
5.	Seva Mandir	Udaipur Rajasthan	Sponsoring residential learning camp for 100 out of school children to improve their reading, writing and basic mathematical skills.

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	Non-Executive Non-Independent Director	2	2
3.	Mr. Michael Foley, Member	Non-Executive Non-Independent Director	2	2
4.	Mr. Ramnath Krishnan, Member	Executive Director	2	2

3. Provide the web-link(s) 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/ShowCorporateGovernanceReportExternally?typeId=18>
- CSR Policy: <https://www.icra.in/Home/CSR?tab=policy>
- CSR Projects approved by Board: <https://www.icra.in/Home/CSR>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

- 5.** (a) Average net profit of the company as per sub-section (5) of section 135: **Rs 8150.73 lakhs**
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs 163.01 lakhs**
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
 (d) Amount required to be set off for the financial year, if any: **NIL**
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs 163.01 lakhs**
- 6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs 166.90 lakhs**
 (b) Amount spent in Administrative Overheads: **NIL**
 (c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
 (d) Total amount spent for the financial year [(a)+(b)+(c)]: **Rs 166.90 lakhs**
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in Rs lakhs)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
166.90	NIL	NIL	NIL	NIL	-

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	163.01
(ii)	Total amount spent for the financial year	166.90
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.89
(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*

*The Company will not carry forward any excess amount spent during the financial year 2022-2023.

7. Details of Unspent CSR amount for the preceding three financial years: NIL

1	2	3	4	5	6	7	8
Sl. No.	Preceding financial year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs)	Amount Spent in the financial year (in Rs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding financial years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of transfer	
1.	FY2021-22	-	-	-	-	-	-
2.	FY2020-21	-	-	-	-	-	-
3.	FY2019-20	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

If yes, enter the number of Capital assets created/ acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year: **Not Applicable**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR registration number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable**Ranjana Agarwal**

Chairperson CSR Committee

DIN: 03340032

Ramnath Krishnan

Managing Director & Group CEO

DIN: 09371341

Annexure VI

Business Responsibility & Sustainability Report 2022-23

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74999DL1991PLC042749		
2.	Name of the Listed Entity	ICRA Limited		
3.	Year of incorporation	1991		
4.	Registered office address	B-710, Statesman House, 14/8, Barakhamba Road, New Delhi – 110001		
5.	Corporate address	Building No. 8, Tower 'A', 2 nd Floor, DLF Cyber City, Phase II, Gurugram – 122002		
6.	E-mail	investors@icraindia.com		
7.	Telephone	+91 124-4545300		
8.	Website	www.icra.in		
9.	Financial year for which reporting is being done	2022-23		
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited		
11.	Paid-up Capital	Rs 965.12 lakhs		
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Amit Gupta Designation: General Counsel Telephone: +91 124-4545300 Email: investors@icraindia.com		
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Data	Basis	Exclusions
		Financials	Consolidated	All overseas Subsidiaries
		Human Resources	Consolidated	All overseas Subsidiaries
		Information Technology and Environment	Consolidated	All overseas Subsidiaries

II. Products/services

14.	Details of business activities (accounting for 90% of the turnover)	ICRA and its subsidiaries provide rating, research, outsourcing and knowledge services.
15.	Products/Services sold by the entity (accounting for 90% of the entity's Turnover)	Rating, research, outsourcing and knowledge services. Some of the services broadly mapped to NIC classes 66190 and 73200.

III. Operations

16.	Number of locations where plants and/or operations/offices of the entity are situated	Location	Number of plants	Number of offices	Total
		National	NA	15	15
		International	NA	1	1
		NA: Not Applicable			
17.	Markets served by the entity	A. Number of locations			
		Locations			Number
		National (No. of States)			Pan India
		International (No. of Countries)			1

B. What is the contribution of exports as a percentage of the total turnover of the entity?

39.41 % for FY2022-23

C. A brief on types of customers:

Our customers include manufacturing companies, commercial banks, non-banking finance companies, financial institutions, public sector undertakings, municipalities, mutual funds, insurance companies, private equities, or venture funds.

IV. Employees18. Details as at the end of
Financial Year**A. Number of locations**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	1253	811	65%	442	35%
2.	Other than Permanent (E)	65	37	57%	28	43%
3.	Total employees (D + E)	1318	848	64%	470	36%
Workers						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total workers (F + G)	NA	NA	NA	NA	NA

Note: Workforce categorised as employees and none as workers, hence details of workers category are not applicable.

B. Differently abled employees and workers

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1.	Permanent (D)	1	1	100%	0	-
2.	Other than Permanent (E)	0	0	0	0	-
3.	Total employees (D + E)	1	1	100%	0	-
Differently abled Workers						
4.	Permanent (F)					
5.	Other than permanent (G)			Not Applicable		
6.	Total workers (F + G)					

Note: Workforce categorised as employees and none as workers, hence details of workers category are not applicable.

19. Participation/Inclusion/ Representation of women	Total (A) No. and percentage of Females		
	No. (B)		% (B / A)
Board of Directors*	12	7	58%
Key Management Personnel*	7	1	14%

*The data is combined data for ICRA Limited & ICRA Analytics Limited

20. Turnover rate for permanent employees and workers:

	FY2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	21.98%	20.09%	21.30%	29.45%	28.93%	29.27%	11.51%	15.73%	12.86%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/associate companies/joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	ICRA Analytics Limited	Subsidiary	100%	Yes
2.	ICRA Lanka Limited*	Subsidiary	100%	No
3.	ICRA Nepal Limited	Subsidiary	51%	No
4.	PT ICRA Indonesia**	Subsidiary	99%	No
5.	Pragati Development Consulting Services Limited	Step-down Subsidiary	100%	No

*credit rating licence surrendered to the Securities and Exchange Commission, Sri Lanka, effective from February 28, 2023. ICRA Lanka Limited will initiate the voluntary liquidation which will be subject to approval of the regulator(s) in Sri Lanka

**liquidation initiated

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes. ICRA envisions making stronger communities and enriching the lives of underprivileged people through its Corporate Social Responsibility ("CSR") activities. ICRA CSR activities endeavour to empower underprivileged youths and adults with special focus on women with employable skills, creating livelihood opportunities for them so that they may contribute to the economic development of society, and it endeavours to promote education and support environmental sustainability.
(ii) Turnover (in Rs)	Rs 22,253.79 lakhs*
(iii) Net worth (in Rs)	Rs 73,774.37 lakhs**
	*on standalone basis
	** on standalone basis, OCI (Net of tax) is not considered in Net Worth

VII. Transparency and Disclosures Compliances

23. Complaints /Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. ICRA CSR team regularly interact with its stakeholders and beneficiaries online and offline. If there is any grievance relating to the activities conducted through our CSR partners, then grievances are redressed in accordance with our redressal mechanism.	0	0	Stakeholders & beneficiaries are satisfied with the CSR initiatives	0	0	None
Investors (other than shareholders)	Yes	2	0	None	3	0	None
Shareholders	Yes, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	8	0	None	13	0	None
Customers	Yes	2	0	None	0	0	None
Value Chain Partners	Yes	0	0	None	0	0	None
Others – Employees	Yes	1	0	None	3	0	None
Other - Anonymous	Yes	2	0	None	2	0	None
Others -Competitors	Yes	0	0	None	1	0	None

All the business activities are conducted within the business under principles stated in ICRA's Code of Business Conduct. It is a comprehensive document for ethical conduct for internal and external stakeholders of the company, covering entire operations. There are defined channels for receiving complaints/grievances from stakeholders and these are addressed with expediency in upholding the ethical standards practiced in the Group.

24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Talent Management	Opportunity & Risk	<p>Opportunity: Hiring talented individuals is a priority for our business as it is a key element in the success of our business.</p> <p>Risk: Talent management's failure to recognize any of the important elements while hiring can impact the company's ability to grow.</p>	Growth, equal opportunity, and safety are a priority for ICRA. Through employee well-being initiatives, it ensures a safe working environment along with the physical and mental well-being of employees.	Positive
2	Corporate Governance	Risk	Risk: Any breach to the governance norms can lead to risk of loss of trust among stakeholders or damage the company's reputation.	Adoption of policies and code of conduct help ICRA in strengthening its governance norms and following the highest standards of governance.	Negative
		Opportunity	<p>To achieve an organization's mission, corporate governance is essence to the companies' achievements, it helps in stakeholder value creation.</p> <p>For ICRA's philosophy on corporate governance please refer to "Corporate Governance Report".</p>	None	Positive
3	Environmental Footprint	Risk	Risk: Climate change has brought challenges that have to be addressed by individuals, governments, and corporates. As there is an increase in shareholder activism on governance this will be Identified and acted upon through opportunities to reduce impact on the environment.		

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The NGRBC has been designed to assist businesses to perform above and beyond the requirements of regulatory compliance.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.icra.in/RegulatoryDisclosure/Index P1 to P9: ICRA Code of Business Conduct, P1: Whistle-blower Policy P4 and P8: CSR Policy								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000,OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ICRA is committed to a safe healthy and harassment-free workplace through formulation and implementation of various policies and code of conduct such as anti-bribery and anti-corruption policy, whistle- blower policy, policy on related party transactions, sexual harassment policy, human rights policy, code of business conduct for strong ethical practices and standards.								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any.	ICRA has adopted the Sustainable Development Goals and is committed to reducing carbon emissions, including reduction of the carbon footprint within its work environment. It began with the introduction of a module on Environmental Sustainability and Health & Safety course to enlighten employees on the effects of climate change. To build awareness of the environmental crisis and steps towards mitigation, we have put up awareness posters across all our office locations.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	NA								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) (In line with industry practices)	ICRA has integrated ESG considerations into its business decisions and its operations. The company is focused on executing strong ESG prepositions with the help of its stakeholders. The committee of the Board of Directors endorses the UN sustainability development goals set out on a going basis. ICRA endeavors to reduce its carbon footprint and has been consistently investing in technology and various other measures to achieve this goal.								

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Managing Director & Group CEO of the Company is responsible for implementation and oversight of the Business Responsibility policy (ies)
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, the Managing Director & Group CEO is responsible for taking decisions related to sustainability issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																	
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9

Performance against above policies and follow-up action	Frequent reviews are held by internal stakeholders to bridge gaps in system and policies																	
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The company is in compliance with the current regulations applicable to its sector.																	
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Reviewing of policies is held by individual departments on a periodic basis and changes to these policies are made point in time. Recommendations are made by the management to the Board of Directors for their approval on updating the policies. It is implemented and assessed over time.																	
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/ No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Not Applicable

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness program held	Topics/Principles covered under training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel Employees other than BoD and KMPs		On an ongoing basis, the Company's functional heads and senior management personnel, make presentations in the Board meetings to the Board of Directors with the strategy, operations, and functions of the Company. At Board /committee meetings, presentations are made to the Board /committee members including Independent Directors by external experts and/ or senior management of the Company on Indian economy, debt markets, global regulatory environment, changes in the regulatory environment applicable to the Company and to the industry in which it operates and to ensure that members of the Board /committee are kept up to date. We sensitise our employees including key managerial personnel on company policies through online training modules and group sessions. These trainings are mandatory for all the new joiners, however, if new training or awareness programmes are introduced, they are mandatory for all employees. We also conduct refresher courses for existing employees.	
Workers	Not Applicable		

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial	Amount (In Rs)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement					
Compounding fee			None		
Imprisonment					
Punishment					

- Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/ enforcement agency/ judicial institution
Not Applicable	

- Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, pro-vide a web-link to the policy.

Anti-Bribery and Anti-Corruption Policy of ICRA complies with all applicable anti-bribery and anticorruption laws, including but not limited to the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act (UKBA), the Prevention of Corruption Act, 1988, Indian Penal Code, 1860 and all applicable anti-bribery and anti-corruption laws where ICRA operates, and

to accurately reflect all transactions in ICRA books and records. It is also ICRA's policy to require certain third-party intermediaries, agents, consultants, and business partners who work on ICRA's behalf to comply with these same laws and practices. This policy applies to ICRA, its direct and indirect wholly owned subsidiaries, and its majority-controlled subsidiaries as designated by ICRA Compliance Department. The policy is available in our Intra link.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021 -22 (Previous Financial Year)
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	Not Applicable	Not Applicable

6. Details of complaints regarding conflict of interest:

	FY2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	None	1	ICRA had appointed an external firm to examine the allegations. During FY 2021-22 the company has concluded the examination thereof and finalised the necessary action plan. The findings did not indicate any adverse financial impact.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	None		

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	---

We are a service sector entity and hence, the impact on our value chain is limited. We are mindful of the importance of awareness programmes and its impact on employees in strengthening their knowledge. A mechanism is being devised for training our value chain partners on human rights and environmental sustainability.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)
If Yes, provide details of the same.

The Board of Directors has adopted a Code of Conduct for the Members of the Board of Directors and the Senior Management. As per the said code of conduct, the Directors and Senior Management Personnel of the Company are expected to adhere to the standards of care, loyalty, good faith and the avoidance of conflicts of interest that follow. The Board members shall abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the Board of Directors in which they may have a conflict or potential conflict of interest.

PPRINCIPLE 2. Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	NA	NA	To minimise the negative impact on the environment we utilise all energy sources to increase efficiency of systems to create a healthy impact on individuals and environment. Plants have been added to ensure that it improves air quality within office, lifts up the atmosphere for our employees. We use LED lights in our common area to minimise the energy consumed and use sensor taps to reduce water wastage. Some of the expenditure is accounted under operational expenditure.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)

As per our internal procedures for procurement, we have provisions for sustainable procurement. Wherever possible, we give preferences to the following categories of vendors:

 - Suppliers with fair trade practices
 - Environment-friendly processes at the workplace
 - Marginalised suppliers
 - If yes, what percentage of inputs were sourced sustainably?

The nature of the business of our company does not require utilisation of many resources in the running of operations. However, we are actively working on adapting technologies that are energy- efficient and also formulating a mechanism to source sustainably.
- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for
 - Plastics (including packaging)
 - E-waste: Buying back UPS batteries and sending it for recycling
 - Hazardous waste and
 - other waste.

Given the nature of the business, ICRA and its subsidiaries have limited scope on these parameters, however, we realise that there is a pressing need to manage waste in an eco-friendly manner. To achieve these objectives, we encourage reusing/recycling wherever possible and are in the process of monitoring improvement. With the changing environment and climate ICRA is adapting and building awareness among its communities, stakeholders and employees in reusing, recycling, and reducing waste. Some of the awareness initiatives are mentioned below-

 - Rolled out online training course on Environmental Sustainability and Health & Safety for our employees, which is a small step to create an awareness on building a healthy environment full of people with aware, productive, and motivated minds.
 - Awareness posters on steps to cut down carbon footprint are displayed across all the office locations.
 - UPS batteries are recycled on a yearly basis.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by in- dependent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web- link.
NA					

2. If there are any significant social and environmental concerns and/or risks arising from production or disposal of your products and services as identified in the life cycle assessment (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same

Name of the products and services	Description of the risk / concern	Action Taken
NA	NA	NA
NA	NA	NA
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format

Particulars	FY2022-23	FY 2021-22
E waste and Battery waste	2.51	Not monitored

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
	Number B	% (A/B)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees										
Male	811									
Female	442									
Total	1253									
Other than Permanent Employees										
Male	37									
Female	28									
Total	65									

All employees are covered under these benefits.

C. Details of measures for the well-being of workers:

	Total	Health Insurance	Accident Insurance	Maternity Benefits	Paternity Benefits	Day Care Facilities
Category	(A) Number	B % (A/B)	Number C % (C/A)	Number D % (D/A)	Number E % (E/A)	Number F % (F/A)
Permanent Workers						
Male						
Female				Not Applicable		
Total						
Other than Permanent Employees						
Male						
Female				Not Applicable		
Total						

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY Current Financial Year (2022-23)			FY Previous Financial Year (2021- 22)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and de- posited with The authority (Y/ N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)
PF	100%	Not Applicable	Yes	100%	Not Applicable	Yes
Gratuity	100%		Yes	100%		Yes
ESI	100%		Yes	100%		Yes
Others, Please specify	NA		NA	NA		NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Most of the premises of ICRA and its subsidiary are accessible to differently abled visitors/ employees, if any.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The ICRA Code of Business Conduct can be accessed at

<https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport?id=1®ulatoryDisclosureReportId=493>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	85%	NA	NA
Female	91%	85%	NA	NA
Total	98%	85%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes. We have a mechanism to redress grievances of our employees. Please refer to the ICRA Code of Business Conduct for detailed mechanism.

<https://www.icra.in/RegulatoryDisclosure/ShowCodePolicyReport?id=1®ulatoryDisclosureReportId=493>

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	Yes, ICRA supports open door communication and encourages employees to attempt to resolve concerns, problems, grievance, compliant or issues that involve the work environment, including holding frank discussions with employees immediate supervisors or other senior managers, by providing performance feedback. Such discussion may help resolve many workplace issues.
Other than Permanent Workers	
Permanent Employees	ICRA's objective is to maintain an environment in which directors and all employees feel comfortable raising issues or grievances they believe are important. ICRA believes that maintaining a culture where open dialogue is encouraged and supported leads to a more productive, cohesive and enjoyable work environment. Further in consonance with the Companies Act, 2013, Industrial Disputes Act, 1947 or any other labour laws as amended from time to time and the Listing Regulations, ICRA has established a vigil 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.
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees/ workers in respective category, who are. Part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male						
Female						
Total Permanent Workers						
Male						
Female						

Not Applicable

8. Details of training given to employees and workers

We conduct quarterly fire safety training, and evacuation drills for employees across all branches. Employees are sensitised about the safety norms and demonstrations are held on the use of fire-fighting equipment. All our office facilities are fully equipped with the appropriate fire safety equipment and regular safety drills are held. We have also rolled out a health & safety curriculum on our learning platform, for our on-roll and off-roll employees to create awareness among them.

Category	FY2022-23				FY 2021-22					
	Total (A)	On Health and Safety measures		On Skill upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	%(B/A)	No (c)	% (C/A)		No. (E)	%(E/D)	No. F	%(F/D)
Employees										
Female	470	Safety mock drills are conducted for all employees and induction on H & S have been planned in FY2024 for all employees.		423	90%					
Male	848			754	80%			Not monitored		
Total	1318			1177	89%					
Workers (Not Applicable)										
Female										
Male										
Total										

9. Details of performance and career development reviews of employees and workers

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.

The 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 advise on overcoming workplace challenges, and tips to improve professional skills and competencies in addition to guidance on career progression.

Performance and career development is a priority for ICRA. Under its performance management, every year goals are set by employees based on which appraisal takes place. Additionally, an increase in the remuneration not only depends on the employee's performance but also on company performance. Employees have also been offered paid courses that will help them upgrade their skills through tools that will increase their efficiency.

Category	FY2022-23			FY 2021-22		
	Total(A)	No. (B)	%(B/A)	Total (C)	No.(D)	%(D/C)
Employees						
Female	425	425	100%	Not monitored		
Male	776	776	100%			
Total	1211	1211	100%			
Workers						
Female						
Male	Not Applicable					
Total						

10. Health and safety management system:

Yes, safety and well-being of all employees is a priority for ICRA, though there are no occupational health and safety risks considering the nature of the business. For a healthy and productive environment, we have a Group Medclaim Policy which covers costs of medical expenses and other healthcare related costs. To encourage employees to take care of themselves an annual health check-up programme is sponsored by ICRA. For quick assistance, we have an app-based application which helps our employees with quick appointments for hospitalisation and a teleconsultation by a general physician 24x7. Beside this, periodically, ICRA conducts stress management sessions for all its employees and also has rolled out a health and safety module which helps in creating awareness on workplace hazards, identifying them, practicing good posture, reporting of accident-prone zone, etc.

A. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Not applicable as there are no occupational health and safety risks considering the nature of the business.

B. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Electric devices in the office are assessed regularly, and a fire safety drill is held periodically where all employees must participate mandatorily.

C. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

There are no workers at ICRA, however, employees can report any work-related hazards to remove such risks.

D. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

(Yes/ No) yes

The Company provides its employees with group term life and personal accident cover in addition to medical insurance.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees	Nil	
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Employee well-being and psychological safety continue to be a priority for ICRA. Fire drills and quality assurance audits are conducted in the office premises to ensure the maintenance of safety standards.

13. Number of complaints on the following made by employees and workers:

	FY2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions		None			None	
Health						

14. Assessments for the year –

*The Company has entered into preventive periodic maintenance contracts which include firefighting equipment and electrical equipment's are annually checked/audited by third party.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	There were no statutory audits conducted on health and safety practices in FY2023 for any of the offices in India.
Working Conditions	There were no statutory audits conducted on working conditions in FY2023 for any of the offices in India.

15. Provide details of any corrective action taken or under way to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

This is not directly applicable given the nature of business.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of
 - Employees (Y/N) Yes
 - Workers (Y/N) Not applicable
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We expect our value chain partners to follow business responsibility principles and values of transparency and accountability and, accordingly, expects that statutory dues as applicable to the transactions within the remit of ICRA are deducted and deposited in accordance with the applicable laws.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
Employees	Not Applicable	Not Applicable
Workers	Not Applicable	Not Applicable

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No

5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices
Working Conditions

These parameters are currently not explicitly assessed or measured.

6. Provide details of any corrective actions taken or under way to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The individuals and groups that help in the development of business directly or indirectly are seen to be ICRA's stakeholders. To make the stakeholders seen and heard, ICRA regularly takes feedback from its employees, institutions, and non-governmental organisations. These are taken in the form of feedback, survey, town halls and group discussions. With these efforts ICRA has built a long-term value creation with its stakeholders.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as vulnerable & Marginalized group	Channel of communication (E mail SMS, Newspaper, Pamphlets, advertisement, community meetings, notice board, website, others)	Frequency of Engagement (Annually, Half yearly/ quarterly others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	Community meeting	Regular	CSR intervention
Investors	No	Investors meet, email	Annual or periodic	
Shareholders	No	Annual General Meeting, email	Annual or periodic	To stay abreast of developments in the Company, performance of the Company and the sector, address concerns/grievances.
Employees and Workers	No	Zing hr portal, Townhall, email	Regular	Employee Engagement
Customers	No	Email, sms, advertisement, social media, website	Regular	
Value Chain Partners	No	Email	Periodic	Engagement

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Consultation with the respective stakeholders is done by the concerned executives. Feedback from such consultations is shared with the management and/or the Board of Directors.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Effective engagement helps us in achieving our organisation’s vision and value. We use various platforms to engage with our stakeholders to understand their needs and concerns, if any, and chart out suitable strategies to address them.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

We engage and support vulnerable and/or marginalized stakeholder groups through our CSR partners in the areas of education, skill development and livelihood.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicator

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY2022-23		FY 2021-22	
	Total (A)	No. of employees/ workers covered (B)	Total (C)	No. of employees'/ workers covered (D)
Employees				
Permanent	ICRA offers equal opportunity to all its employees and believes a workforce that represents an array of backgrounds and experiences helps create an environment that maximises each employee’s contribution, widens the leadership pipeline and enriches ICRA’s work, including the quality of its opinions, and services. ICRA maintains an open, inclusive and fair work environment for all to help promote diversity and inclusion in all its workplaces and also ensures the absence of child labour, forced labour and/or involuntary labour in any of its operations. ICRA is determined not to tolerate any violation of human rights and has established a mechanism to report such violations through established channels. ICRA takes appropriate disciplinary action, which could include termination of employment for anyone who engages in such conduct. Policies and codes like, Policy on Prevention of Sexual Harassment, Policy on Human Rights, Code of Business Conduct, etc. are in place and periodically trainings and awareness programmes are conducted for employees through various modes.			
Other than permanent	Not monitored currently		Not monitored currently	
Total Employees				
Workers				
Permanent				
Other than permanent	Not Applicable		Not Applicable	
Total Workers				

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2022-23					FY 2021-22				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1251	-	-	1251	100%	1169	-	-	1169	100%
Male	807	-	-	807	100%	745	-	-	745	100%
Female	444	-	-	444	100%	424	-	-	424	100%
Other than Permanent	65	-	-	65	100%	51	-	-	51	100%
Male	37	-	-	37	100%	31	-	-	31	100%
Female	28	-	-	28	100%	20	-	-	20	100%
Workers (NA)										
Permanent										
Male				Not Applicable					Not Applicable	
Female										
Other than Permanent										
Male				Not Applicable					Not Applicable	
Female										

Note: Data pertaining to ICRA and ICRA Analytics

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	4	Rs 25 lakhs	4	Rs 20 lakhs
Key Managerial Personnel	4	Rs 146.28 lakhs	NA	NA
Employees other than BoD and KMP	280	Rs 18.00 lakhs	130	Rs 12.43 lakhs
Workers			NA	

*Remuneration to Managing Director & Group CEO has been included in Key Managerial Personnel.

Note: Data specific to ICRA Limited

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

ICRA is determined not to tolerate any violation of human rights and has established a mechanism to report such violations through established channels. ICRA takes appropriate disciplinary action, which could include termination of employment for anyone who engages in such conduct.

6. Number of Complaints on the following made by employees and workers. None

	FY2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	NA	NA	Nil	NA	NA
Discrimination at workplace	Nil	NA	NA	Nil	NA	NA
Child labour	NA	NA	NA	NA	NA	NA
Forced labour/ Involuntary labour	NA	NA	NA	NA	NA	NA
Wages	Nil	NA	NA	Nil	NA	NA
Other human rights related issues	Nil	NA	NA	Nil	NA	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

ICRA respects the right of each employee to report in good faith possible unlawful discrimination or harassment, including sexual or other discriminatory harassment, or to provide information in connection with any such report. Retaliation against any employee for engaging in these activities is contrary to ICRA's policy and code and will not be tolerated. If employees believe that they have experienced harassment, discrimination or retaliation, they should immediately report such incidents to the human resources or the legal department. They may also, report it on the integrity hotline. Any person found to have retaliated against an individual for discrimination or harassment or for participating in an investigation of allegations of such conduct will be subject to appropriate disciplinary action.

8. Do human rights requirements form a part of your business agreements and contracts? (Yes/No)

Yes

9. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	ICRA monitors compliance for all applicable laws, policies and codes pertaining to these issues and there has been no observation by local statutory / third parties in FY2022-23.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others, please specify	

10. Provide details of any corrective actions taken or under way to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

ICRA creates awareness about the policies and codes like, policy on prevention of sexual harassment, policy on human rights, code of business conduct, etc. Periodically training and awareness programmes are conducted for employees through various modes.

ICRA strives to support, protect, and promote human rights to ensure fair and ethical business and employment practices are followed, for instance internal committees (IC) for all office locations have been constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with women employees being a majority and an external member. The policy on POSH and composition of ICs are displayed at all office locations.

2. Details of the scope and coverage of any human rights due diligence conducted.

None

3. Is the premise/office of the entity accessible to differently-abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Some of our offices are accessible with ramps.

4. Details on assessment of value chain partners:

% of value chain partners (by value of partners) that were assessed	
Sexual harassment	No
Discrimination at workplace	No
Child Labour	No
Forced labour/Involuntary Labour	No
Wages	No
Others – please specify	No

5. Provide details of any corrective actions taken or under way to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Note: if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Parameter	FY2022-23	FY 2021-22
Total electricity consumption (A)	3,737,149.2 MJ	Not monitored
Total fuel consumption (B)	NA	
Energy consumption through other sources (C)	NA	
Total energy consumption (A+B+C)	3,737,149.2 MJ	
Energy intensity per Rs of turnover (Total energy consumption/ turnover in Rs)	0.00168	
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. -Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

As ICRA'S usage of water is restricted to human consumption purposes only, ICRA has not implemented a mechanism for zero liquid discharge. However, the Company has taken various initiatives to consume water judiciously. Our online module on environmental sustainability and health & safety incorporates awareness on water conservation.

Parameter	FY2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
i) Surface water	NA	
(ii) Groundwater	NA	
(iii) Third party water	7,519.52KL	
(iv) Seawater / desalinated water	NA	
(v) Others	169.52 KL	Not monitored
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,689.04 KL	
Total volume of water consumption (in kilolitres)	*	
Water intensity per Rs of turnover (Water consumed / turnover)	*	
Water intensity (optional)the relevant metric may be selected by the entity	NA	

*All our offices are located in multitenant buildings hence the water discharge data is not available for current financial year.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

- Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. No
- Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: As ICRA is a financial service provider, Greenhouse Gas emissions are not material to the company. However, in the coming years ICRA will reduce its emissions by capturing and calculating data. The only source of such emissions is DG operated as a back-up power supply but the same is under the landlords' scope for most of the office locations. Hence, the same is not applicable to us.

Parameter	Please specify unit	FY2022-23	FY 2021-22
NOx		0	0
Sox		0	0
Particulate matter (PM)		0	0
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others – please Specify		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

- Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

We are a service sector company and most of our offices are leasehold property. We don't have any direct fuel use in our operation. Hence there is no Scope 1 emission associated with our operation in the reporting period. The only source of emission is purchased electricity and the same is reported under Scope 2. We are taking various efforts to reduce our scope 2 emission mainly through implementation of various energy efficiency initiatives in our offices like shifting to LED lighting etc.

Parameter	Unit	FY (2022-23)	FY (2021-22)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	0	
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	742.24 tCO ₂ e	Not monitored
Total Scope 1 and Scope 2 emissions per Rs of turnover		0.00000033	
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.

No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY2022-23	FY2021-22
Total Waste generated (in metric tons)		
Plastic waste (A)	Not monitored	
E-waste (B)	0.65	
Bio-medical waste (C)	NA	
Construction and demolition waste (D)	No	
Battery waste (E)	1.86	
Radioactive waste (F)	No	Not monitored
Other Hazardous waste. Please specify, if any. (G)	Not monitored	
Other Non-hazardous waste generated. (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Not monitored	
Total (A+B + C + D + E + F + G + H)	2.51	

Note: The only source of plastic and other non-hazardous waste (food waste, restroom waste etc.) are only through office operation and it's very minimal. We have taken measures to reduce these kinds of waste through various employee awareness programmes. Waste segregation and management is available in our various offices and currently we are in the process of implementing it across all our offices. We are working on a process to track waste generation and management.

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled		
(ii) Re-used	2.51	Not monitored
(iii) Other recovery operations		
Total		

For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)

Category of waste		
(i) Incineration	None	
(ii) Landfilling	None	Not monitored
(iii) Other disposal operations	None	
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As we are in the service industry, we do not require any hazardous and toxic chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

ICRA does not have any offices in ecologically sensitive areas.

S.No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reason thereof and corrective action taken, if any.
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain. (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, we have complied with applicable environmental law/regulations / guidelines.

S. No.	Specify the law / regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
No fine/penalty/action was initiated against the entity under any of the applicable environmental laws/regulation/guidelines.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	NA	
Total fuel consumption (B)	NA	
Energy consumption through other sources (C)	NA	
Total energy consumed from renewable sources (A+B+C)	NA	
From non-renewable sources		
Total electricity consumption (D)	3737149.2 MJ	
Total fuel consumption (E)	Not monitored	
Energy consumption through other sources (F)	NA	
Total energy consumed from non- renewable sources (D+E+F)	3737149.2	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of		Not monitored
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- 1) Name of the area NA
- 2) Nature of operations NA
- 3) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per Rs of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be select-	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA

- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of	NA	NA
(iv) Sent to third parties	NA	
No treatment		
With treatment – please specify level of		
(v) Others	NA	NA
No treatment		
With treatment – please specify level of treatment		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2022-23	FY 2021-22
Total Scope 3 emissions (Break- up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	We are a service-oriented business and at the same time realise the adverse impact of direct and indirect emissions to the environment. However, we are currently not measuring Scope 3 emissions.	
Total Scope 3 emissions per Rs of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically-sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas, along with prevention and remediation activities.
- NA
6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if Any), may be provided along-with	Outcome of the initiative
1.	Disposal of all IT assets through MPCB approved vendor	All IT assets are being disposed of in a responsible manner through an MPCB approved disposal vendor, who ensures that any e-waste is being disposed of as per rules outlined by the State Pollution Control Board.	Responsible disposal of e-waste, as it has lithium, mercury cadmium, that can affect not only the environment but ragpickers and their health.
2	Hand dryers, sensor taps and LED light fixtures	Use of such technology helps reduce paper waste saves water, saves energy and ensures best utilisation of resources	Sensor-based taps installed at offices to reduce water consumption, hand dryers also installed in washrooms to reduce paper/tissue consumption. Plants placed inside the office premises to reduce air pollution.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. For each location we have a crisis management committee and have a plan. We do not have any web link for the same.
8. Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
No significant adverse impact envisaged from the companies' value chain partners.
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for emissions & its intensity
In financial year 2022-23 we have not assessed emissions & its intensity for our value chain partners

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/ associations.
The Associated Chambers of Commerce & Industry of India, PHD Chamber of Commerce and Industry, Federation of Indian Chambers of Commerce and Industry and Confederation of Indian Industry
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Assocham-The Associated Chambers of Commerce & Industry of India	National
2	FICCI- Federation of Indian Chambers of Commerce	National
3	PHD Chambers - PHD Chamber of Commerce and Industry	National
4	CII- Confederation of Indian Industry	National

2. Provide details of corrective action taken or under way on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
Corrective action taken	Not Applicable	

Leadership Indicators

1. Details of public policy positions advocated by the entity:
We engage with regulators, industry or other forums on public policy matter, through responsible engagement.

S. no.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (yes/no)	Frequency of review by board (annually/ half yearly/ quarterly/ others)	Web link, if available
1	We engage with regulators, industry, or other forums on public policy matter, through responsible engagement.	Client publications, newsletters, media quotes, events, webinars, speakers	No	Need basis	NA

PRINCIPLE 8. Business should promote Industry growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

Name and brief details of the project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

ICRA has no previous or ongoing projects that require rehabilitation or resettlement.

3. Describe the mechanisms to receive and redress grievances of the community

ICRA CSR team regularly interact with its stakeholders and beneficiaries online and offline. If there is any grievance relating to the activities conducted through our CSR partners, then grievances are redressed in accordance with our redressal mechanism.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers		
Sourced directly from within the district and neighbouring districts.	Not applicable taking the nature of business into consideration	

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

S.no	State	Aspirational District	Amount Spent (Rs)
1	Haryana	Nuh	Rs 26.70 Lakhs

3. (a) Do you have a preferential procurement policy where you give preference to purchase from supplier's comprising marginalized /vulnerable groups? (Yes/No) Yes
 (b) From which marginalized /vulnerable groups do you procure? Not monitored
 (c) What percentage of total procurement (by value) does it constitute? Not monitored

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
				Not applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

Name of authority	Brief of the case	Corrective action taken
		Not applicable

6. Details of beneficiaries of CSR Projects:

s.no	CSR project	No. of person benefitted from CSR projects *	% of beneficiaries from vulnerable and marginalized groups
1	DIYA Program (Anudip NGO)	775	100%
2	Sponsorship Programme: Project (Deepalaya)	200	100%
3	Women Entrepreneurship program (FWWB)	550	100%
4	Sponsorship Programme: Project (Vidya)	41	100%
5	Residential Learning Camp: Seva Mandir	100	100%
6	Parivaar	30	100%

*Number of beneficiaries

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We provide various mechanisms to our customers to report complaints or feedback. Any complaints received from customers is redressed in accordance with the mechanism formulated and specified in polices/code of business conduct. Any feedback from customer is taken positively and action plans are defined to ensure utmost customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to the total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not Applicable
Recycling and/or Safe disposal	

3. Number of consumer complaints in respect of the following:

	FY2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil			Nil		
Advertising	Nil			Nil		
Cyber security	Nil			Nil		
Delivery of essential services	Nil			Nil		
Restrictive Trade Practices	Nil			Nil		
Unfair Trade Practices	Nil			Nil		
Other	Nil			Nil		

4. Details of instances of product recalls on account of safety issues: NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

ICRA has master IT policy which includes an Information Security policy that contains all measures related to Cyber Security.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable in FY 2022-23

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Yes, <https://www.icra.in/Rating/Index?RatingType=CR>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

ICRA, being a credit rating agency, expresses to its clients through its rating methodologies and other rating publications, how ESG factors could affect their credit ratings. While ICRA does not decline business engagements with clients that are weak on ESG credentials, it performs an important function of informing the issuers, investors, and other market participants about the ESG risks that a rated entity faces. In a broader context, ICRA sufficiently discloses what Ratings stand for and what they are not so that the investors can take a well-informed decision.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. NA
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) No
5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact

0

- b. Percentage of data breaches involving personally identifiable information of customers

NIL

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 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	Date(s) of approval by the Board, if any	Amount paid as advance, if any
1.	Moody's Corporation (including its affiliates) ("Moody's entities") (Ultimate Holding Company/Fellow Subsidiary)	Providing data management, value-added services including adjustments, ratio analysis, interpretation of reports, research support, data validation, cash flow modelling and analytics in the accounting and finance space. We also provide IT support services.	Ongoing, subject to renewal as per contractual terms	Amount not exceeding USD 20 Million (INR 150 crore; INR 75/USD 1) per annum	Pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions and Regulation 23 of Listing Regulations, on February 17, 2022, the Board of Directors had approved this transaction and sought an approval from the members of the Company through postal ballot which was duly passed on March 26, 2022.	Nil

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 March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and 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 consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, 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 March 31, 2023, 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 report of the other auditor 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.

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, 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. • Evaluated the reasonableness of the significant judgements and estimation involved in the recognition of revenue. • On selected sample of contracts, tested revenue recognition, and our procedures included: <ol style="list-style-type: none"> i. evaluating the identification of performance obligations; ii. considering the terms of the contracts to determine the transaction price; and iii. 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 financial statements and auditor's report thereon.

Independent Auditor's Report (Contd.)

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.

Management's and Board of Directors'/Those Charged With Governance (TCWG) 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 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/Trustees of the Entity 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/entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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/Trustees of the Entity included in the Group are responsible for assessing the ability of each company/entity 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/Trustees either intends to liquidate the company/entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/Trustees of the Entity included in the Group are responsible for overseeing the financial reporting process of each company/entity.

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

Independent Auditor's Report (Contd.)

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 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 entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit 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 one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs 76.30 lakhs as at March 31, 2023, total revenues (before

consolidation adjustments) of Rs 59.09 lakhs and net cash inflows (before consolidation adjustments) amounting to Rs 5.02 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have 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.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

- b. The financial statements of three subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs 4,774.58 lakhs as at March 31, 2023, total revenues (before consolidation adjustments) of Rs 686.06 lakhs and net cash inflows (before consolidation adjustments) amounting to Rs 113.56 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 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 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.

Independent Auditor's Report (Contd.)

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to 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 report of the other auditor on separate financial statements of such subsidiary, as was audited by other auditor, 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 March 31, 2023 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 March 31, 2023 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2023 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 March 31, 2023.
 - 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 March 31, 2023.
 - d. (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 48(iv) to the consolidated financial statements, 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 any of such subsidiary companies to or in any other person(s) or entity(ies), 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 by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Contd.)

- (ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 48(v) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company and its subsidiary companies incorporated in India during the year, in respect of the same

declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 32 to the consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary companies incorporated in India have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- 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 **BSR & Co. LLP**

Chartered Accountants

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

Manish Kapoor

Partner

Membership No.: 510688

ICAI UDIN: 23510688BGZGTA2667

Place: Gurugram

Date: May 24, 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of ICRA Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse	Remarks
1	Pragati Development Consulting Services Limited	U74140DL2011PLC213174	Subsidiary	Clause xvii	The Company has incurred cash losses in the current financial year and immediately preceding financial year.

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

Chartered Accountants

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

Manish Kapoor

Partner

Place: Gurugram

Date: May 24, 2023

Membership No.: 510688

ICAI UDIN: 23510688BGZGTA2667

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of ICRA Limited for the year ended March 31, 2023

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 Act

(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 ICRA Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act 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 financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to 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' Responsibilities for Internal Financial Controls

The respective 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 financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 consolidated 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.

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of ICRA Limited for the year ended March 31, 2023 (Contd.)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections

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

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

Chartered Accountants

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

Manish Kapoor

Partner

Membership No.: 510688

ICAI UDIN: 23510688BGZGTA2667

Place: Gurugram

Date: May 24, 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4.1	2,752.08	2,538.20
(b) Right-of-use assets	4.2	1,239.41	1,396.94
(c) Goodwill	4.2	122.53	122.53
(d) Other intangible assets	5.1	596.20	502.25
(e) Intangible assets under development	5.2	134.10	155.20
(f) Financial assets			
(i) Investments	6.1	42,515.06	39,165.67
(ii) Loans	7.1	3.25	5.73
(iii) Other financial assets	8.1	3,730.54	8,251.10
(g) Deferred tax assets (net)	9.5	228.11	462.72
(h) Non-current tax assets (net)	10	2,072.74	1,536.31
(i) Other non-current assets	11.1	143.08	116.27
Total non-current assets		53,537.10	54,252.92
(2) Current assets			
(a) Financial assets			
(i) Investments	6.2	26,335.75	6,215.00
(ii) Trade receivables	12	3,804.81	2,649.59
(iii) Cash and cash equivalents	13	1,215.80	2,192.03
(iv) Bank balances other than (iii) above	14	22,934.08	28,821.44
(v) Loans	7.2	2.48	2.39
(vi) Other financial assets	8.2	334.13	1,987.59
(b) Other current assets	11.2	1,917.53	1,726.49
Total current assets		56,544.58	43,594.53
Total assets		110,081.68	97,847.45
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	965.12	965.12
(b) Other equity	16	94,062.99	83,395.91
Equity attributable to equity shareholders of the Company		95,028.11	84,361.03
Non-controlling interests		464.71	411.42
Total equity		95,492.82	84,772.45
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.1	995.82	1,122.79
(ii) Other financial liabilities	17.2	145.37	92.11
(b) Provisions	18.1	273.18	311.00
Total non-current liabilities		1,414.37	1,525.90
(3) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.3	307.03	279.81
(ii) Trade payables	20		
(A) Total outstanding dues of micro and small enterprises		16.83	52.37
(B) Total outstanding dues of creditors other than micro and small enterprises		821.55	871.58
(iii) Other financial liabilities	17.4	577.60	530.76
(b) Other current liabilities	19	7,206.20	6,088.92
(c) Provisions	18.2	4,229.25	3,650.91
(d) Current tax liabilities (net)	21	16.03	74.75
Total current liabilities		13,174.49	11,549.10
Total liabilities		14,588.86	13,075.00
Total equity and liabilities		110,081.68	97,847.45
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 **B S R & Co. LLP**

Chartered Accountants

Firm Registration

No.: 101248W/W-100022

Manish Kapoor

Partner

Membership No.: 510688

Place: Gurugram

Date: May 24, 2023

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

Arun Duggal

Chairman

(DIN: 00024262)

Place: Gurugram

Date: May 24, 2023

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Place: Mumbai

Dated: May 24, 2023

Venkatesh Viswanathan

Chief Financial Officer

(DIN: 09371341)

Place: Mumbai

Date: May 24, 2023

S. Shakeb Rahman

Company Secretary

(DIN: 09371341)

Place: Gurugram

Date: May 24, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	22	40,323.08	34,280.52
II Other income	23	4,955.19	4,087.55
III Total income (I+II)		45,278.27	38,368.07
Expenses			
IV Employee benefit expenses	24	20,756.16	17,924.81
V Finance costs	25	141.25	156.14
VI Depreciation and amortisation expense	26	982.91	781.21
VII Other expenses	27	5,276.21	4,297.28
VIII Total expenses (IV to VII)		27,156.53	23,159.44
IX Profit before tax (III-VIII)		18,121.74	15,208.63
Tax expense:			
Current tax		4,164.51	3,738.45
Deferred tax		284.70	116.94
X Total tax expense	9.1	4,449.21	3,855.39
XI Profit after tax (IX-X)		13,672.53	11,353.24
Other comprehensive (loss)/ income			
A. (i) Items that will not be reclassified to profit or loss	34	(198.98)	(10.61)
(ii) Income tax relating to items that will not be reclassified to profit or loss	9.2	50.08	2.86
B. (i) Items that will be reclassified to profit or loss		(13.92)	(29.95)
(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)		(162.82)	-37.70
XIII Total comprehensive income for the year (XI + XII)		13,509.71	11,315.54
XIV Profit attributable to :			
Owners of the Company		13,523.59	11,229.07
Non-controlling interests		148.94	124.17
Profit after tax		13,672.53	11,353.24
XV Other comprehensive (loss) / income attributable to :			
Owners of the Company		(163.09)	(43.53)
Non-controlling interests		0.27	5.83
Other comprehensive (loss) / income for the year		(162.82)	(37.70)
XVI Total comprehensive income attributable to :			
Owners of the Company		13,360.50	11,185.54
Non-controlling interests		149.21	130.00
Total comprehensive income for the year		13,509.71	11,315.54
XVII Earnings per share (Rs) (face value of Rs 10 per share):			
Basic	31	140.59	116.74
Diluted		140.59	116.74
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 **B S R & Co. LLP**

Chartered Accountants

Firm Registration

No.: 101248W/W-100022

Manish Kapoor

Partner

Membership No.: 510688

Place: Gurugram

Date: May 24, 2023

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

Arun Duggal

Chairman

(DIN: 00024262)

Place: Gurugram

Date: May 24, 2023

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Place: Mumbai

Dated: May 24, 2023

Venkatesh Viswanathan

Chief Financial Officer

Place: Mumbai

Date: May 24, 2023

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Date: May 24, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	18,121.74	15,208.63
Adjustments for:		
Depreciation and amortisation expense	982.91	781.21
Loss allowance (including bad debts/ advances written off)	595.98	171.42
Provision for onerous contracts	-	78.97
Interest on lease liabilities	135.91	156.14
Unrealised foreign exchange loss/ (gain) (net)	2.39	7.41
Interest income on fixed deposits	(1,819.59)	(2,428.19)
Interest income on investments carried at amortised cost	(596.45)	(481.24)
Interest income on security deposit carried at amortised cost	(47.03)	(45.58)
Gain on financial assets carried at fair value through profit and loss ('FVTPL') (net)	(2,158.18)	(570.60)
Gain on sale of financial assets carried at FVTPL (net)	(41.55)	(465.94)
Advances received from customers written back	(212.58)	(274.87)
Reversal of loss allowance	-	(1.70)
Reversal of foreseeable loss on onerous contracts	(28.11)	-
(Profit)/ loss on sale of property, plant and equipment (net)	(7.74)	10.40
Bad debts recovered	(33.88)	(8.63)
Operating cash flow before changes in operating assets and liabilities	14,893.82	12,137.43
Adjustments for changes in operating assets and liabilities:		
(Increase)/ decrease in trade receivables	(1,647.31)	1,626.66
(Increase)/ decrease in loans	2.39	13.23
(Increase)/ decrease in other financial assets	(39.14)	486.68
(Increase)/ decrease in other assets	(191.59)	(416.74)
Increase/ (decrease) in trade payables	(85.58)	143.70
Increase/ (decrease) in other financial liabilities	79.90	(346.50)
Increase/ (decrease) in other liabilities	1,329.86	(252.19)
Increase/ (decrease) in provisions	343.12	419.13
Cash generated from operations before tax	14,685.47	13,811.40
Taxes paid, net of refund	(4,759.66)	(4,145.23)
Net cash generated from operating activities (A)	9,925.81	9,666.17
B. Cash flow from investing activities:		
Acquisition of property, plant and equipment and intangible assets	(908.84)	(522.18)
Proceeds from sale of property, plant and equipment and intangible assets	23.83	5.26
Proceeds from redemption/ disposal of mutual funds	1,800.00	21,696.42
Investment in mutual funds	(28,702.39)	(34,050.00)
Investments (made in)/ redemption in corporate deposits (net)	6,215.00	(14,315.00)
Interest received on investments	353.31	143.97

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(Increase)/ decrease in fixed deposits (having maturity of more than three months), net	11,309.36	17,709.60
Interest received on fixed deposits	2,225.86	2,145.75
Net cash used in investing activities (B)	(7,683.87)	(7,186.18)
C. Cash flow from financing activities		
Payment of lease liabilities	(286.98)	(330.23)
Interest paid on lease liabilities	(135.91)	(156.14)
Dividend paid	(2,789.34)	(2,645.18)
(Decrease)/ increase in unclaimed dividend	(0.35)	(0.02)
Net cash used in financing activities (C)	(3,212.58)	(3,131.57)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(970.64)	(651.58)
Add: Exchange difference on translation of foreign currency	(5.59)	(1.12)
Add: Cash and cash equivalents at the beginning of year	2,192.03	2,844.73
Cash and cash equivalents at the end of the year	1,215.80	2,192.03
Components of cash and cash equivalents (Refer note 13)		
Balances with banks		
In current accounts	1,013.37	1,567.96
In deposit accounts (with original maturity of three months or less)	201.63	623.31
Cash on hand	0.80	0.76
Cash and cash equivalents at the end of the year	1,215.80	2,192.03

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- Ind AS 7 requires the entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company does not have any liabilities arising from financing activities except lease liabilities, refer note 44(c) for the movement in lease liabilities during the years ended March 31, 2023 and March 31, 2022.

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

Manish Kapoor

Partner

Membership No.: 510688

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

Arun Duggal

Chairman

(DIN: 00024262)

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Managing Director & Group C.E.O.

(DIN: 09371341)

Venkatesh Viswanathan

Chief Financial Officer

Date: May 24, 2023

S. Shakeb Rahman

Company Secretary

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Mumbai

Dated: May 24, 2023

Place: Mumbai

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	Note No.	Equity share capital	Attributable to equity shareholders				Total attributable to owners of the company	Attributable to Non-controlling interests	Total			
			Reserves and surplus	Other equity	Items of OCI	Exchange difference on translation of foreign operations						
		Capital reserve	Capital redemption reserve	Treasury shares	General reserve	Retained earnings	Remeasurement of defined benefit obligation	Exchange difference on translation of foreign operations				
Opening balance as at April 1, 2021	15	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
Profit after tax for the year		-	-	-	-	-	11,229.07	-	-	11,229.07	124.17	11,353.24
Other comprehensive income / (loss), net of tax		-	-	-	-	-	-	(13.58)	(29.95)	(43.53)	5.83	(37.70)
Total comprehensive income / (loss) for the year		-	-	-	-	-	11,229.07	(13.58)	(29.95)	11,185.54	130.00	11,315.54
Dividend on equity shares	32	-	-	-	-	-	(2,597.22)	-	-	(2,597.22)	(47.94)	(2,645.16)
Closing balance as at March 31, 2022		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
Profit after tax for the year		-	-	-	-	-	13,523.59	-	-	13,523.59	148.94	13,672.53
Other comprehensive income / (loss), net of tax		-	-	-	-	-	-	(149.17)	(13.92)	(163.09)	0.27	(162.82)
Total comprehensive income / (loss) for the year		-	-	-	-	-	13,523.59	(149.17)	(13.92)	13,360.50	149.21	13,509.71
Dividend on equity shares	32	-	-	-	-	-	(2,693.42)	-	-	(2,693.42)	(95.92)	(2,789.34)
Closing balance as at March 31, 2023		965.12	3,302.03	65.31	(105.44)	8,280.60	82,886.38	(306.43)	(59.46)	95,028.11	464.71	95,492.82

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

Manish Kapoor

Partner

Membership No.: 510688

Place: Gurugram

Date: May 24, 2023

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

Arun Duggal

Chairman

(DIN: 00024262)

Place: Gurugram

Date: May 24, 2023

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Place: Mumbai

Dated: May 24, 2023

Venkatesh Viswanathan

Chief Financial Officer

Place: Mumbai

Dated: May 24, 2023

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Date: May 24, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, 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 subsidiaries involved in providing rating, research, analytics, data and software services. 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	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.

** During the current year, ICRA Lanka Limited had applied to the Securities and Exchange Commission, Sri Lanka ("SEC") for surrendering its credit rating license. The said application has been approved by the SEC on February 28, 2023.

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 24, 2023.

2.2 Basis of consolidation

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/ losses, unless cost/revenue cannot be recovered.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has ability to

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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 Rs (Rs), which is also the Company's functional currency and reporting currency of the Group. All values are rounded to the nearest lakh, unless otherwise stated.

2.4 Use of estimates, judgements and assumptions

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. Actual results may differ from these estimates and assumptions.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates 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.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

a. 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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

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.

Non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or Group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU or an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or asset.

In 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

3.1 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current or non-current classification as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company classifies an asset as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period;
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

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. The same has been considered for classifying assets and liabilities as 'current' and 'non-current' while preparing the financial statements.

3.2 Revenue recognition

The Group earns revenue primarily from the rating, research, analytics, data and sale of software.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

In rating services, the first year rating fees includes free surveillance for first twelve months or the period of instrument, whichever is shorter, from the date of rating. A portion of the fee is allocated towards first year free surveillance based on management's estimate. The revenue related to initial rating 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).

Revenue from period-based assignments is recognised on a time proportion basis.

Revenue related to subscription fees of data products, research reports are recognised over the related subscription period.

Revenue from sale of software is recognised on acceptance of deliverable by client on completion of work or reaching milestone as per agreement with client. Revenue from sale of software and services which involves customisation are recognized over the life of the contract using the Proportionate Completion Method, with contract costs determining the degree of completion. Foreseeable losses on contracts are recognised when probable.

Revenue from other service arrangements is recognised upon transfer of control of promised services to the customers and related costs are incurred, in accordance with the terms of the specific contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as trade receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. In other cases, where services have been rendered and invoicing is pending but unconditional right to receive cash is not yet established, unbilled revenue is classified as other financial assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Unearned and deferred revenue ("contract liability") is recognised when the billings are in excess of revenues earned.

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.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially recognised at fair value plus or minus, for an item not at fair value

through profit or loss (FVTPL), transaction costs that are directly attributable its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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.

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(All amounts in Rs lakhs, 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, 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.

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.

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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.

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 Rs 5,000 are fully depreciated in the year of purchase.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for supply of services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

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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 amortization and accumulated impairment losses (if any).

Recognition and measurement of internally generated intangible assets

Internally generated goodwill is not recognised as an asset. Other internally generated intangible assets 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 capitalized 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 amortization 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. 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.

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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 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 cases wherein work has been initiated but rating 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 banks and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

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For the purpose of the statement of cash flows, cash and cash equivalent consists of cash on hand, balances with banks and short-term deposits 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 Rs, Rs the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated using an average exchange rate if the average rate approximates the actual rate at the date of transaction. All resulting exchange differences recognised in other comprehensive income.

The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly-owned, accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and

recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to profit and loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

The items of consolidated cash flow statement are translated at the respective average rates (yearly for profit and loss related items and annual for Balance Sheet related items) or the exchange rate that approximates the actual exchange rate on date of specific transaction. The effect of changes in exchange rates on cash and cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during the period.

3.14 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,

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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.

Remeasurements of the net defined liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The respective entity of the Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of annual period to the then-net defined benefit liability (asset), taking in to account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

Other long-term employee benefits

Long-term 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.

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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.

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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

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

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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.

3.20 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.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

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Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions 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, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

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4 Property, plant and equipment and right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
4.1 Property, plant and equipment		
Buildings	2,004.21	2,116.02
Computers and data processing units	359.35	262.90
Furniture and fittings	124.10	66.60
Office equipment	120.41	18.32
Electrical installation and equipment	34.04	35.60
Vehicles	0.00	0.50
Leasehold improvements	109.97	38.26
Total property, plant and equipment	2,752.08	2,538.20
4.2 Right-of-use assets		
Right-of-use assets - buildings	1,239.41	1,396.94
Total right-of-use assets	1,239.41	1,396.94

4.3.1 Disclosures regarding gross block, accumulated depreciation and net block of property, plant and equipment

Particulars	Buildings	Computers and data processing units	Furniture and fittings	Office equipments	Electrical installations and equipments	Vehicles	Leasehold Improvements	Total property, plant and equipment
Cost								
As at April 1, 2021	2,841.60	1,013.02	324.54	198.02	173.25	17.98	287.81	4,856.22
Additions	-	204.75	-	3.73	1.39	-	-	209.87
Regrouping	-	-	-	(30.03)	30.03	-	-	-
Disposals/adjustments	-	(31.40)	(2.86)	(17.96)	(3.66)	(14.53)	(12.33)	(82.74)
As at March 31, 2022	2,841.60	1,186.37	321.68	153.76	201.01	3.45	275.48	4,983.35
Additions	-	403.42	93.19	130.09	11.67	-	96.48	734.85
Disposals/adjustments	-	(217.37)	(14.37)	(5.77)	(6.67)	(3.45)	(114.48)	(362.11)
As at March 31, 2023	2,841.60	1,372.42	400.50	278.08	206.01	-	257.48	5,356.09
Accumulated depreciation								
As at April 1, 2021	607.53	797.22	232.63	162.54	130.44	15.48	216.22	2,162.06
For the year	118.05	155.02	23.92	10.27	13.51	0.01	36.00	356.78
Regrouping	-	-	-	(23.66)	23.66	-	-	-
Disposals/adjustments	-	(28.77)	(1.47)	(13.71)	(2.20)	(12.54)	(15.00)	(73.69)
As at March 31, 2022	725.58	923.47	255.08	135.44	165.41	2.95	237.22	2,445.15
For the year	111.81	296.59	32.73	27.34	11.67	-	24.77	504.91
Disposals/adjustments	-	(206.99)	(11.41)	(5.11)	(5.11)	(2.95)	(114.48)	(346.05)
As at March 31, 2023	837.39	1,013.07	276.40	157.67	171.97	(0.00)	147.51	2,604.01
Carrying amount								
As at March 31, 2023	2,004.21	359.35	124.10	120.41	34.04	0.00	109.97	2,752.08
As at March 31, 2022	2,116.02	262.90	66.60	18.32	35.60	0.50	38.26	2,538.20

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

4.3.2 Disclosures regarding gross block, accumulated depreciation and net block of right-of-use assets

Particulars	Right-of-use assets (Buildings)	Right-of-use assets (Furniture)	Total right-of-use assets
Cost			
As at April 1, 2021	2,361.02	31.10	2,392.12
Additions	73.00	-	73.00
Disposals/adjustments	(8.96)	(31.10)	(40.06)
As at March 31, 2022	2,425.06	-	2,425.06
Additions	198.79	-	198.79
Disposals/adjustments	(159.43)	-	(159.43)
As at March 31, 2023	2,464.42	-	2,464.42
Accumulated depreciation			
As at April 1, 2021	681.89	31.10	712.99
For the year	361.01	-	361.01
Disposals/adjustments	(14.78)	(31.10)	(45.88)
As at March 31, 2022	1,028.12	-	1,028.12
For the year	356.33	-	356.33
Disposals/adjustments	(159.44)	-	(159.44)
As at March 31, 2023	1,225.01	-	1,225.01
Carrying amount			
As at March 31, 2023	1,239.41	-	1,239.41
As at March 31, 2022	1,396.94	-	1,396.94

5 Other intangible assets and intangible assets under development

5.1 Other intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
Computer software	475.91	450.31
Internally generated intangible assets	120.29	51.94
Total other intangible assets	596.20	502.25

5.2 Intangible assets under development are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	134.10	155.20
Total intangible assets under development	134.10	155.20

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

5.3 Disclosures regarding gross block, accumulated amortisation and net block are as given below:

Particulars	Computer software	Internally generated intangible assets	Intangible assets under development
Cost			
As at April 1, 2021	347.36	243.61	337.07
Additions	399.44	18.19	180.73
Disposals/ adjustments	(1.14)	-	(362.60)
As at March 31, 2022	745.66	261.80	155.20
Additions	99.57	116.08	185.51
Disposals/ adjustments	(8.34)	-	(206.61)
As at March 31, 2023	836.89	377.88	134.10
Accumulated amortisation			
As at April 1, 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	-
For the year	73.94	47.73	-
Disposals/ adjustments	(8.31)	-	-
As at March 31, 2023	360.98	257.59	-
Carrying amount			
As at March 31, 2023	475.91	120.29	134.10
As at March 31, 2022	450.31	51.94	155.20

5.4 Intangible assets under development (IAUD) ageing schedule *

As at March 31, 2023					
Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	113.44	18.83	0.71	1.12	134.10
Total	113.44	18.83	0.71	1.12	134.10

As at March 31, 2022

Particulars	Amount in IAUD for a period of				Total
	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
Total	76.19	62.05	10.70	6.26	155.20

*There are no projects in IAUD as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which has exceeded in comparison to its original plan. Further, there are no projects in IAUD which are temporarily suspended.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

6 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
6.1 Non-current investments		
I. Unquoted		
Investments carried at amortised cost		
Investment in corporate deposits		
Housing Development Finance Corporation Limited	-	10,000.00
Total (I)	-	10,000.00
II. Quoted		
Investments carried at fair value through profit or loss		
a) Investment in equity instruments (fully paid up)		
CRISIL Limited	96.56	98.95
3,000 [previous year 3,000] equity shares of Re. 1 each		
Total (II) (a)	96.56	98.95
b) Investment in mutual funds		
Kotak Floating Rate Fund Direct - Growth	11,053.15	10,570.12
861,231.241 [previous year 861,231.241] units of Rs 1,000 each		
Bandhan Bond Fund Short Term Plan - Growth - Direct Plan	10,448.70	8,428.29
(previously IDFC Bond Fund Short Term Plan - Growth - Direct Plan)		
20,474,807.469 [previous year 17,201,724.377] units of Rs 10 each		
SBI Floating Rate DEBT Fund Direct Plan Growth	10,582.69	10,068.31
94,521,221.745 [previous year 94,521,221.745] units of Rs 10 each		
Axis Dynamic Bond Fund - Direct - Growth	7,575.06	-
28,004,845.534 [previous year Nil] units of Rs 10 each		
HDFC Corporate Bond Fund - Direct Plan - Growth Option	2,258.90	-
8,178,701.734 [previous year Nil] units of Rs 10 each		
Aditya Birla Sun Life Money Manager Fund - Direct - Growth	500.00	-
158,122.762 [previous year Nil] units of Rs 100 each		
Total (II) (b)	42,418.50	29,066.72
Total (a+b)	42,515.06	29,165.67
Diminution due to change in carrying value of investments	-	-
Total (II)	42,515.06	29,165.67
Total non-current investments (I+II)	42,515.06	39,165.67
6.2 Current investments		
I. Unquoted		
A) Investments carried at amortised cost		
a) Investment in corporate deposits		
Housing Development Finance Corporation Limited	10,585.41	-
LIC Housing Finance Limited	-	6,215.00
Total (I)	10,585.41	6,215.00
II. Quoted		
A) Investments carried at fair value through profit or loss		
a) Investment in mutual funds		
Axis Liquid Fund - Direct Growth	3,895.54	-
155,766.225 [previous year Nil] units of Rs 1000 each		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

6.2 Current investments (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
DSP Liquidity Fund - Direct Plan Growth 218,459.184 [previous year Nil] units of Rs 10 each	7,028.24	-
UTI Liquid Cash Plan - Direct Plan Growth 117,269.665 [previous year Nil] units of Rs 10 each	4,326.56	-
Aditya Birla Sun Life Liquid Fund - Direct - Growth 137,802.758 [previous year Nil] units of Rs 100 each	500.00	-
Total (II) (a)	15,750.34	-
Diminution due to change in carrying value of investments	-	-
Total (II)	15,750.34	-
Total current investments (I+II)	26,335.75	6,215.00
Total investments (Non-current + Current)	68,850.81	45,380.67
Summary of investments (Non-current + Current)		
Aggregate value of unquoted investments	10,585.41	16,215.00
Aggregate value of quoted investments	58,265.40	29,165.67
Investments carried at amortised cost	10,585.41	16,215.00
Investments carried at fair value through profit or loss	58,265.40	29,165.67

7 Loans

Particulars	As at March 31, 2023	As at March 31, 2022
7.1 Non-current		
Secured, considered good		
Loans to staff	3.25	5.73
Total non-current loans	3.25	5.73
7.2 Current		
Secured, considered good		
Loans to staff	2.48	2.39
Total current loans	2.48	2.39
Total loans (Non-current + Current)	5.73	8.12

8 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
8.1 Non-current		
Unsecured, considered good		
Bank deposits with maturity for more than twelve months from the reporting date	3,199.33	7,518.75
Interest accrued on fixed deposits	-	160.29
Interest accrued on investments	-	99.68
Earnest money deposits	1.43	1.68
Security deposits	529.78	470.70
Total non-current other financial assets	3,730.54	8,251.10

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
8.2 Current		
Unsecured, considered good		
Unbilled revenue	223.33	259.55
Interest accrued on fixed deposits	-	1,348.55
Income accrued on investments	-	242.59
Earnest money deposits	7.16	5.63
Security deposits	13.04	27.99
Receivable against government grant	-	62.98
Advances recoverable		
From parties other than related parties	18.89	10.69
Others		
Recoverable from related parties (Refer note 37)	8.98	6.99
Recoverable from other than related parties	62.73	22.62
Unsecured, considered doubtful		
Unbilled revenue- credit impaired	28.96	30.40
Receivable against government grant- credit impaired	363.20	363.20
Earnest money deposits	5.25	8.35
Security deposits	18.36	18.36
Recoverable from other than related parties- credit impaired	-	0.01
	749.90	2,407.91
Allowance for doubtful other financial assets	(415.77)	(420.32)
Total current other financial assets	334.13	1,987.59
Total other financial assets (Non-current + Current)	4,064.67	10,238.69

9 Income tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
9.1 Income tax expense recognised in the consolidated statement of profit or loss		
Current tax		
Income tax for current year	4,107.04	3,726.28
Tax adjustment for earlier years	57.47	12.17
	4,164.51	3,738.45
Deferred tax		
Attributable to-		
Origination and reversal of temporary differences	284.70	116.94
	284.70	116.94
Total tax expense recognised in the consolidated statement of profit and loss	4,449.21	3,855.39

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022		
9.2 Income tax recognised in other comprehensive income				
Remeasurements of defined benefit obligation	50.08	2.86		
Income tax (charged) / credited to other comprehensive income	50.08	2.86		
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	18,121.74	15,208.63		
Tax using the Group's domestic tax rate 25.168% (previous year 25.168%)	4,560.88	3,827.71		
Effect of:				
Non-deductible expenses	290.83	136.29		
Income tax for earlier year	57.47	12.17		
Exempt income	(105.69)	2.41		
Effect of utilisation of carried forward capital losses	(338.54)	(125.82)		
Effect of income taxed at a lower rate	(17.90)	-		
Effect of income offered for tax in previous year	(32.90)	(33.59)		
Effect of higher tax rate in subsidiaries	35.06	31.58		
Others	-	4.64		
Total tax expense	4,449.21	3,855.39		
9.5 Deferred tax assets (net)				
For the year ended March 31, 2023				
Particulars	As at April 1, 2022	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Deferred tax assets				
Lease liabilities	348.74	(22.26)	-	326.48
Provision for employee benefits	230.91	(85.73)	50.08	195.26
Provision for doubtful receivables	201.10	49.87	-	250.97
Property, plant and equipment (including intangible assets)	1.09	0.46	-	1.55
Tax losses carried forward	91.74	18.64	-	110.38
Others	28.01	(23.40)	-	4.61
Total deferred tax assets (a)	901.59	(62.43)	50.08	889.25
Deferred tax liabilities				
Property, plant and equipment (including intangible assets)	347.13	7.32	-	354.45
Investments at fair value through profit or loss	91.74	213.04	-	304.78
Others	-	1.91	-	1.91
Total deferred tax liabilities (b)	438.87	222.27	-	661.14
Net deferred tax assets/ (liabilities) (a-b)	462.72	(284.70)	50.08	228.11

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

9.5 Deferred tax assets (net) (Contd.)

For the year ended March 31, 2022

Particulars	As at April 1, 2021	Recognised in profit or loss	Recognised in OCI	As at March 31, 2022
Deferred tax assets				
Lease liabilities	419.77	(71.03)	-	348.74
Provision for employee benefits	239.74	(11.69)	2.86	230.91
Provision for doubtful receivables	152.84	48.26	-	201.10
Provision for government grant	128.89	(128.89)	-	-
Property, plant and equipment (including intangible assets)	0.73	0.36	-	1.09
Tax losses carried forward	105.36	(13.62)	-	91.74
Provision for doubtful financial assets	0.23	(0.23)	-	-
Others	6.41	21.60	-	28.01
Total deferred tax assets (a)	1053.97	(155.25)	2.86	901.59
Deferred tax liabilities				
Property, plant and equipment (including intangible assets)	371.82	24.69	-	347.13
Investments at fair value through profit or loss	105.36	13.62	-	91.74
Total deferred tax liabilities (b)	477.18	38.31	-	438.87
Net deferred tax assets/ (liabilities) (a-b)	576.79	(116.94)	2.86	462.72

9.6 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.

Particulars	As at March 31, 2023	As at March 31, 2022
Capital losses	895.99	977.50
Business losses	71.79	101.35
Impairment loss on investments *	1,754.05	1,497.47
Deferred tax not recognised on temporary difference	2.12	3.67
Total	2,723.95	2,579.99
Unrecognised tax effect	627.02	595.68

* The deductible temporary difference does not expire under current tax legislation.

9.7 Expiry period of unutilised tax losses

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Year 2023-24	73.91	105.02
Financial Year 2024-25	895.99	977.50
Total	969.90	1,082.52

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

10 Non-current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions of respective tax jurisdiction to the extent permissible)	2,072.74	1,536.31
Total	2,072.74	1,536.31

11 Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
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11.1 Non-current

Unsecured, considered good

Prepayments	143.08	116.27
Total non-current other assets	143.08	116.27

11.2 Current

Advance to suppliers	3.89	-
Prepayments	1,266.33	1,305.18
Balance with government authorities [Refer note 28(a) for amount deposited under protest]	300.57	113.81
Projects work-in-progress	125.48	112.77
Advance paid to gratuity trust (Refer note 34 & 37)	221.26	194.73
Total current other assets	1,917.53	1,726.49
Total other assets (Non-current + Current)	2,060.61	1,842.76

12 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Unsecured	3,826.49	2,698.57
Trade receivables - which have significant increase in credit risk	49.92	127.71
Trade receivables - credit impaired	400.90	202.00
	4,277.31	3,028.28
Less: Loss allowance	(472.50)	(378.69)
Total trade receivables	3,804.81	2,649.59

Of the above, trade receivables from related parties are as below:

Trade receivable due from related parties (refer note 37)	1,928.44	1,061.40
Less: Loss allowance	-	-
Net trade receivables	1,928.44	1,061.40

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

12.1 Trade receivables aging schedule

As at March 31, 2023								
Particulars	Unbilled	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	-	1,584.02	2,214.44	15.12	5.62	7.29	-	3,826.49
Undisputed trade receivables – which have significant increase in credit risk	-	-	10.75	2.82	33.35	-	3.00	49.92
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	34.80	366.10	400.90
Total	-	1,584.02	2,225.19	17.94	38.97	42.09	369.10	4,277.31
Less: Loss allowance								(472.50)
Total trade receivables								3,804.81

As at March 31, 2022

Particulars	Unbilled	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	1,165.13	40.87	46.52	2.50	-	2,698.57
Undisputed trade receivables – which have significant increase in credit risk	-	-	101.19	1.06	14.22	10.96	0.28	127.71
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	202.00	202.00
Total	-	1,443.55	1,266.32	41.93	60.74	13.46	202.28	3,028.28
Less: Loss allowance								(378.69)
Total trade receivables								2,649.59

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

13 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	1,013.37	1,567.96
In deposit accounts (with original maturity of three months or less)	201.63	623.31
Cash on hand	0.80	0.76
Total cash and cash equivalents	1,215.80	2,192.03

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks		
In deposit accounts with original maturity for more than three months but less than twelve months from the reporting date	22,776.33	28,624.08
Earmarked balances with banks		
In unpaid dividend account	11.44	57.62
In margin money #	123.47	118.65
Deposits with maturity for more than three months but less than twelve months from the reporting date earmarked against bank guarantees #	22.84	21.09
Total bank balances other than cash and cash equivalents	22,934.08	28,821.44

Represents deposits against bank guarantees.

15 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
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
Total	965.12	965.12

15.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023	
	Number of shares	Amount
Equity shares		
At the commencement and at the end of the year	9,651,231	965.12
	As at March 31, 2022	
Particulars	Number of shares	Amount
At the commencement and at the end of the year	9,651,231	965.12

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

15.2 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. The dividend, if any, recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

15.3 Shares held by subsidiaries of the ultimate holding Company

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023

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, 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%

15.5 Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2023	As at March 31, 2022
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	747,472	936,910
% of total shares	7.74%	9.71%
Life Insurance Corporation of India		
Number of shares	-	516,254
% of total shares	-	5.35%
Pari Washington India Master Fund, Ltd.		
Number of shares	703,664	703,664
% of total shares	7.29%	7.29%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

16 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
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
Other comprehensive income / (loss)		
Foreign currency translation reserve	(59.46)	(45.54)
Remeasurement of defined benefit obligation	(306.43)	(157.26)
Retained earnings	82,886.38	72,056.21
Total other equity	94,062.99	83,395.91

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) Remeasurement of defined benefit obligation

Remeasurement of defined benefit obligation 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).

17 Financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
17.1 Lease liabilities	995.82	1,122.79

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
17.2 Other financial liabilities		
Payable to employees	145.37	92.11
Total non-current financial liabilities	1,141.19	1,214.90
Current		
17.3 Lease liabilities	307.03	279.81
17.4 Other current financial liabilities		
Unpaid dividend	11.44	11.79
Capital creditors	22.57	2.02
Due to related parties (Refer note 37)	0.01	4.82
Payable to employees	540.58	483.66
Deposits for vehicles	-	3.06
Other liabilities	3.00	25.41
Total other current financial liabilities	577.60	530.76
Total current financial liabilities	884.63	810.57
Total financial liabilities (Non-current + Current)	2,025.82	2,025.47

18 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
18.1 Non-current		
Provision for employee benefits		
Provisions for gratuity (Refer note 34)	-	11.59
Provision for compensated absences	273.18	299.41
Total non-current provisions	273.18	311.00
18.2 Current		
Provision for employee benefits		
Provisions for gratuity (Refer note 34)	1.23	-
Provision for compensated absences	206.85	175.95
Other employee benefits	3,944.79	3,370.47
Others		
Provision for service tax (Refer note 45)	15.91	15.91
Provision for onerous contracts (Refer note 45)	60.47	88.58
Total current provisions	4,229.25	3,650.91
Total provisions (Non-current + Current)	4,502.43	3,961.91

19 Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unearned revenue (Refer note 43)	4,806.26	3,998.54
Advance from customers	1,451.70	1,480.20
Statutory dues	948.24	610.18
Total other current liabilities	7,206.20	6,088.92

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

20 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Total outstanding dues of micro and small enterprises	16.83	52.37
(B) Total outstanding dues of creditors other than micro and small enterprises*	821.54	871.58
Total trade payables	838.37	923.95

* Includes dues from related parties (Refer note 37).

20.1 Disclosures relating to dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), to the extent information available with the Group.

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier at the year end	16.83	52.37
The amount of interest due on the amount remaining unpaid to any supplier 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 Act	-	-
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	-	-

20.2 Trade payables aging schedule

As at March 31, 2023							
Particulars	Unbilled	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 and small enterprises	-	-	16.83	-	-	-	16.83
Total outstanding dues of creditors other than micro and small enterprises	664.58	-	152.11	-	0.04	4.81	821.54
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	664.58	-	168.94	-	0.04	4.81	838.37

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

20.2 Trade payables aging schedule (Contd.)

As at March 31, 2022

Particulars	Unbilled	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 and small enterprises	-	-	52.37	-	-	-	52.37
Total outstanding dues of creditors other than micro and small enterprises	548.45	-	310.69	1.86	7.05	-	868.05
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	0.05	0.03	3.45	-	3.53
Total	548.45	-	363.11	1.89	10.50	-	923.95

21 Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax (net of advance income tax of respective tax jurisdiction to the extent permissible)	16.03	74.75
Total current tax liabilities (net)	16.03	74.75

22 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services (Refer note 43)		
Rating, research and other services fees	22,690.13	19,916.61
Consulting services	574.18	620.09
Knowledge services	14,969.50	11,747.11
Market services	1,825.89	1,709.58
Total sale of services	40,059.70	33,993.39
Other operating revenue		
Advances received from customers written back	212.58	274.87
Others	50.80	12.26
Total other operating revenue	263.38	287.13
Total revenue from operations	40,323.08	34,280.52

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

23 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on:		
- Fixed deposits	1,819.59	2,428.19
- Investments carried at amortised cost	596.45	481.24
- Security deposits carried at amortised cost	47.03	45.58
- Income tax refund	56.36	1.06
- Others	0.32	0.41
Gain on financial assets carried at FVTPL (net)	2,158.18	570.60
Gain on sale of financial assets carried at FVTPL (net)	41.55	465.94
Foreign exchange gain (net)	151.07	60.61
Rental income (Refer note 37)	15.57	20.68
Profit on sale of property, plant and equipment (net)	7.74	-
Reversal of loss allowance	-	1.70
Reversal of foreseeable loss on onerous contracts	28.11	-
Miscellaneous income	33.22	11.54
Total other income	4,955.19	4,087.55

24 Employee benefit expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	19,049.04	16,444.39
Contribution to provident fund and other funds (Refer note 34)	780.91	685.47
Staff welfare expense	926.21	794.95
Total employee benefits expense	20,756.16	17,924.81

25 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	135.91	156.14
Other interest costs	5.34	-
Total finance costs	141.25	156.14

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 4)	504.91	356.78
Depreciation on right-of-use assets (Refer note 4)	356.33	361.01
Amortisation on other intangible assets (Refer note 5)	121.67	63.42
Total depreciation and amortisation expense	982.91	781.21

27 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Electricity and water	140.22	89.90
Rent (Refer note 44)	104.18	108.53
Repairs and maintenance - building	147.28	126.82
Repairs and maintenance - others	1,336.63	1,135.83
Insurance expenses	61.65	46.80
Rates and taxes	130.50	110.20
Communication expenses	432.18	385.45
Printing and stationery	39.92	25.92
Books and periodicals	120.29	105.68
Travelling and conveyance	276.95	54.30
Directors' sitting fees	53.55	58.97
Remuneration to non-executive directors	67.50	67.50
Legal and professional charges	997.89	1,025.42
Conference and meeting	39.82	11.42
Sub-contracting expenses	59.58	107.65
Advertisement expenses	29.64	22.79
Auditor's remuneration and expenses (Refer note 36)	76.83	71.59
Technical services	26.24	24.24
Loss allowance (including bad debts/ advances written off)	595.98	171.42
Provision for onerous contracts	-	78.97
Corporate social responsibility (Refer note 30)	262.34	273.74
Fees and subscription	21.91	26.10
Recruitment expenses	238.85	140.57
Loss on sale/ write off of property, plant and equipment (net)	-	10.40
Miscellaneous expenses	16.28	17.07
Total other expenses	5,276.21	4,297.28

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

28 Contingent liabilities and commitments

a) Contingent liabilities (to the extent not provided for):

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax	286.74	1,298.18
Service tax*	472.95	470.26
Others	12.09	12.09
Total	771.78	1,780.53

* Amount deposited under protest Rs 35.69 lakhs (previous year Rs 35.69 lakhs) against the service tax claims.

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, 2023	As at March 31, 2022
Estimated amount of contract remaining to be executed on capital account and not provided for	112.44	125.88
Total	112.44	125.88

29 Other matters

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax cases where the management expects remote possibility of any unfavourable settlement	651.04	-
Total	651.04	-

b) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

30 Corporate Social Responsibility ('CSR') 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 regulations prevailing in Nepal, ICRA Nepal Limited is required to allocate 1% of profit on CSR activities.

The expenditure incurred / to be incurred on CSR activities is as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount required to be spent by the group during the year	258.45	273.74
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	262.34	273.74
Total	262.34	273.74
c) (Excess) / shortfall for the year	(3.89)	-
d) Total of previous year shortfall / (excess)	-	-
e) Details of related party transactions	Not applicable	Not applicable
f) Where a provision is been made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period / year should be shown separately.	-	-
g) Nature of CSR activities: - Education of underprivileged women and children with an objective to empower them with employment skills and create livelihood opportunities; - Specific initiatives in the areas of special education and mental health; and - Investor education and awareness raising programs."		
h) Reason for shortfall	Not applicable	Not applicable

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, 2023	For the year ended March 31, 2022
(i) Profit attributable to the equity holders		
Profit for the year, attributable to the equity shareholders	13,523.59	11,229.07
(ii) Weighted average number of equity shares		
Opening balance	9,651,231	9,651,231
Shares held by ESOP Trust	(31,950)	(31,950)
Weighted average number of equity shares for the year	9,619,281	9,619,281
(iii) Basic earnings per share (face value Rs 10 per share) [(i) / (ii)]	140.59	116.74

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, 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, 2023	For the year ended March 31, 2022
(i) Profit attributable to the equity holders (diluted)		
Profit for the year, attributable to the equity shareholders (diluted)	13,523.59	11,229.07
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (diluted)	9,619,281	9,619,281
(iii) Diluted earnings per share (face value Rs 10 per share) [(i) / (ii)]	140.59	116.74

32 Dividend on equity shares

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend on equity shares declared and paid during the year		
Final dividend of Rs 28 per share for the financial year 2021-22 (Rs 27 per share for the financial year 2020-21)	2,702.34	2,605.83
Proposed dividend on equity shares of Holding Company not recognised as liability		
Final dividend of Rs 130 per share for the financial year 2022-23 (Rs 28 per share for the financial year 2021-22)	12,546.60	2,702.34
Proposed dividend on equity shares of Subsidiary Company (viz. ICRA Analytics Limited) not recognised as liability		
Final dividend of Rs 27 per share for the financial year 2022-23 (Rs 27 per share for the financial year 2021-22)	2,686.89	2,686.89

33 Remittance by the Company in foreign currency for dividend

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Proposed dividend remitted	545.92	526.42
Number of non resident shareholders	1	1
Number of shares held	1,949,722	1,949,722
Year to which proposed dividend relates	2021-22	2020-21

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, 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 Rs 780.91 lakhs for the year ended March 31, 2023 (previous year Rs 685.47 lakhs) 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 liability / (asset)

Particulars	As at March 31, 2023	As at March 31, 2022
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	1,636.68	1,701.17
Current service cost	163.70	176.87
Interest expense/ (income)	95.22	89.95
Benefits directly paid by the Group	(251.06)	(319.40)
Actuarial (gain)/ loss recognised in other comprehensive income		
- changes in financial assumptions	(53.53)	(24.16)
- experience adjustments	219.92	12.25
Defined benefit obligations at the end of the year	1,810.93	1,636.68
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,819.82	1,691.26
Contribution to the plan assets	125.00	50.02
Interest income on plan assets	118.73	101.06
Actuarial gain/ (loss) on plan assets	(32.59)	(22.52)
Fair value of plan assets at the end of the year	2,030.96	1,819.82
Net defined benefit liability / (asset) of the Group	(220.03)	(183.14)

The aforesaid net defined benefit liability / (assets) has been presented in the financial statements as under:

Provision for gratuity		
Non-current	-	11.59
Current	1.23	-
Total	1.23	11.59
Advance paid to gratuity trust		
Non-current	-	-
Current	221.26	194.73
Total	221.26	194.73

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

(ii) Expense recognised during the year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense recognised in consolidated statement of profit and loss		
Current service cost	163.70	176.87
Net interest expense/ (income)	(23.51)	(11.11)
	140.19	165.76
Remeasurement (gain) / loss recognised in other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	166.39	(11.91)
Actuarial (gain)/ loss on plan assets	32.59	22.52
	198.98	10.61

(iii) Plan assets comprise of the following:

Particulars	As at March 31, 2023	As at March 31, 2022
Kotak Group Bond Fund	1,168.13	1,126.46
Kotak Secure Return Employee Benefit Plan	-	693.37
Kotak Assured Return Employee Benefit Plan	862.83	-
Total	2,030.96	1,819.83

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.1%	6.1% - 13%
Future salary escalation rate		
- For first five years	6% - 10%	6% - 10%
- Thereafter	6% - 10%	6% - 10%
Withdrawal rate	12% - 20%	12% - 23%
Retirement age	60	60
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.	

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, 2023 the weighted-average duration of the defined benefit obligation was 5 years to 7 years (March 31, 2022: 5 -7 years).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Assumptions				
Discount rate				
Increase	0.50%	0.5% - 1.0%	(41.44)	(37.14)
Decrease	0.50%	0.5% - 1.0%	43.54	39.04
Future salary escalation rate				
Increase	0.50%	0.5% - 1.0%	32.97	32.31
Decrease	0.50%	0.5% - 1.0%	(32.78)	(31.82)
Withdrawal rate				
Increase	5.00%	5.00%	15.92	(3.93)
Decrease	5.00%	5.00%	(38.54)	(6.90)

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, 2023	As at March 31, 2022
Within one year	332.49	335.79
Later than one year but not later than five years	1,242.25	1,045.28
Later than five years	1,327.79	1,107.23

35 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, 2023, no options have been granted under ESOS 2018.

36 Remuneration to Auditor (excluding goods and service tax)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fees	42.56	41.21
Limited review fees	17.73	17.79
Tax audit fees	9.54	9.82
Other certification services fees	1.15	1.15
Reimbursement of expenses	5.85	1.62
Total	76.83	71.59

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

37 Related party transactions

A. List of related parties

a) Related parties and nature of related party relationships where control exists

i) Ultimate holding company

Moody's Corporation

ii) Companies having substantial interest

Moody's Investment Company India Private Limited

Moody's Singapore Pte Limited

b) Related parties and nature of related party relationship 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

MIS Quality Management Corp.

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc.

Moody's Investors Services Inc.

Moody's Investors Service Singapore Pte Limited

c) Key management personnel (KMP)

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. Venkatesh Viswanathan	Group CFO	(w.e.f. August 30, 2022)
Mr. Amit Kumar Gupta	Chief Financial Officer & General Counsel	(appointed as Chief Financial Officer w.e.f. March 10, 2022 and till August 30, 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

(Till May 13, 2022)

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)

Mr. Stephen Arthur Long

(w.e.f. May 13, 2022)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
a) Related parties where control exists:				
(I) Ultimate Holding Company				
1 Moody's Corporation				
Technical services received	16.77	15.46	-	-
Revenue from knowledge services rendered	3,311.15	1,817.49	-	-
Reimbursement of expenses received/ receivable	-	115.29	-	-
Other financial liabilities - Due to related parties	-	-	-	3.32
Trade payables	-	-	18.68	13.96
Trade receivables	-	-	596.87	291.00
(II) Companies having substantial interest				
1 Moody's Investment Company India Private Limited				
Dividend paid by the Company	855.65	825.09	-	-
2 Moody's Singapore Pte Limited				
Dividend paid by the Company	545.92	526.42	-	-
b) Related parties with whom transactions have taken place during the year				
(I) Trusts				
1 ICRA Limited Employees Group Gratuity Scheme				
Other assets - Advance paid to gratuity trust	-	-	212.98	194.73
2 ICRA Online Limited Employees Group Gratuity Scheme				
Amount contributed for gratuity during the year	125.00	50.02	-	-
Other assets - Advance paid to gratuity trust	-	-	8.28	-
(II) Fellow subsidiaries				
1 Moody's Investors Service India Private Limited				
Rental income	15.57	21.55	-	-
Reimbursement of expenses received/ receivable	4.15	5.27	-	-
Other financial assets - Recoverable from related parties	-	-	2.22	6.97
2 Moody's Investors Service Inc.				
Revenue from knowledge services rendered	7,800.89	6,641.02	-	-
Reimbursement of expenses received/ receivable	410.47	14.93	-	-
Other financial liabilities - Due to related parties	-	-	-	0.63
Trade receivables	-	-	702.34	567.57
3 MIS Quality Management Corp.				
Trademark license fees	7.36	7.58	-	-
Trade payables	-	-	8.03	6.81
Other financial liabilities - Due to related parties	-	-	-	0.61

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
4 Moody's Investors Service Hong Kong Limited				
Technical services received	1.18	1.21	-	-
Other financial liabilities - Due to related parties	-	-	1.47	0.27
5 Moody's Analytics Inc.				
Revenue from knowledge services rendered	3,204.02	2,167.47	-	-
Trade receivables	-	-	621.55	190.18
Other financial liabilities - Due to related parties	-	-	4.71	5.16
6 Moody's Investors Service Singapore Pte Limited				
Reimbursement of expenses received/receivable	23.58	-	-	-
c) Key management personnel				
1 Mr. Ramnath Krishnan				
Short-term benefits	471.01	193.69	-	-
Other long-term benefits	32.79	-	-	-
Reimbursement of expenses paid	0.14	-	-	-
Other current financial liabilities - payable to employees	-	-	116.52	59.18
Current provisions - other employee benefits	-	-	90.48	-
2 Mr. N Sivaraman				
Short-term benefits	-	217.41	-	-
Revenue from market services rendered	-	0.31	-	-
3 Mr. Vipul Agarwal				
Short-term benefits	-	202.41	-	-
Reimbursement of expenses paid	-	0.91	-	-
4 Mr. Venkatesh Viswanathan				
Short-term benefits	117.23	-	-	-
Post-employment benefits	1.07	-	-	-
Other long-term benefits	0.84	-	-	-
Reimbursement of expenses paid	0.20	-	-	-
Other current financial liabilities - payable to employees	-	-	6.82	-
Current provisions - other employee benefits	-	-	28.20	-

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for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
5 Mr. Amit Kumar Gupta				
Short-term benefits	156.88	114.41	-	-
Post-employment benefits	3.71	-	-	-
Other long-term benefits	12.82	-	-	-
Reimbursement of expenses paid	0.46	-	-	-
Other current financial liabilities - payable to employees	-	-	13.43	10.66
Current provisions - other employee benefits	-	-	41.18	-
6 Mr. S. Shakeb Rahman				
Short-term benefits	39.73	38.05	-	-
Post-employment benefits	1.20	-	-	-
Other long-term benefits	3.26	-	-	-
Dividend paid by the Company	0.08	0.08	-	-
Other current financial liabilities - payable to employees	-	-	3.79	4.94
Current provisions - other employee benefits	-	-	14.09	-
7 Mr. Arun Duggal				
Remuneration to non-executive directors	25.00	25.00	-	-
Sitting fees	13.50	15.00	-	-
Reimbursement of expenses paid	26.48	25.00	-	-
Trade payables	-	-	23.85	29.48
8 Ms. Ranjana Agarwal				
Remuneration to non-executive directors	22.50	22.50	-	-
Sitting fees	24.00	24.75	-	-
Trade payables	-	-	21.60	22.28
9 Ms. Radhika Vijay Haribhakti				
Remuneration to non-executive directors	20.00	20.00	-	-
Sitting fees	15.00	18.00	-	-
Reimbursement of expenses paid	3.81	-	-	-
Trade payables	-	-	19.35	20.03

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for the year ended March 31, 2023

(All amounts in Rs lakhs, 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, 2023 and March 31, 2022.

a) Fair value of financial assets

Particulars	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value through profit or loss				
Investment in equity shares	96.56	98.95	96.56	98.95
Investments in mutual funds	58,168.84	29,066.72	58,168.84	29,066.72
Total (A)	58,265.40	29,165.67	58,265.40	29,165.67
Financial assets measured at amortised cost				
Investment in corporate deposits	10,585.41	16,215.00	10,585.41	16,215.00
Loans	5.73	8.12	5.73	8.12
Trade receivables	3,804.81	2,649.59	3,804.81	2,649.59
Cash and cash equivalents	1,215.80	2,192.03	1,215.80	2,192.03
Bank balances other than cash and cash equivalents	22,934.08	28,821.44	22,934.08	28,821.44
Other financial assets	4,064.67	10,238.69	4,064.67	10,238.69
Total (B)	42,610.50	60,124.87	42,610.50	60,124.87
Total (A+B)	1,00,875.90	89,290.54	1,00,875.90	89,290.54

b) Fair value of financial liabilities

Particulars	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial liabilities measured at amortised cost				
Lease liabilities	1,302.85	1,402.60	1,302.85	1,402.60
Trade payables	838.38	923.95	838.38	923.95
Others financial liabilities	722.97	622.87	722.97	622.87
Total	2,864.20	2,949.42	2,864.20	2,949.42

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:

- 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

38.1 Financial instruments by category (Contd.)

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, 2023				
Particulars	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Investment in equity shares	96.56	-	-	96.56
Investment in mutual funds	58,168.84	-	-	58,168.84
Total	58,265.40	-	-	58,265.40

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2022

Particulars	Level 1	Level 2	Level 3	Total
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 year.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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 Rs 582.65 lakhs and Rs291.66 lakhs for the year ended March 31, 2023 and March 31, 2022 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 loss allowance for trade receivables is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the commencement of the year	378.69	434.95
Provided during the year	409.70	202.72
Utilisation during the year	(315.89)	(258.98)
Balance at the end of the year	472.50	378.69

The following table provides information about the exposure to credit risk and loss allowance for trade receivables as at 31 March 2023

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance
1-90 days	0.26%	3,711.34	9.72
91-180 days	11.13%	97.87	10.89
181-270 days	31.03%	17.79	5.52
271-365 days	42.14%	0.15	0.06
Over 1 years	99.14%	450.16	446.30
Total		4,277.31	472.50

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

b) Credit risk (Contd.)

The following table provides information about the exposure to credit risk and loss allowance for trade receivables as at 31 March 2022

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance
1-90 days	0.52%	2,350.32	12.12
91-180 days	26.64%	359.55	95.78
181-270 days	60.72%	33.29	20.21
271-365 days	4.14%	8.64	0.36
Over 1 years	90.50%	276.48	250.22
Total		3,028.28	378.69

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.

As at March 31, 2023

Particulars	Carrying amount	Contractual cash flows			Total
		< 1 year	1 to 3 years	> 3 years	
Lease liabilities	1,302.85	422.41	689.63	507.34	1,619.38
Trade payables	838.38	838.38	-	-	838.38
Other financial liabilities	722.97	577.60	145.37	-	722.97
Total	2,864.20	1,838.39	835.00	507.34	3,180.73

As at March 31, 2022

Particulars	Carrying amount	Contractual cash flows			Total
		< 1 year	1 to 3 years	> 3 years	
Lease liabilities	1,402.60	406.55	680.23	692.33	1,779.11
Trade payables	923.95	911.56	12.39	-	923.95
Other financial liabilities	622.87	530.76	92.11	-	622.87
Total	2,949.42	1,848.87	784.73	692.33	3,325.93

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, 2023 and March 31, 2022.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

39 Transfer pricing

The Indian entities of the Group have 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.

40 Treasury shares

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	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

*Represents unissued shares (including shares against options expired or lapsed)

41 Other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Items that will not be reclassified to profit and loss		
Remeasurement (losses) / gains of defined benefit obligation / plan assets	(198.98)	(10.61)
Income tax relating to items that will not be reclassified to profit and loss	50.08	2.86
(ii) Items that will be reclassified to profit and loss		
Exchange difference (losses) / gains on translation of foreign operations	(13.92)	(29.95)
Income tax relating to items that will be reclassified to profit or (loss)	-	-
Total other comprehensive income, net of tax (i+ii)	(162.82)	(37.70)

42 Following is the summary of changes in carrying amount of goodwill

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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, 2023 and March 31, 2022 respectively. Allocation of Goodwill by segments as of March 31, 2023 and March 31, 2022 is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Knowledge Services	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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

42 Following is the summary of changes in carrying amount of goodwill (Contd.)

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, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

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, 2023	For the year ended March 31, 2022
Sale of services		
Rating, research and other services		
Rating services fees (including surveillance fees)	22,009.00	19,392.05
Research services fees	681.13	524.56
Consulting fees	574.18	620.09
Knowledge and market services		
Knowledge services fees	14,969.50	11,747.11
Market services fees	1,825.89	1,709.58
Total	40,059.70	33,993.39

b) Revenue recognised from last years' unearned revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services		
Rating, research and other services fees		
Rating services fees (including surveillance fees)	3,411.73	3,633.00
Research services fees	330.52	230.44
Consulting fees	31.48	20.53
Knowledge and market services		
Knowledge services fees	-	-
Market services fees	211.80	171.61
Total	3,985.53	4,055.58

Notes to the Consolidated Financial Statements

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(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

c) Unearned revenue

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue to be recognised in:		
FY 2022-23	-	3,963.53
FY 2023-24	4,736.41	10.68
FY 2024-25	14.54	1.14
FY 2025-26	3.08	-
Revenue to be recognised on completion of milestones	52.23	23.19
Total	4,806.26	3,998.54

d) Unbilled revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected billing milestone :		
FY 2022-23	-	259.55
FY 2023-24	223.33	-
Total	223.33	259.55

e) Disaggregation of revenue

Timing of recognition of revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At a point in time	5,648.96	4,086.69
Over time	34,410.74	29,906.70
Total	40,059.70	33,993.39

Geographic revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within India	24,169.62	21,550.23
Outside India	15,890.08	12,443.16
	40,059.70	33,993.39

- f) The amount of revenue from contracts with customers recognised in the consolidated statement of profit and loss is the contracted price.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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 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 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, 2023 and March 31, 2022 is as follows:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	1,402.60	1,696.11
Addition made during the year	187.23	36.72
Finance cost accrued during the year	135.91	156.14
Payment of lease liabilities	(422.89)	(486.37)
Balance at the end of the year	1,302.85	1,402.60

- d) **The following is the break-up of current and non-current lease liabilities:**

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	307.03	279.81
Non-current lease liabilities	995.82	1,122.79
Total	1,302.85	1,402.60

- e) **The contractual maturity of lease liabilities on an undiscounted basis is as follows:**

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	422.41	406.55
Later than one year but not later than five years	1,100.95	1,298.78
Later than five years	96.02	73.78
Total	1,619.38	1,779.11

- f) **Amount recognized in the standalone statement profit and loss**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities	135.91	156.14
Expense relating to short term lease and lease of low value assets	104.18	71.37

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

g) Amount recognised in the consolidated statement of cash flows

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of lease liabilities (financing activity)	286.98	330.23
Interest paid on lease liabilities (financing activity)	135.91	156.14
Payment of short term leases (operating activity)	104.18	71.37
Impact on the consolidated statement of cash flows for the year	527.07	557.74

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 Rs 15.57 lakhs (previous year Rs 20.68 lakhs) have been recognised in the consolidated statement of profit and loss.

45 The movement of provisions are as under:

Particulars	Provision for service tax		Provision for onerous contracts	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Opening balance	15.91	15.91	88.58	9.61
Additions during the year	-	-	-	78.97
Utilised / reversal during the year	-	-	(28.11)	-
Closing balance	15.91	15.91	60.47	88.58

46 Segment information

The Group has determined following reporting segments based on the information reviewed by the Group's CODM.

- Rating, research and other services – Rating, grading and industry research services.
- Consulting services – Management consulting which includes risk management, financial advisory, outsourcing and policy advisory.
- Knowledge Services – KPO services
- Market services- financial information product and services.

(i) Segment wise revenues and results

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
External revenues		
Rating, research and other services	22,953.51	20,203.74
Consulting services	574.18	620.09
Knowledge services	14,969.50	11,747.11
Market services	1,825.89	1,709.58
Total external revenue	40,323.08	34,280.52
Inter-segment revenue		
Rating, research and other services	46.32	48.29
Consulting services	-	2.19
Knowledge Services	42.05	27.18
Market services	0.47	1.04
Total Inter-segment revenue	88.84	78.70

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

(i) Segment wise revenues and results (Contd.)

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Total revenue		
Rating, research and other services	22,999.83	20,252.03
Consulting services	574.18	622.28
Knowledge services	15,011.55	11,774.29
Market services	1,826.36	1,710.62
Total segment revenue	40,411.92	34,359.22
Less: Elimination of inter-segment revenue	(88.84)	(78.70)
Total revenue	40,323.08	34,280.52
Segment results		
Rating, research and other services	5,860.61	5,206.46
Consulting services	(231.59)	(312.43)
Knowledge services	7,479.43	6,027.01
Market services	200.14	354.73
Total profit before tax for reportable segments	13,308.59	11,275.77
Unallocated expenses	(0.79)	1.45
Interest expense	(141.25)	(156.14)
Other income	4,955.19	4,087.55
Provision for tax	(4,449.21)	(3,855.39)
Profit after tax	13,672.53	11,353.24

(ii) Segment wise capital employed

Particular	As at March 31, 2023	As at March 31, 2022
Capital employed (Segment assets - Segment liabilities)		
Segment assets		
Rating, research and other services	5,777.20	5,254.39
Consulting services	490.28	619.17
Knowledge services	4,525.94	3,605.92
Market services	787.37	623.54
Total assets of reportable segments	11,580.79	10,103.02
Unallocable assets	98,500.89	87,744.43
Total assets	1,10,081.68	97,847.45
Segment liabilities		
Rating, research and other services	12,338.54	11,136.22
Consulting services	296.49	302.02
Knowledge services	1,487.73	1,151.04
Market services	438.18	416.41
Total liabilities of reportable segments	14,560.94	13,005.69
Unallocable liabilities	27.92	69.31
Total liabilities	14,588.86	13,075.00
Total capital employed	95,492.82	84,772.45

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

(iii) **Other information**

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital expenditure during the year		
Rating, research and other services	179.99	207.31
Knowledge Services	14.07	72.82
Consulting services	160.99	9.50
Market services	38.29	19.13
	393.34	308.76
Depreciation, amortisation and impairment expense		
Rating, research and other services	728.36	557.40
Knowledge Services	20.93	173.80
Consulting services	182.32	11.58
Market services	51.30	38.43
	982.91	781.21
Non cash expenses other than depreciation		
Rating, research and other services	471.40	171.69
Knowledge Services	124.58	10.12
Consulting services	-	0.01
Market services	-	-
	595.98	181.82
Interest income	2,519.75	2,955.42

(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

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from external customer by geographical market		
India	24,433.00	21,837.36
Outside India	15,890.08	12,443.16
Total	40,323.08	34,280.52
Non current assets *		
India	4,963.42	4,785.82
Outside India	23.97	45.57
Total	4,987.39	4,831.39

* Non-current assets are excluding financial assets, deferred tax assets and non-current tax assets.

(v) Revenue from one of the customer of the Group is Rs 14,316.06 lakhs (previous year Rs 10,625.98 lakhs) which is more than 10 percent of the Group's total revenue.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

47 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, 2023							
	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	77.51%	73,658.60	70.93%	9,592.90	25.48%	(41.55)	71.49%	9,551.35
Subsidiaries								
Indian								
ICRA Analytics Limited	21.24%	20,180.45	46.25%	6,254.11	65.82%	(107.35)	46.01%	6,146.76
Pragati Development Consulting Services Limited	0.11%	107.28	(0.01%)	(1.05)	-	-	(0.01%)	(1.05)
ICRA Employees welfare Trust	3.00%	2,848.72	0.61%	82.73	-	-	0.62%	82.73
Foreign								
PT. ICRA Indonesia	0.00%	1.12	-	-	(0.05%)	0.08	0.00%	0.08
ICRA Lanka Limited	0.07%	67.33	(0.16%)	(21.10)	8.93%	(14.56)	(0.27%)	(35.66)
ICRA Nepal Limited	1.00%	948.40	2.25%	303.96	(0.34%)	0.56	2.28%	304.52
Non-controlling interest included in respective subsidiaries	(0.49%)	(464.71)	(1.10%)	(148.94)	0.16%	(0.27)	(1.12%)	(149.21)
Eliminations	(2.44%)	(2,319.08)	(18.77%)	(2,539.02)	0.00%	-	(19.00%)	(2,539.02)
Total	100.00%	95,028.11	100.00%	13,523.59	100.00%	(163.09)	100.00%	13,360.50

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

47 Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiary (Contd.)

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	(27.33%)	11.90	2.37%	265.31
Non-controlling interest included in respective subsidiaries	(0.49%)	(411.42)	(1.11%)	(124.17)	13.37%	(5.82)	(1.16%)	(129.99)
Eliminations	(3.05%)	(2,575.70)	-12.06%	(1,353.33)	-	-	(12.10%)	(1,353.33)
Total	100.00%	84,361.03	100.00%	11,229.07	100.00%	(43.53)	100.00%	11,185.54

48 Other information

(i) During the current year, the Company has entered into transactions with struck off companies, the details of which are as under:

Name of the struck-off Company	Nature of Transactions	Balance Outstanding	Nature of relationship with the Group
Shri Ganesh Industries India Private Limited	Advances received from customers written back	-	No relationship with the Group
Jaabilli Power Private Limited	Advances received from customers written back	-	No relationship with the Group
VM Mount Air Tech Private Limited	Sale of service	-	No relationship with the Group
Vibrant Securities Private Limited	Sale of service	-	No relationship with the Group
Graphite India Limited	Sale of service	-	No relationship with the Group

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

- (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 account that has been subsequently surrendered or disclosed as income during the year as part of the ongoing 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 for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- (x) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration

No.: 101248W/W-100022

Manish Kapoor

Partner

Membership No.: 510688

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

Arun Duggal

Chairman

(DIN: 00024262)

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Venkatesh Viswanathan

Chief Financial Officer

Place: Mumbai
Date: May 24, 2023

S. Shakeb Rahman

Company Secretary

Place: Gurugram
Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Mumbai

Date: May 24, 2023

Place: Mumbai

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

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 March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and 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 March 31, 2023, and its profit and other comprehensive loss, 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 we have obtained 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.

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, 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. • Evaluated the reasonableness of the significant judgements and estimation involved in the recognition of revenue. • On selected sample of contracts, tested revenue recognition, and our procedures included: <ol style="list-style-type: none"> i. evaluating the identification of performance obligations; ii. considering the terms of the contracts to determine the transaction price; and iii. 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 financial statements and auditor's report thereon.

Independent Auditor's Report (Contd.)

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 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.

Independent Auditor's Report (Contd.)

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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 Auditors) 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 March 31, 2023 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, as disclosed in the Note 47(iv) to the standalone financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(v) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in

Independent Auditor's Report (Contd.)

- writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 32 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend

- for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- 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

Manish Kapoor

Partner

Membership No.: 510688

ICAI UDIN: 23510688BGZGTE8049

Place: Gurugram

Date: May 24, 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ICRA Limited for the year ended March 31, 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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.
- (i) (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 accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancy was noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (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 the 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 Rs 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 investments 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 on the basis of our examination of the records of the Company, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (b) 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.
- (c) 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, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (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 overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ICRA Limited for the year ended March 31, 2023 (Contd.)

- (e) 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 or advance in the nature of 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.
- (f) 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 sections 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 under Section 148(1) of the Act 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 July 1, 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs in lakhs) #	Amount Paid under protest (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	19.97	-	F.Y. 2000 – 2001	Assessing Officer
Income Tax Act, 1961	Income Tax	0.44	-	F.Y. 2002 – 2003	Assessing Officer
Income Tax Act, 1961	Income Tax	43.96	-	F.Y. 2003 – 2004	Assessing Officer
Income Tax Act, 1961	Income Tax *	25.50	-	F.Y. 2004 – 2005	Assessing Officer
Income Tax Act, 1961	Income Tax *	181.90	11.00	F.Y. 2005 – 2006	Assessing Officer
Income Tax Act, 1961	Income Tax *	53.22	-	F.Y. 2009 – 2010	Assessing Officer
Income Tax Act, 1961	Income Tax *	278.62	-	F.Y. 2010 – 2011	Assessing Officer
Income Tax Act, 1961	Income Tax *	366.93	-	F.Y. 2013 – 2014	Assessing Officer
Income Tax Act, 1961	Income Tax *	206.21	-	F.Y. 2015 – 2016	Assessing Officer
Income Tax Act, 1961	Income Tax	46.43	-	F.Y. 2021 – 2022	Assessing Officer
Income Tax Act, 1961	Income Tax	320.98	-	F.Y. 2012 – 2013	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	291.10	-	F.Y. 2017 – 2018	The Commissioner of Income Tax (Appeals)

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ICRA Limited for the year ended March 31, 2023 (Contd.)

Name of the statute	Nature of the dues	Amount (Rs in lakhs) #	Amount Paid under protest (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	282.80	-	F.Y. 2018 – 2019	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	33.27	-	F.Y. 2019 – 2020	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	94.82	-	F.Y. 2020 – 2021	The Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	1.99	-	F.Y. 2001 – 2002	Assistant Commissioner of Central Excise
Finance Act, 1994	Service Tax	11.40	11.40	F.Y. 2001 – 2002 to 2004 – 2005	The Commissioner (Appeals) of Central Excise

#Amount as per demand orders including interest and penalty, wherever indicated in the order.

*Pending appeal effect to be given by assessing officer in respect of favourable order received by the Company.

- (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 borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (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 by the management, 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 the Act.
- (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 Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). 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 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 Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ICRA Limited for the year ended March 31, 2023 (Contd.)

- (c) We have taken into consideration the whistleblower 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 Act, 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 Act 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, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any 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 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 Act 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

Manish Kapoor

Partner

Membership No.: 510688

ICAI UDIN: 23510688BGZGTE8049

Place: Gurugram

Date: May 24, 2023

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of ICRA Limited for the year ended March 31, 2023

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 Act

(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 financial statements of ICRA Limited ("the Company") as of March 31, 2023 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 financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 standalone 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.

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of ICRA Limited for the year ended March 31, 2023 (Contd.)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error

or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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

Manish Kapoor

Partner

Membership No.: 510688

ICAI UDIN: 23510688BGZGTE8049

Place: Gurugram

Date: May 24, 2023

Standalone Balance Sheet

as at March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4.1	1,062.11	815.40
(b) Right-of-use assets	4.2	1,228.00	1,374.24
(c) Intangible assets	5.1	393.13	363.80
(d) Intangible assets under development	5.2	122.96	54.59
(e) Financial assets			
(i) Investments	6.1	44,450.57	41,857.76
(ii) Loans	7.1	3.25	5.73
(iii) Other financial assets	8.1	524.66	568.26
(f) Deferred tax assets (net)	9.5	99.32	300.73
(g) Non-current tax assets (net)	10	1,629.96	1,163.30
(h) Other non-current assets	11.1	46.04	41.27
Total non-current assets		49,560.00	46,545.08
(2) Current assets			
(a) Financial assets			
(i) Investments	6.2	21,328.16	6,215.00
(ii) Trade receivables	12	1,277.47	1,020.56
(iii) Cash and cash equivalents	13	484.40	691.08
(iv) Bank balances other than (iii) above	14	11,367.93	20,031.16
(v) Loans	7.2	2.48	2.39
(vi) Other financial assets	8.2	37.10	1,215.56
(b) Other current assets	11.2	1,033.74	974.54
Total current assets		35,531.28	30,150.29
Total assets		85,091.28	76,695.37
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	965.12	965.12
(b) Other equity	16	72,693.48	65,513.30
Total equity		73,658.60	66,478.42
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.1	995.82	1,115.15
(b) Provisions	18.1	90.97	122.18
Total non-current liabilities		1,086.79	1,237.33
(3) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	17.2	299.38	266.02
(ii) Trade payables	20		
(A) Total outstanding dues of micro and small enterprises: and		11.49	51.07
(B) Total outstanding dues of creditors other than micro and small enterprises		545.99	585.43
(iii) Other financial liabilities	17.3	294.98	268.82
(b) Other current liabilities	19	6,298.21	5,129.23
(c) Provisions	18.2	2,895.51	2,614.58
(d) Current tax liabilities (net)	21	0.33	64.47
Total current liabilities		10,345.89	8,979.62
Total liabilities		11,432.68	10,216.95
Total equity and liabilities		85,091.28	76,695.37
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

Manish Kapoor
Partner
Membership No.: 510688

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

Arun Duggal
Chairman
(DIN: 00024262)

Ramnath Krishnan
Managing Director & Group C.E.O.
(DIN: 09371341)

Venkatesh Viswanathan
Chief Financial Officer

S. Shakeb Rahman
Company Secretary

Place: Gurugram
Date: May 24, 2023

Place: Gurugram
Date: May 24, 2023

Place: Mumbai
Dated: May 24, 2023

Place: Mumbai
Dated: May 24, 2023

Place: Gurugram
Date: May 24, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	22	22,253.79	19,473.14
II Other income	23	6,556.89	4,542.19
III Total income (I+II)		28,810.68	24,015.33
Expenses			
IV Employee benefit expenses	24	12,343.33	11,144.96
V Finance costs	25	134.22	150.76
VI Depreciation and amortisation expense	26	703.30	534.35
VII Other expenses	27	3,916.60	2,850.39
VIII Total expenses (IV to VII)		17,097.45	14,680.46
IX Profit before tax (III-VIII)		11,713.23	9,334.87
Tax expense:	9.1		
Current tax		1,904.95	1,993.24
Deferred tax		215.38	10.70
X Total tax expense		2,120.33	2,003.94
XI Profit after tax (IX-X)		9,592.90	7,330.93
A Other comprehensive income			
(i) Items that will not be reclassified to profit or loss	42	(55.52)	63.07
(ii) Income tax relating to items that will not be reclassified to profit or loss	9.2	13.97	(15.87)
XII Other comprehensive income / (loss), net of income tax		(41.55)	47.20
XIII Total comprehensive income for the year (XI+XII)		9,551.35	7,378.13
XIV Earnings per share (Rs)	31		
(face value of Rs 10 per share):			
1) Basic		99.73	76.21
2) Diluted		99.73	76.21
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

Manish Kapoor

Partner

Membership No.: 510688

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

Arun Duggal

Chairman

(DIN: 00024262)

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Venkatesh Viswanathan

Chief Financial Officer

(DIN: 09371341)

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Mumbai

Dated: May 24, 2023

Place: Mumbai

Dated: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit before tax	11,713.23	9,334.87
Adjustments for		
Depreciation and amortisation expense	703.30	534.35
Loss allowance (including bad debts/ advances written off)	470.82	171.42
Interest on lease liabilities	134.22	150.76
Long term individual payout funded through Trust (refer note 35)	331.17	248.11
Interest income on fixed deposits	(772.77)	(1,613.60)
Interest income on investments carried at amortised cost	(596.45)	(481.24)
Interest income on security deposits carried at amortised cost	(47.03)	(43.17)
Gain on financial assets carried at fair value through profit and loss ('FVTPL') (net)	(2,150.59)	(570.60)
Gain on sale of financial assets carried at FVTPL (net)	(41.55)	(465.94)
Advances received from customers written back	(212.58)	(274.87)
Dividend from subsidiary company	(2,786.70)	(1,343.56)
(Profit) / loss on sale of property, plant and equipment (net)	(8.40)	0.42
Provision for impairment loss on investment in subsidiary company	256.58	-
Bad debts recovered	(32.99)	(8.63)
Operating cash flow before changes in operating assets and liabilities	6,960.26	5,638.32
Adjustments for changes in operating assets and liabilities		
(Increase)/ decrease in trade receivables	(694.74)	415.06
(Increase)/ decrease in loans	2.39	6.70
(Increase)/ decrease in other financial assets	(14.73)	105.77
(Increase)/ decrease in other assets	(45.72)	(414.28)
Increase/ (decrease) in trade payables	(79.02)	302.98
Increase/ (decrease) in other financial liabilities	3.94	(139.04)
Increase/ (decrease) in other liabilities	1,381.56	(161.89)
Increase/ (decrease) in provisions	175.95	409.11
Cash generated from operations before tax	7,689.89	6,162.73
Taxes paid, net of refund	(2,435.75)	(2,298.56)
Net cash generated from operating activities (A)	5,254.14	3,864.17
B. Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(690.02)	(353.29)
Proceeds from sale of property, plant and equipment and intangible assets	18.31	3.61
Investment in mutual funds	(23,200.00)	(34,050.00)
Proceeds from redemption / disposal of mutual funds	1,800.00	21,696.42
Investment (made in) / redemption of corporate deposits (net)	6,215.00	(14,315.00)
Interest received on investments	353.31	143.97
(Increase)/ decrease in fixed deposits (having maturity of more than three months) (net)	9,088.29	22,513.32

Standalone Statement of Cash Flows (Contd.)

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest received on fixed deposits	1,231.91	1,625.21
Dividend received from subsidiary company	2,832.49	1,324.15
Net cash used in investing activities (B)	(2,350.71)	(1,411.61)
C. Cash flow from financing activities		
Payment of lease liabilities	(273.20)	(256.74)
Interest paid on lease liabilities	(134.22)	(150.76)
Dividend paid	(2,702.34)	(2,605.83)
(Decrease)/ increase in unclaimed dividend	(0.35)	(0.02)
Net cash used in financing activities (C)	(3,110.11)	(3,013.35)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(206.68)	(560.79)
Add: Cash and cash equivalents at the beginning of year	691.08	1,251.87
Cash and cash equivalents at the end of the year	484.40	691.08
Components of cash and cash equivalents (Refer note 13)		
Balances with banks		
In current accounts	483.88	690.79
Cash on hand	0.52	0.29
Cash and cash equivalents at the end of the year	484.40	691.08

Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- Ind AS 7 requires the entity to provide disclosures that enable users of financials statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company does not have any liabilities arising from financing activities except lease liabilities, refer note 44(c) for the movement in lease liabilities during the years ended March 31, 2023 and March 31, 2022.

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

Manish Kapoor

Partner

Membership No.: 510688

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

Arun Duggal

Chairman

(DIN: 00024262)

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Venkatesh Viswanathan

Chief Financial Officer

(DIN: 09371341)

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Mumbai

Dated: May 24, 2023

Place: Mumbai

Dated: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Particulars	Note No.	Equity share capital	Attributable to equity shareholders				Total equity
			Other equity		Retained earnings	Remeasurement of defined benefit obligation	
			Reserves and surplus	Capital reserve			
			Capital reserve	General reserve			
Opening balance as at April 1, 2021		965.12	1,204.91	7,802.44	51,572.08	(121.42)	61,458.01
Profit after tax for the year		-	-	-	7,330.93	-	7,330.93
Other comprehensive income / (loss), net of tax		-	-	-	-	47.20	47.20
Total comprehensive income / (loss) for the year		-	-	-	7,330.93	47.20	7,378.13
Dividend on equity shares	32	-	-	-	(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	7,802.44	56,297.18	(74.22)	66,478.42
Opening balance as at April 1, 2022		965.12	1,453.02	7,802.44	56,297.18	(74.22)	66,478.42
Profit after tax for the year		-	-	-	9,592.90	-	9,592.90
Other comprehensive income / (loss), net of tax		-	-	-	-	(41.55)	(41.55)
Total comprehensive income / (loss) for the year		-	-	-	9,592.90	(41.55)	9,551.35
Dividend on equity shares	32	-	-	-	(2,702.34)	-	(2,702.34)
Capital reserve created during the year	16 (a) & 35	-	331.17	-	-	-	331.17
Closing balance as at March 31, 2023		965.12	1,784.19	7,802.44	63,187.74	(115.77)	73,658.60

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 **BSR & Co. LLP**

Chartered Accountants

Firm Registration

No.: 101248W/W-100022

Manish Kapoor

Partner

Membership No.: 510688

Place: Gurugram

Date: May 24, 2023

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

Arun Duggal

Chairman

(DIN: 00024262)

Place: Gurugram

Date: May 24, 2023

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Place: Mumbai

Dated: May 24, 2023

Venkatesh Viswanathan

Chief Financial Officer

Place: Mumbai

Dated: May 24, 2023

S. Shakeb Rahman

Company Secretary

Place: Gurugram

Date: May 24, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, 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 Rs (Rs) which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh and upto two decimal places, unless otherwise stated.

These standalone financial statements were authorised for issue by the Company's Board of Directors on May 24, 2023.

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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the 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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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 judgement 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 determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and other available fair value indicators.

ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction

to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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

The Company presents assets and liabilities in the balance sheet based on current or non-current classification as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company classifies an asset as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
 - it holds the liability primarily for the purpose of trading;
 - the liability is due to be settled within twelve months after the reporting period;
 - it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The Company has determined its operating cycle, as explained in Schedule III of the Act, as twelve months having regard to the nature of business being carried out by the Company. The same has been considered for classifying assets and liabilities as 'current' and 'non-current' while preparing the standalone financial statements.

3.2 Revenue recognition

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

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The first year rating includes free surveillance for first twelve months or the period of instrument, whichever is shorter, from the date of rating. A portion of the fee is allocated towards first year free surveillance based on management's estimate. The revenue related to initial rating 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 recognized upon transfer of control of promised services to the customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as trade receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when the billings are in excess of revenues earned.

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, 2023

(All amounts in Rs lakhs, 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 (unless it is a trade receivable without a significant financing component) or financial liability is initially recognised at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, 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 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.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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

Depreciation method, useful lives and residual value are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above, represents the period over which management expects to use these assets.

Depreciation on addition/ disposal is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready to use (disposed of).

Assets individually costing up to Rs 5,000 are fully depreciated in the year of purchase.

3.6 Intangible assets

Recognition and measurement

Intangible assets acquired separately are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the 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 of).

Intangible assets under development ('IAUD')

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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 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 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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.

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 cases wherein work has been initiated but rating 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 banks and short-term deposits 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 cash flows, cash and cash equivalent consists of cash on hand, balances with banks and short-term deposits, net of outstanding bank overdrafts (if any).

3.13 Foreign currencies

The Company's standalone financial statements are presented in Indian Rs, 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

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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 determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of annual period to the then-net defined benefit liability (asset), taking in to account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the 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

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for the year ended March 31, 2023

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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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the 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.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous year. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intention to realize the asset and settle the liability on a net basis, or simultaneously.

Deferred tax

Deferred tax is recognised for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing

standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions 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, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

4 Property, plant and equipment and right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
4.1 Property, plant and equipment		
Buildings	537.00	566.97
Computers and data processing units	197.39	154.32
Furniture and fittings	106.54	41.92
Office equipment	100.85	12.78
Electrical installation and equipment	19.63	15.47
Vehicles	-	0.50
Leasehold improvements	100.70	23.44
Total property, plant and equipment	1,062.11	815.40

4.2 Right-of-use assets

Right-of-use assets - buildings	1,228.00	1,374.24
Total right-of-use assets	1,228.00	1,374.24

4.3 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	Furni- ture and fittings	Office equip- ment	Electrical installation and equip- ment	Vehicles	Lease- hold improve- ments	Total property, plant and equipment	Right- of-use assets - buildings
Cost									
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
Additions	-	243.84	93.19	110.00	11.67	-	94.99	553.69	198.79
Disposals/adjustments	-	(96.61)	(14.37)	(4.37)	(6.67)	(3.45)	(114.48)	(239.95)	(159.43)
As at March 31, 2023	785.37	667.29	287.36	206.52	90.93	-	223.89	2,261.36	2,395.26
Accumulated depreciation									
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)	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

4.3 Disclosures regarding gross block, accumulated depreciation and net block of property, plant and equipment and right-of-use assets (Contd.)

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
As at March 31, 2022	218.40	365.74	166.62	88.11	70.46	2.95	219.94	1,132.22	981.66
For the year	29.97	196.43	25.61	21.38	5.95	-	17.73	297.07	345.03
Disposals/adjustments	-	(92.27)	(11.41)	(3.82)	(5.11)	(2.95)	(114.48)	(230.04)	(159.43)
As at March 31, 2023	248.37	469.90	180.82	105.67	71.30	-	123.19	1,199.25	1,167.26
Carrying amount									
As at March 31, 2023	537.00	197.39	106.54	100.85	19.63	-	100.70	1,062.11	1,228.00
As at March 31, 2022	566.97	154.32	41.92	12.78	15.47	0.50	23.44	815.40	1,374.24

Note :

- 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 wherein the title deed does not convey a lucid ownership interest in favour of the Company with respect to such property.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

5 Intangible assets and intangible assets under development

5.1 The details of intangible assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Computer software	393.13	363.80
Total intangible assets	393.13	363.80

5.2 The details of intangible assets under development are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	122.96	54.59
Total intangible assets under development	122.96	54.59

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

5.3 Disclosures regarding gross block, accumulated amortisation and net block are as given below:

Particulars	Computer software	Intangible assets under development
Cost		
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
Additions	90.53	158.90
Disposals/adjustments	(0.02)	(90.53)
As at March 31, 2023	518.24	122.96
Accumulated amortisation		
As at April 1, 2021	27.39	-
For the year	36.54	-
Disposals/adjustments	-	-
As at March 31, 2022	63.93	-
For the year	61.20	-
Disposals/adjustments	(0.02)	-
As at March 31, 2023	125.11	-
Carrying amount		
As at March 31, 2023	393.13	122.96
As at March 31, 2022	363.80	54.59

5.4 Intangible assets under development (IAUD) ageing schedule *

As at March 31, 2023					
Particulars	Amount in IAUD as at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	105.53	17.43	-	-	122.96
Total	105.53	17.43	-	-	122.96
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
Total	54.59	-	-	-	54.59

* There are no projects in IAUD as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which has exceeded in comparison to its original plan. Further, there are no projects in IAUD which are temporarily suspended.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

6 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
6.1 Non-current investments		
I. Unquoted		
Investments carried at cost		
a) Investment in equity shares of subsidiaries (fully paid-up)		
ICRA Analytics Limited	2,371.76	2,371.76
9,951,458 [previous year 9,951,458] equity shares of Rs 10 each		
PT ICRA Indonesia	1,497.47	1,497.47
2,833,125 [previous year 2,833,125] equity shares of Indonesian Rupiah (IDR) 10,000 each		
ICRA Lanka Limited*	256.58	256.58
5,948,900 [previous year 5,948,900] equity shares of Sri Lankan Rs (LKR) 10 each		
ICRA Nepal Limited	63.75	63.75
367,200 [previous year 306,000] equity shares of Nepalese Rs (NPR) 100 each**		
	4,189.56	4,189.56
Impairment in value of investments ***	(1,754.05)	(1,497.47)
Total (I) (a)	2,435.51	2,692.09
* During the current year, ICRA Lanka Limited had applied to the Securities and Exchange Commission, Sri Lanka ("SEC") for surrendering its credit rating license. The said application has been approved by the SEC on February 28, 2023. The management believes that the cost of investment made in ICRA Lanka Limited is not recoverable and hence, has recorded provision for impairment loss of Rs 256.58 lakhs.		
** During the current year, ICRA Nepal Limited allotted 61,200 (previous year 51,000) bonus equity shares of NPR 100 each to the Company.		
*** The Company's management has assessed 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. Basis such assessment, no additional provision is required to be made, other than the amounts already provided for in the books of account.		
Investments carried at amortised cost		
b) Investment in corporate deposits		
Housing Development Finance Corporation Limited	-	10,000.00
Total (I) (b)	-	10,000.00
Total (I) (a+b)	2,435.51	12,692.09
II. Quoted		
Investments carried at fair value through profit or loss		
a) Investment in equity instruments (other than subsidiaries) (fully paid up)		
CRISIL Limited	96.56	98.95
3,000 equity shares [previous year 3,000] of Re. 1 each		
Total (II) (a)	96.56	98.95
b) Investment in mutual funds		
Kotak Floating Rate Fund Direct - Growth	11,053.15	10,570.12
861,231.241 [previous year 861,231.241] units of Rs 1,000 each		
Bandhan Bond Fund Short Term Plan - Growth - Direct Plan (previously IDFC Bond Fund Short Term Plan - Growth - Direct Plan)	10,448.70	8,428.29
20,474,807.469 [previous year 17,201,724.377] units of Rs 10 each		

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

6.1 Non-current investments (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
SBI Floating Rate Debt Fund Direct Plan Growth 94,521,221.745 [previous year 94,521,221.745] units of Rs 10 each	10,582.69	10,068.31
Axis Dynamic Bond Fund - Direct - Growth 28,004,845.534 [previous year Nil] units of Rs 10 each	7,575.06	-
HDFC Corporate Bond Fund - Direct Plan - Growth Option 8,178,701.734 [previous year Nil] units of Rs 10 each	2,258.90	-
Total (II) (b)	41,918.50	29,066.72
Total (II) (a+b)	42,015.06	29,165.67
Total non-current investments (I + II)	44,450.57	41,857.76

6.2 Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
I. Unquoted		
Investments carried at amortised cost		
Investment in corporate deposits		
Housing Development Finance Corporation Limited	10,585.41	-
LIC Housing Finance Limited	-	6,215.00
Total (I)	10,585.41	6,215.00
II. Quoted		
Investments carried at fair value through profit or loss		
Investment in mutual funds		
Axis Liquid Fund - Direct Growth 115,568.975 [previous year Nil] units of Rs 1000 each	2,890.25	-
DSP Liquidity Fund - Direct Plan Growth 160,918.174 [previous year Nil] units of Rs 10 each	5,177.04	-
UTI Liquid Cash Plan - Direct Plan Growth 72,517.255 [previous year Nil] units of Rs 10 each	2,675.46	-
Total (II)	10,742.75	-
Total current investments (I + II)	21,328.16	6,215.00
Total investments (Non-current + Current)	65,778.73	48,072.76

Summary of investments (Non-current + Current)

Aggregate value of unquoted investments	14,774.97	20,404.56
Aggregate value of quoted investments	52,757.81	29,165.67
Aggregate value of impairment in the value of investments	(1,754.05)	(1,497.47)
Investments carried at cost	4,189.56	4,189.56
Investments carried at amortised cost	10,585.41	16,215.00
Investments carried at fair value through profit or loss	52,757.81	29,165.67
Aggregate value of impairment in the value of investments	(1,754.05)	(1,497.47)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

7 Loans

Particulars	As at March 31, 2023	As at March 31, 2022
7.1 Non-current loans		
Secured, considered good		
Loans to staff	3.25	5.73
Total non-current loans	3.25	5.73
7.2 Current loans		
Secured, considered good		
Loans to staff	2.48	2.39
Total current loans	2.48	2.39
Total loans (Non-current + Current)	5.73	8.12

8 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
8.1 Non-current		
Unsecured, considered good		
Interest accrued on investments	-	99.68
Earnest money deposits	0.90	0.90
Security deposits	523.76	467.68
Total other non-current financial assets	524.66	568.26

Particulars	As at March 31, 2023	As at March 31, 2022
8.2 Current		
Unsecured, considered good		
Interest accrued on fixed deposits	-	884.20
Interest accrued on investments	-	242.59
Earnest money deposits	5.77	5.63
Security deposits	0.39	19.21
Advances recoverable		
From parties other than related parties	18.89	10.69
Others		
Recoverable from related parties	3.68	52.78
Recoverable from other than related parties	8.37	0.46
Unsecured, considered doubtful		
Recoverable from other than related parties - credit impaired	-	0.01
	37.10	1,215.57
Allowance for doubtful other financial assets	-	(0.01)
Total other current financial assets	37.10	1,215.56
Total other financial assets (Non-current + Current)	561.76	1,783.82

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

9 Income tax

The major components of income tax for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	As at March 31, 2023	As at March 31, 2022
9.1 Income tax expense recognised in standalone statement of profit and loss		
Current tax		
Income tax for current year	1,865.07	1,969.02
Tax adjustment for earlier years	39.88	24.22
	1,904.95	1,993.24
Deferred tax		
Attributable to-		
Origination and reversal of temporary differences	215.38	10.70
	215.38	10.70
Total tax expense recognised in the standalone statement of profit and loss	2,120.33	2,003.94
9.2 Income tax recognised in other comprehensive income		
Remeasurements of defined benefit obligation	(13.97)	15.87
Income tax charged to other comprehensive income	(13.97)	15.87
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	11,713.23	9,334.87
Tax using the Company's domestic tax rate 25.168% (previous year 25.168%)	2,947.99	2,349.40
Effect of:		
Non-deductible expenses	201.69	128.17
Tax adjustment for earlier years	39.88	24.22
Exempt income	(680.13)	(338.44)
Effect of utilisation of carried forward capital losses	(338.54)	(125.82)
Effect of income offered for tax in previous year	(32.66)	(33.59)
Effect of income taxed at a lower rate	(17.90)	-
Total tax expense	2,120.33	2,003.94

Notes to the Standalone Financial Statements

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(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

9.5 Deferred tax assets (net)

For the year ended March 31, 2023

Particulars	As at April 1, 2022	Recognised in profit or loss	Recognised in OCI	As at March 31, 2023
Deferred tax assets				
Lease liabilities	347.61	(21.63)	-	325.98
Provision for employee benefits	172.54	(53.74)	13.97	132.77
Provision for doubtful receivables	63.17	43.19	-	106.36
Tax losses carried forward	91.74	18.64	-	110.38
Total deferred tax assets (a)	675.06	(13.54)	13.97	675.49
Deferred tax liabilities				
Property, plant and equipment (including intangible assets)	282.59	(11.20)	-	271.39
Investments at fair value through profit or loss	91.74	213.04	-	304.78
Total deferred tax liabilities (b)	374.33	201.84	-	576.17
Net deferred tax assets/ (liabilities) (a-b)	300.73	(215.38)	13.97	99.32

For the year ended March 31, 2022

Particulars	As at April 1, 2021	Recognised in profit or loss	Recognised in OCI	As at March 31, 2022
Deferred tax assets				
Lease liabilities	403.09	(55.48)	-	347.61
Provision for employee benefits	186.96	1.45	(15.87)	172.54
Provision for doubtful receivables	61.55	1.62	-	63.17
Provision for doubtful financial assets	0.23	(0.23)	-	-
Tax losses carried forward	105.36	(13.62)	-	91.74
Total deferred tax assets (a)	757.19	(66.26)	(15.87)	675.06
Deferred tax liabilities				
Property, plant and equipment (including intangible assets)	324.53	(41.94)	-	282.59
Investments at fair value through profit or loss	105.36	(13.62)	-	91.74
Total deferred tax liabilities (b)	429.89	(55.56)	-	374.33
Net deferred tax assets/ (liabilities) (a-b)	327.30	(10.70)	(15.87)	300.73

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

9.6 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.

Particulars	As at March 31, 2023	As at March 31, 2022
Capital losses	895.99	977.50
Impairment loss on investments*	1,754.05	1,497.47
Total	2,650.04	2,474.97
Unrecognised tax effect	606.33	566.27

*The deductible temporary difference does not expire under current tax legislation.

9.7 Expiry period of unutilised tax losses

Financial Year 2024-25	895.99	977.50
Total	895.99	977.50

10 Non-current tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax	1,629.96	1,163.30
(Net of provision of Rs 32,000.21 lakhs [March 31, 2022: Rs 28,508.88 lakhs])		
Total non-current tax assets	1,629.96	1,163.30

11 Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
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11.1 Other non-current assets

Unsecured, considered good

Prepayments	46.04	41.27
Total other non-current assets	46.04	41.27

11.2 Other current assets

Advance paid to gratuity trust	212.98	194.73
Prepayments	555.14	655.75
Balance with government authorities	140.14	11.29
Projects work-in-progress	125.48	112.77
Total other current assets	1,033.74	974.54
Total other assets (Non-current + Current)	1,079.78	1,015.81

12 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Unsecured	1,299.15	1,069.54
Trade receivables - credit impaired	400.90	202.01
	1,700.05	1,271.54
Less: Loss allowance	(422.58)	(250.98)
Total trade receivables	1,277.47	1,020.56

Of the above, trade receivables from related parties are as below:

Trade receivables due from related parties (refer note 38)	7.68	12.65
Less: Loss allowance	-	-
Net trade receivables	7.68	12.65

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

12.1 Trade receivables ageing schedule

As at March 31, 2023								
Particulars	Unbilled	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	-	-	1,284.96	5.13	1.77	7.29	-	1,299.15
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	34.80	366.10	400.90
Total	-	-	1,284.96	5.13	1.77	42.09	366.10	1,700.05
Less: Loss allowance								(422.58)
Total								1,277.47

As at March 31, 2022

Particulars	Unbilled	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	-	-	989.84	30.67	46.52	2.50	-	1,069.53
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	202.01	202.01
Total	-	-	989.84	30.67	46.52	2.50	202.01	1,271.54
Less: Loss allowance								(250.98)
Total								1,020.56

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

13 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts	483.88	690.79
Cash on hand	0.52	0.29
Total cash and cash equivalents	484.40	691.08

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In deposit accounts with maturity for more than three months but less than twelve months from the reporting date	11,333.65	19,998.28
Earmarked balances with banks		
In unpaid dividend account	11.44	11.79
Deposits with maturity for more than three months but less than twelve months from the reporting date earmarked against bank guarantees	22.84	21.09
Total bank balances other than cash and cash equivalents	11,367.93	20,031.16

15 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
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 paid up share capital		
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

15.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	96,51,231	965.12	96,51,231	965.12
Changes during the year	-	-	-	-
At the end of the year	96,51,231	965.12	96,51,231	965.12

15.2 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 each. Each shareholder is eligible for one vote per share held. The dividend, if any, recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

15.3 Shares held by subsidiaries of the ultimate holding company

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023

Promoter Name	No. of shares	% of Total Shares	% Change during the year
Moody's Investment Company India Private Limited	30,55,900	31.66%	-
Moody's Singapore Pte Limited	19,49,722	20.20%	-

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%	-

15.5 Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023	As at March 31, 2022
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	747,472	936,910
% of total shares	7.74%	9.71%
Life Insurance Corporation of India		
Number of shares	-	516,254
% of total shares	-	5.35%
Pari Washington India Master Fund, Ltd.		
Number of shares	703,664	703,664
% of total shares	7.29%	7.29%

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

16 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve (Refer note 35)	1,784.19	1,453.02
Capital redemption reserve	34.88	34.88
General reserve	7,802.44	7,802.44
Retained earnings	63,187.74	56,297.18
Other comprehensive income / (loss)	(115.77)	(74.22)
Total other equity	72,693.48	65,513.30

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, has created 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 / (loss)

Other comprehensive income / (loss) 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).

17 Financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
17.1 Non-current		
Lease liabilities (Refer note 44)	995.82	1,115.15
Total non-current financial liabilities	995.82	1,115.15
17.2 Current		
Lease liabilities (Refer note 44)	299.38	266.02
17.3 Other current financial liabilities		
Unpaid dividend	11.44	11.79
Capital creditors	22.57	-
Due to related parties (Refer note 38)	-	7.16

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

17.3 Other current financial liabilities (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable to employees	257.97	221.40
Deposit for vehicles	-	3.06
Other liabilities	3.00	25.41
Total other current financial liabilities	294.98	268.82
Total current financial liabilities	594.36	534.84
Total financial liabilities (Non-current + Current)	1,590.18	1,649.99

18 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
18.1 Non-current		
Provision for employee benefits		
Provision for compensated absences	90.97	122.18
Total non-current provisions	90.97	122.18
18.2 Current		
Provision for employee benefits		
Provision for compensated absences	132.12	128.19
Other employee benefits	2,747.48	2,470.48
Others		
Provision for service tax (Refer note 45)	15.91	15.91
Total current provisions	2,895.51	2,614.58
Total provisions (Non-current + Current)	2,986.48	2,736.76

19 Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unearned revenue (Refer note 43)	4,337.49	3,573.70
Advance from customers	1,190.16	1,097.02
Statutory dues	770.56	458.51
Total other current liabilities	6,298.21	5,129.23

20 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Total outstanding dues of micro and small enterprises: and	11.49	51.07
(B) Total outstanding dues of creditors other than micro and small enterprises *	545.99	585.43
Total trade payables	557.48	636.50

* Includes dues from related parties (Refer note 38)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

20.1 Trade payables ageing schedule

As at March 31, 2023							
Particulars	Unbilled	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 and small enterprises	-	-	11.49	-	-	-	11.49
Total outstanding dues of creditors other than micro and small enterprises	434.75	-	111.20	-	0.04	-	545.99
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	434.75	-	122.69	-	0.04	-	557.48

As at March 31, 2022

Particulars	Unbilled	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 and small enterprises	-	-	51.07	-	-	-	51.07
Total outstanding dues of creditors other than micro and small enterprises	309.39	-	274.18	1.86	-	-	585.43
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	309.39	-	325.25	1.86	-	-	636.50

20.2 Disclosures relating to dues to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), to the extent information available with the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier at the year end	11.49	51.07
The amount of interest due on the amount remaining unpaid to any supplier 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 Act	-	-
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	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

21 Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax	0.33	64.47
(Net of advance tax of Rs 1,829.56 lakhs [previous year Rs 6,328.75 lakhs])		
Total current tax liabilities (net)	0.33	64.47

22 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services		
Rating, research and other services fees (Refer note 43)	21,953.77	19,144.15
Total sale of services	21,953.77	19,144.15
Other operating revenue		
Advances received from customers written back	212.58	274.87
Royalty (Refer note 38)	38.07	43.68
Others	49.37	10.44
Total other operating revenue	300.02	328.99
Total revenue from operations	22,253.79	19,473.14

23 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on:		
- Fixed deposits	772.77	1,613.60
- Investments carried at amortised cost	596.45	481.24
- Security deposits carried at amortised cost	47.03	43.17
- Income tax refund	56.36	-
- Others	0.28	0.41
Dividend from subsidiary company	2,786.70	1,343.56
Gain on financial assets carried at FVTPL (net)	2,150.59	570.60
Gain on sale of financial assets carried at FVTPL (net)	41.55	465.94
Rental income	19.99	21.96
Profit on sale of property, plant and equipment (net)	8.40	-
Miscellaneous income	76.77	1.71
Total other income	6,556.89	4,542.19

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

24 Employee benefit expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	11,554.99	10,454.60
Contribution to provident and other funds (Refer note 34)	456.25	400.99
Staff welfare expense	332.09	289.37
Total employee benefits expense	12,343.33	11,144.96

25 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities (Refer note 44)	134.22	150.76
Total finance costs	134.22	150.76

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment	297.07	149.18
Depreciation on right-of-use assets	345.03	348.63
Amortisation on intangible assets	61.20	36.54
Total depreciation and amortisation expense	703.30	534.35

27 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Electricity and water	69.95	39.66
Rent (Refer note 44)	53.81	52.69
Repairs and maintenance:		
- Building	103.02	84.02
- Others	1,002.12	820.06
Insurance	36.98	27.48
Rates and taxes	86.25	66.76
Communication expenses	133.51	116.37
Printing and stationery	32.74	19.65
Books and periodicals	119.63	103.11
Travelling and conveyance	220.25	33.75
Directors' sitting fees	45.75	53.25

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

27 Other expenses (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to non-executive directors	65.00	65.00
Legal and professional charges	696.89	756.63
Conference and meeting	34.47	10.61
Advertisement expenses	2.70	2.94
Auditor's remuneration and expenses (Refer note 37)	57.77	51.50
Technical services	26.24	24.24
Loss allowance (including bad debts/ advances written off)	470.82	171.42
Provision for impairment loss on investment in subsidiary company	256.58	-
Corporate social responsibility (Refer note 30)	166.90	209.03
Fees and subscription	13.98	15.56
Recruitment expenses	214.62	119.97
Loss on sale/ write off of property, plant and equipment (net)	-	0.42
Miscellaneous expenses	6.62	6.27
Total other expenses	3,916.60	2,850.39

28 Contingent liabilities and commitments

a) Contingent liabilities (to the extent not provided)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax	278.20	1,289.64
Provident fund	12.09	12.09
Total	290.29	1,301.73

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 recognized 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, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

b) Capital commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contract remaining to be executed on capital account and not provided for	106.44	102.57
Total	106.44	102.57

29 Other matters

a) Particulars	As at March 31, 2023	As at March 31, 2022
Income tax cases where the management expects remote possibility of any unfavourable settlement	651.04	-
Total	651.04	-

- b) 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.

30 Corporate social responsibility expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Amount required to be spent by the Company during the year	163.01	209.03
b) Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	166.90	209.03
Total	166.90	209.03
c) (Excess) / shortfall for the year	(3.89)	-
d) Total of previous year shortfall / (excess)	-	-
e) Details of related party transactions	Not applicable	Not applicable
f) Where a provision is been made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period / year should be shown separately.	-	-
g) Nature of CSR activities	Education of underprivileged women and children with an objective to empower them with employment skills and create livelihood opportunities	
h) Reason for shortfall	Not applicable	Not applicable

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

31 Earning 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, 2023	For the year ended March 31, 2022
(i) Profit attributable to the equity shareholders		
Profit for the year, attributable to the equity shareholders	9,592.90	7,330.93
(ii) Weighted average number of equity shares		
Opening balance	9,651,231	9,651,231
Shares held by ESOP Trust	(31,950)	(31,950)
Weighted average number of equity shares for the year	9,619,281	9,619,281
(iii) Basic earnings per share (face value Rs 10 per share) [(i) / (ii)]	99.73	76.21

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, 2023	For the year ended March 31, 2022
(i) Profit attributable to the equity shareholders (diluted)		
Profit for the year, attributable to the equity shareholders (diluted)	9,592.90	7,330.93
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	9,619,281	9,619,281
Effect of dilution of share options	-	-
Weighted average number of equity shares (diluted) for the year	9,619,281	9,619,281
(iii) Diluted earnings per share (face value Rs 10 per share) [(i) / (ii)]	99.73	76.21

32 Dividend on equity shares

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend on equity shares declared and paid during the year		
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
	2,702.34	2,605.83
Proposed dividend on equity shares not recognized as liability		
Final dividend of Rs 130 per share for financial year 2022-23 (Rs 28 per share for financial year 2021-22)	12,546.60	2,702.34
	12,546.60	2,702.34

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

33 Remittance by the Company in foreign currency for dividend

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend remitted	545.92	526.42
Number of non resident shareholders	1	1
Number of shares held	1,949,722	1,949,722
Financial year to which proposed dividend relates	2021-22	2020-21

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 recognized as an expense towards contribution to these schemes aggregate to Rs 456.25 lakhs for the year ended March 31, 2023 (previous year Rs 400.99 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 employees.

The defined benefit plan for gratuity is administered by a gratuity fund trust that is legally separate from the Company. The trustees of the gratuity fund comprises three 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.

(i) Reconciliation of the net defined benefit liability/ (asset)

Particulars	As at March 31, 2023	As at March 31, 2022
Changes in the present value of the defined benefit obligations		
Defined benefit obligations at the beginning of the year	1,036.57	1,166.57
Current service cost	96.46	113.31
Interest expense/ (income)	58.52	59.46
Benefits directly paid by the Company	(154.61)	(246.98)
Actuarial (gain)/ loss recognized in other comprehensive income		
- changes in financial assumptions	(35.01)	(9.35)
- experience adjustments	71.24	(67.23)
Liability transferred from group company	0.97	20.79
Defined benefit obligations at the end of the year	1,074.14	1,036.57
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,231.30	1,177.68
Contribution paid to the plan assets	-	-
Interest income on plan assets	75.11	67.13
Actuarial gain/(loss) on plan assets	(19.29)	(13.51)
Fair value of plan assets at the end of the year	1,287.12	1,231.30
Net defined benefit liability/ (asset)		
- Current	(212.98)	(194.73)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

(ii) Expense recognised during the year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense recognised in the standalone statement of profit and loss		
Current service cost	96.46	113.31
Net interest expense/ (income)	(16.59)	(7.67)
	79.87	105.64
Remeasurement (gain) / loss recognised in other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	36.23	(76.58)
Actuarial (gain)/ loss on plan assets	19.29	13.51
	55.52	(63.07)

(iii) Plan assets comprise of the following:

Particulars	As at March 31, 2023	As at March 31, 2022
Kotak Group Bond Fund	862.14	831.19
Kotak Secure Return Employee Benefit Plan	-	400.12
Kotak Assured Return Employee Benefit Plan	424.98	-
Total	1,287.12	1,231.31

(iv) Actuarial assumptions

Principal actuarial assumptions at the reporting date are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.10%	6.10%
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 (years)	60	60
Mortality rate	Indian Assured Lives Mortality (2006-08) 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.

As at March 31, 2023, the weighted-average duration of the defined benefit obligation was 5 years (March 31, 2022: 5 years).

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Assumptions				
Discount rate	0.5% Increase	0.5% Increase	(19.47)	(20.25)
	0.5% Decrease	0.5% Decrease	20.25	21.11
Future salary escalation rate	0.5% Increase	0.5% Increase	11.45	15.43
	0.5% Decrease	0.5% Decrease	(12.00)	(15.46)
Withdrawal rate	5% Increase	5% Increase	4.07	(7.73)
	5% Decrease	5% Decrease	(14.61)	2.89

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, 2023	As at March 31, 2022
Within one year	234.55	210.89
Later than one year but not later than five years	797.31	728.29
Later than five years	709.94	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 331.17 lakh (previous year Rs 248.11 lakh) has been recognized 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, 2023, the Company has not granted any option under ESOS 2018.

37 Remuneration to auditor (excluding goods and service tax)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fees	26.88	23.89
Limited review fees	17.73	17.79
Tax audit fees	6.74	7.17
Other certification services fees	1.15	1.15
Reimbursement of expenses	5.27	1.50
Total	57.77	51.50

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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 Singapore Pte Limited

Moody's Investors Service Hong Kong Limited

Moody's Analytics Inc.

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. Venkatesh Viswanathan	Group CFO	(w.e.f. August 30, 2022)
Mr. Amit Kumar Gupta	Chief Financial Officer & General Counsel	(appointed as Chief Financial Officer w.e.f. March 10, 2022 and till August 30, 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 (Till May 13, 2022)

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)

Mr. Stephen Arthur Long (w.e.f. May 13, 2022)

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
a) Related parties where control exists:				
(i) Ultimate Holding Company				
1 Moody's Corporation				
Technical services received	16.77	15.46	-	-
Other financial liabilities - Due to related parties	-	-	-	3.32
Trade payables	-	-	18.68	13.96
(ii) Companies having substantial interest				
1 Moody's Investment Company India Private Limited				
Dividend paid by the Company	855.65	825.09	-	-
2 Moody's Singapore Pte Limited				
Dividend paid by the Company	545.92	526.42	-	-
b) Related parties with whom transactions have taken place during the year				
(i) Subsidiaries including step-down subsidiaries				
1 ICRA Analytics Limited				
Dividend income	2,686.89	1,293.69	-	-
Professional services received - Legal and professional charges	11.56	16.12	-	-
Software expenses	28.84	-	-	-
Professional services provided - Research services	8.26	4.53	-	-
Professional services provided - Other income (IT support services)	52.06	-	-	-
Acquisition of intangible assets	-	11.23	-	-
Rental income	3.64	0.41	-	-
Royalty income	5.00	5.00	-	-
Reimbursement of expenses received/ receivable	22.20	23.90	-	-
Reimbursement of expenses paid/ payable	-	1.13	-	-
Prepayments - current	-	-	-	0.53
Other current liabilities - unearned revenue	-	-	-	2.23
Other financial assets - recoverable from related parties	-	-	1.23	0.03
Trade receivables	-	-	-	0.18
Other financial liabilities - due to related parties	-	-	-	2.60

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
2 ICRA Nepal Limited				
Royalty income	33.07	32.66	-	-
Dividend income	99.81	49.87	-	-
Trade receivables	-	-	7.68	6.45
Other financial assets - recoverable from related parties	-	-	-	45.79
3 ICRA Lanka Limited				
Royalty income	-	6.02	-	-
Trade receivables	-	-	-	6.02
4 Pragati Development Consulting Services Limited				
Rental income	0.78	-	-	-
Reimbursement of expenses received/receivable	-	1.41	-	-
Other financial assets - recoverable from related parties	-	-	0.23	-
(ii) Trusts				
1 ICRA Employees Welfare Trust				
Dividend paid by the Company	8.95	8.63	-	-
Salaries, wages and bonus - Long term incentive plan	331.17	248.11	-	-
Capital reserve	-	-	1,784.19	1,453.02
2 ICRA Limited Employees Group Gratuity Scheme				
Other financial assets - Advance paid to gratuity trust	-	-	212.98	194.73
(iii) Fellow subsidiaries				
1 Moody's Investors Service India Private Limited				
Rental income	15.57	21.55	-	-
Reimbursement of expenses received/receivable	4.15	5.27	-	-
Other financial assets - recoverable from related parties	-	-	2.22	6.97
2 Moody's Investors Service Inc.				
Other financial liabilities - Due to related parties	-	-	-	0.63
3 MIS Quality Management Corp.				
Trademark license fees	7.36	7.58	-	-
Trade payables	-	-	8.03	6.81
Other financial liabilities - Due to related parties	-	-	-	0.61
4 Moody's Investors Service Singapore Pte Limited				
Reimbursement of expenses received/receivable	23.58	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
5 Moody's Investors Service Hong Kong Limited				
Technical services received	1.18	1.21	-	-
Trade payables	-	-	1.47	0.27
6 Moody's Analytics Inc.				
Other financial liabilities - Due to related parties	-	-	4.71	5.16
c) Key management personnel				
1 Mr. Ramnath Krishnan				
Short term benefits	471.01	193.69	-	-
Other long-term benefits	32.79	-	-	-
Reimbursement of expenses	0.14	-	-	-
Other current financial liabilities - payable to employees	-	-	75.82	59.18
Current Provisions - other employee benefits	-	-	90.48	-
Other long-term employee benefits payable*	-	-	40.69	-
2 Mr. N. Sivaraman				
Short term benefits	-	217.41	-	-
3 Mr. Venkatesh Viswanathan				
Short term benefits	117.23	-	-	-
Post-employment benefits	1.07	-	-	-
Other long-term benefits	0.84	-	-	-
Reimbursement of expenses	0.20	-	-	-
Other current financial liabilities - payable to employees	-	-	6.82	-
Current Provisions - other employee benefits	-	-	28.20	-
4 Mr. Vipul Agarwal				
Short term benefits	-	202.41	-	-
Reimbursement of expenses	-	0.91	-	-
5 Mr. Amit Kumar Gupta				
Short term benefits	156.88	114.41	-	-
Post-employment benefits	3.71	-	-	-
Other long-term benefits	12.82	-	-	-
Reimbursement of expenses	0.46	-	-	-
Other current financial liabilities - payable to employees	-	-	-	10.66
Current Provisions - other employee benefits	-	-	41.18	-
Other long-term employee benefits payable*	-	-	13.43	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

B. Transactions and balances with related parties (Contd.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
6 Mr. S. Shakeb Rahman				
Short term benefits	39.73	38.05	-	-
Post-employment benefits	1.20	-	-	-
Other long-term benefits	3.26	-	-	-
Dividend paid by the Company	0.08	0.08	-	-
Other current financial liabilities - payable to employees	-	-	-	4.94
Current Provisions - other employee benefits	-	-	14.09	-
Other long-term employee benefits payable*	-	-	3.79	-
7 Mr. Arun Duggal				
Remuneration to non-executive directors	25.00	25.00	-	-
Sitting fees	13.50	15.00	-	-
Reimbursement of expenses	26.48	25.00	-	-
Trade payables	-	-	23.85	29.48
8 Ms. Ranjana Agarwal				
Remuneration to non-executive directors	20.00	20.00	-	-
Sitting fees	17.25	20.25	-	-
Trade payables	-	-	19.35	20.03
9 Ms. Radhika Vijay Haribhakti				
Remuneration to non-executive directors	20.00	20.00	-	-
Sitting fees	15.00	18.00	-	-
Reimbursement of expenses	3.81	-	-	-
Trade payables	-	-	19.35	20.03

*to be paid by ICRA Employees Welfare Trust

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.

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, 2023 and March 31, 2022:

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

a) Fair value of financial assets

Particulars	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value through profit or loss				
Investment in equity shares	96.56	98.95	96.56	98.95
Investment in mutual funds	52,661.25	29,066.72	52,661.25	29,066.72
Total (A)	52,757.81	29,165.67	52,757.81	29,165.67
Financial assets measured at amortised cost				
Investment in corporate deposits	10,585.41	16,215.00	10,585.41	16,215.00
Loans	5.73	8.12	5.73	8.12
Trade receivables	1,277.47	1,020.56	1,277.47	1,020.56
Cash and cash equivalents	484.40	691.08	484.40	691.08
Other bank balances	11,367.93	20,031.16	11,367.93	20,031.16
Other financial assets	561.76	1,783.82	561.76	1,783.82
Total (B)	24,282.70	39,749.74	24,282.70	39,749.74
Financial assets measured at cost				
Investment in subsidiaries	2,435.51	2,692.09	2,435.51	2,692.09
Total (C)	2,435.51	2,692.09	2,435.51	2,692.09
Total (A+B+C)	79,476.02	71,607.50	79,476.02	71,607.50

b) Fair value of financial liabilities

Particulars	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial liabilities measured at amortised cost				
Lease liabilities	1,295.20	1,381.17	1,295.20	1,381.17
Trade payables	557.48	636.50	557.48	636.50
Others financial liabilities	294.98	268.82	294.98	268.82
Total	2,147.66	2,286.49	2,147.66	2,286.49

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) respectively 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 recognized or disclosed are categorized 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets and liabilities as at March 31, 2023				
Particulars	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Investment in equity shares	96.56	-	-	96.56
Investment in mutual funds	52,661.25	-	-	52,661.25
Total	52,757.81	-	-	52,757.81

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, 2022				
Particulars	Level 1	Level 2	Level 3	Total
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.

4.0.3 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 Risk Management Committee and Board.

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarised in note 4.0.1. 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.

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 4.0.1. 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 527.58 lakhs and Rs 291.66 lakhs for the year ended March 31, 2023 and March 31, 2022 respectively.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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 in to 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 loss allowance for trade receivables is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the commencement of the year	250.98	245.48
Provided during the year	323.97	63.29
Utilisation during the year	(152.37)	(57.79)
Balance at the end of the year	422.58	250.98

The following table provides information about the exposure to credit risk and loss allowance for trade receivables as at March 31, 2023

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance
1-90 days	0.76%	1,279.66	9.72
91-180 days	2.60%	5.30	0.14
181-270 days	54.19%	4.99	2.70
271-365 days	42.14%	0.15	0.06
Over 1 year	100.00%	409.96	409.96
Total		1,700.05	422.58

The following table provides information about the exposure to credit risk and loss allowance for trade receivables as at March 31, 2022

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance
1-90 days	0.56%	781.07	4.40
91-180 days	1.11%	208.77	2.31
181-270 days	86.95%	22.03	19.16
271-365 days	4.10%	8.64	0.35
Over 1 year	89.53%	251.03	224.75
Total		1,271.54	250.98

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

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.

The table below summarizes the maturity profile of the Company's undiscounted financial liabilities:

As at March 31, 2023					
Particulars	Carrying amount	Contractual cash flows			Total
		< 1 year	1 to 3 years	> 3 years	
Lease liabilities	1,295.20	414.76	689.63	507.34	1,611.73
Trade payables	557.48	557.48	-	-	557.48
Other financial liabilities	294.98	294.98	-	-	294.98
Total	2,147.66	1,267.22	689.63	507.34	2,464.19

As at March 31, 2022					
Particulars	Carrying amount	Contractual cash flows			Total
		< 1 year	1 to 3 years	> 3 years	
Lease liabilities	1,381.17	391.07	672.32	692.33	1,755.72
Trade payables	636.50	636.50	-	-	636.50
Other financial liabilities	268.82	268.82	-	-	268.82
Total	2,286.49	1,296.39	672.32	692.33	2,661.04

40.4 Capital management

The primary objective of the Company's capital management is to maximize 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, return capital to shareholders, issues new shares and raises money through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

42 Other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to profit or loss		
Remeasurement gain / (loss) on defined benefit liability/ asset	(55.52)	63.07
Income tax relating to items that will not be reclassified to profit or loss	13.97	(15.87)
Other comprehensive income / (loss), net of income tax	(41.55)	47.20

43 Revenue disclosures

a) Revenue recognised in the current year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rating services fees (including surveillance fees)	21,272.64	18,619.59
Research services fees	681.13	524.56
Total	21,953.77	19,144.15

b) Revenue recognised from last years' unearned revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rating services fees (including surveillance fees)	3,235.37	3,482.11
Research services fees	330.52	230.44
Total	3,565.89	3,712.55

c) Unearned revenue

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue to be recognized in:		
FY2022-23	-	3,565.89
FY2023-24	4,321.14	6.76
FY2024-25	13.27	1.05
FY2025-26	3.08	-
Total	4,337.49	3,573.70

d) Disaggregation of revenue

Timing of recognition of revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
At a point in time	5,226.49	3,577.93
Over time	16,727.28	15,566.22
Total	21,953.77	19,144.15

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

Geographic revenue

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within India	21,884.50	19,106.04
Outside India	69.27	38.11
Total	21,953.77	19,144.15

- e) The amount of revenue from contracts with customers recognised in the standalone statement of profit and loss is the contracted price.

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.
- c) **The movement in lease liabilities during the year ended March 31, 2023 and March 31, 2022 is as follows:**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	1,381.17	1,601.62
Addition made during the year	187.23	36.29
Finance cost accrued during the year	134.22	150.76
Payment of lease liabilities	(407.42)	(407.50)
Balance at the end of the year	1,295.20	1,381.17

- d) **The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022**

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	299.38	266.02
Non-current lease liabilities	995.82	1,115.15
Total	1,295.20	1,381.17

- e) **The contractual maturity of lease liabilities on an undiscounted basis is as follows:**

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	414.76	391.07
Later than one year but not later than five years	1,100.95	1,290.87
Later than five years	96.02	73.78

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

f) Amount recognised in the standalone statement profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities	134.22	150.76
Expense relating to short term lease and lease of low value assets	53.81	15.53

g) Amount recognised in the standalone statement of cash flows

Particulars	As at March 31, 2023	As at March 31, 2022
Payment of lease liabilities (financing activity)	273.20	256.74
Interest paid on lease liabilities (financing activity)	134.22	150.76
Payment of short-term leases (operating activity)	53.81	15.53
Impact on the standalone statement of cash flows for the year	461.23	423.03

B As a lessor

The Company has given a part of its premises under cancellable operating lease arrangement. Lease rentals amounting to Rs 19.99 lakhs (previous year Rs 21.96 lakhs) have been recognized 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 movement of provisions are as under:

Particulars	Provision for service tax	
	As at March 31, 2023	As at March 31, 2022
Opening balance	15.91	15.91
Additions during the year	-	-
Utilised during the year	-	-
Closing balance	15.91	15.91

46 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reasons for variance (where variance is more than 25%)
Current Ratio (in times)	Current Assets	Current Liabilities	3.43	3.36	2%	
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	-	-	-	The Company does not have any borrowings.
Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating items	Debt service = Interest + Principal Repayments	-	-	-	The Company does not have any borrowings.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

46 Ratio analysis and its elements (Contd.)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Reasons for variance (where variance is more than 25%)
Return on Equity ratio (in %)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	13.69%	11.46%	2%	
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	19.37	14.87	30%	The change is primarily on account of delays in collection from customers in the current year.
Trade payable Turnover Ratio (in times)	Other expenses	Average Trade payable	6.56	5.88	12%	
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	0.88	0.92	(4%)	
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	43.11%	37.65%	5%	
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth - Intangible Assets and Intangible Assets under Development	16.20%	14.36%	2%	
Return on Investment (in %)	Interest (Finance Income)	Investments (including bank deposits)	4.90%	4.76%	0.1%	

47 Additional regulatory Information

(i) During the current year, the Company has entered into transactions with struck off companies, the details of which are as under:

Name of the struck-off Company	Nature of Transactions	Balance Outstanding	Nature of relationship with the Company
Shri Ganesh Industries India Private Limited	Advances received from customers written back	-	No relationship with the Company
Jaabilli Power Private Limited	Advances received from customers written back	-	No relationship with the Company

(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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts in Rs lakhs, except share data, per share data and where otherwise stated)

47 Additional regulatory Information (Contd.)

- (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:
- 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
 - 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:
- 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
 - 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 account that has been subsequently surrendered or disclosed as income during the year as part of the ongoing 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 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 willful defaulter by any bank or financial institution or government or any government authority.
- (ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- (x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration

No.: 101248W/W-100022

Manish Kapoor

Partner

Membership No.: 510688

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

Arun Duggal

Chairman

(DIN: 00024262)

Ramnath Krishnan

Managing Director & Group C.E.O.

(DIN: 09371341)

Venkatesh Viswanathan

Chief Financial Officer

Place: Mumbai
Date: May 24, 2023

S. Shakeb Rahman

Company Secretary

Place: Gurugram
Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Gurugram

Date: May 24, 2023

Place: Mumbai

Dated: May 24, 2023

Place: Mumbai

Date: May 24, 2023

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 (Rs 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			995.15	19,185.30	22,358.35	2,177.90	4,512.59	17,412.98	8,392.81	2,138.70	6,254.11	2,686.89	100% owned by ICRA Limited
			Balance Sheet: (1 Rs = 173,8571 IDR)											
		December 31	Profit loss: (1 Rs= 185,1448 IDR)	1,510.66	(1,509.54)	1.12	-	-	-	-	-	-	-	99% owned by ICRA Limited
3	ICRA Lanka Limited			256.58	(189.25)	76.30	8.97	-	59.09	(21.10)	-	(21.10)	-	100% owned by ICRA Limited
			Balance Sheet: (1 Rs = 4,4449 LKR)											
			Profit loss: (1 Rs= 4,476 LKR)											
4	ICRA Nepal Limited	Mid of July		449.73	498.67	1,516.94	568.53	-	686.06	405.28	101.32	303.96	-	51% owned by ICRA Limited
			Balance Sheet: (1 Rs = 1,5992 NPR)											
			Profit loss: (1 Rs= 1,6000 NPR)											
5	Pragati Development Consulting Services Limited			5.00	102.28	109.40	2.12	-	-	(1.05)	-	(1.05)	-	100% owned by ICRA Analytics Limited
6	ICRA Employees Welfare Trust			2.00	2,952.16	3,361.96	407.80	105.44**	-	171.60	88.87	82.73	-	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, 2023.
- 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, 2023.

*Including other operating income

**Investments in equity shares of ICRA Limited

NOTICE

Notice is hereby given that the Thirty-Second Annual General Meeting of the Members of ICRA Limited (the "Company") will be held on Thursday, the 3rd day of August, 2023, 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, 2023 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, 2023 and the report of the Auditors thereon.
2. To declare dividend of Rs 130 per share on the equity shares for the financial year ended March 31, 2023.
3. To appoint a Director in place of Ms. Wendy Huay Huay Cheong (DIN: 08927070), who retires by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS

4. To modify the terms of remuneration of Mr. Ramnath Krishnan (DIN: 09371341) as a Managing Director & CEO of the Company and as CEO of ICRA Group and to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

RESOLVED THAT in partial modification to the resolution passed by the members of the Company pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the '**Act**') read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company, be and is hereby accorded for payment of remuneration to Mr. Ramnath Krishnan (DIN: 09371341), effective from April 1, 2023, who was appointed as a Managing Director & CEO of the Company and as CEO of ICRA Group, for a period of three years, effective from October 23, 2021, and as per the approval from the members of the Company obtained through postal ballot on March 26, 2022, and as set out in the Explanatory Statement annexed hereto and which forms a part of this notice, in excess of prescribed limit of 5% of the net profits of the Company computed in accordance with Section 198 of the Act, in any financial year(s) during his remaining tenure as the Managing Director & CEO of the Company and as CEO of ICRA Group.

RESOLVED FURTHER THAT the total managerial remuneration payable to the executive director(s) of the Company taken together in any financial year shall not exceed the limit of 10% of net profit and overall managerial remuneration payable to all directors shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company, as recommended by the Nomination and Remuneration Committee, be and is hereby authorised to vary, alter and modify the terms and conditions of remuneration and/or remuneration structure of Mr. Ramnath Krishnan within the limits prescribed in the Explanatory Statement annexed hereto.

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 resolutions and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company."

5. To approve the Material Related Party Transactions of the Company and to consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolution**:

RESOLVED THAT in partial modifications to the earlier resolution passed by the Members, through postal ballot on March 26, 2022 pursuant to the provisions of Section 188 of the Companies Act, 2013 (the '**Act**') and other applicable provisions, if any, read with the Companies (Meetings of Board and its Powers) Rules, 2014 or other relevant Rules made thereunder, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Company's policy on related party transaction(s), approval of the members be and is hereby accorded to the Board of Directors of the Company including its subsidiary(ies) to enter into contract(s)/ arrangement(s)/ transaction(s) with Moody's Corporation, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations and a related party transaction as per Regulation 2(1)(zc) of the Listing Regulations, on such terms and conditions as the Board of Directors may deem fit, and as set out in the Explanatory Statement annexed hereto and which forms a part of this Notice, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company and/or its subsidiary and may be constitute as material transaction."

NOTICE

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to finalise the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to the above Resolution.

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 24, 2023

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

NOTICE

1. 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, May 5, 2022 and December 28, 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 32nd AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the 32nd AGM through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 32nd 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 32nd 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 32nd 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., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote E-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to asa.corporateadvisors@gmail.com with a copy marked to evoting@nsdl.co.in.
7. The explanatory statements pursuant to Section 102 of the Act, in respect of Special Business proposed under item nos. 4 and 5 above, are annexed hereto and form a part of this Notice (“**Explanatory Statement**”).
8. The relevant details, pursuant to Regulation 36(3) of the 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, May 13, 2022 and January 5, 2023. Notice of the AGM along with the Annual Report 2022-23 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 2022-23 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.
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.

NOTICE

12. Pursuant to Section 123(5) of the Act, and Regulation 12 of the Listing Regulations, 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. The 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, 2023 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 29, 2023 to Wednesday, August 2, 2023 (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 28, 2023 ("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 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 are requested to encash/claim the same immediately. In terms of Section 124(5) of the Act, the Company shall be required to transfer the unclaimed/unpaid dividend of the Company on the expiry of seven years from the date it became due for payment, to the "Investor Education and Protection Fund".

The details of the un-encashed/unclaimed dividend for the Financial Years 2015-16 to 2021-22 as on March 31, 2023 are as under:

Dividend for the financial year	Unclaimed/Unpaid Dividend as on March 31, 2023 (Rs In lakh)	Due date of transfer to Investor Education and Protection Fund
2015-16	1.09	September 12, 2023
2016-17	1.63	September 5, 2024
2017-18	2.21	September 12, 2025
2018-19	1.95	November 2, 2026
2019-20	2.32	October 28, 2027
2020-21	1.46	September 2, 2028
2021-22	0.78	September 10, 2029

NOTICE

Pursuant to Section 124(6) of the Act 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 having a valid PAN and who is not liable to pay income tax on his total income (inclusive of dividend income) of the previous year 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 28, 2023. Members are requested to note that in case their PAN is not registered or is invalid or they qualify as specified persons as per the provisions of section 206AB of the Income Tax Act, 1961, then 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. a copy of PAN (if available), No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate (valid for FY2023-24), a copy of Form 10F (furnished online with the Income tax department), 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 28, 2023.
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 32nd 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>.
- II. The E-voting Event Number (EVEN) is as under:

EVEN	124354
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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, July 31, 2023 (9:00 a.m. IST)	Wednesday, August 2, 2023 (5:00 p.m. IST)

- IV. **The instructions for E-voting are as under:**

The way to vote electronically on NSDL E-voting system consists of “Two Steps” which are mentioned below:

Step 1 : 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:

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Type of members

Individual members holding securities in demat mode with NSDL

Login method

- Existing **IDeAS** user can visit the e-Services website of NSDL Viz. <https://eservices.nsd.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 re-directed 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.
- If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select **“Register Online for IDeAS Portal”** or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- Visit the E-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.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 the NSDL depository site wherein you can see the E-voting page. Click on company name or the **E-voting service provider i.e. NSDL** and you will be redirected to E-voting website of NSDL for casting your vote during the remote E-voting period or joining virtual meeting and voting during the meeting.
- 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



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Individual members holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach E-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab and then use existing my easi username and password.
2. After successful login the Easi / Easiest user will be able to see the E-voting option for eligible companies where the E-voting is in progress as per the information provided by company. On clicking the E-voting option, the user will be able to see E-voting page of the E-voting service provider for casting vote during the remote E-voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all E-voting service providers, so that the user can visit the E-voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access E-voting page by providing demat account number and PAN No. from an E-voting link available on 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 able to see the E-voting option where the E-voting is in progress and also able to directly access the system of all E-voting service providers.

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 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33

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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?

1. Visit the E-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of E-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on E-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding Your User ID is: shares i.e. Demat (NSDL or CDSL) or Physical

a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
 - a) If you are already registered for E-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL E-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial

password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (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, tick 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

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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: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi

Mhatre, Senior Manager, National Securities Depository Limited at 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.
- VI. Process for obtaining login credentials by Members whose email addresses are not registered with depositories for procuring user id and password and registration of email ids for E-voting for the resolutions set out in this Notice:
- (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.

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- (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, July 31, 2023 (9:00 a.m. IST) and ends on Wednesday, August 2, 2023 (5:00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as at close of business hours on Friday, July 28, 2023 ('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 28, 2023 ('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 28, 2023 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 Scrutinizer to scrutinize 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

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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 32nd 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 and Sweat Equity) Regulations, 2021, 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.

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

Mr. Ramnath Krishnan was appointed as Managing Director & CEO of the Company and CEO of ICRA Group, designated as "Managing Director & Group CEO", for a period of three years, effective from October 23, 2021. "ICRA Group" shall mean the Company and its subsidiaries (both direct and indirect) when referred to collectively. The appointment was under the provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), on the terms and conditions, as approved by the Members, the Board of Directors and the Nomination and Remuneration Committee. Further, the members had authorised the Board of Directors of the Company, as recommended by the Nomination and Remuneration Committee, to vary, alter and modify the terms and conditions of appointment, including remuneration and/or remuneration structure of Mr. Krishnan within the limits prescribed in this Explanatory Statement.

As per Section 197 and other applicable provisions of the Act, without resolution/approval of the members of the Company, the remuneration payable to any managing director or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors and manager taken together.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has increased Mr. Krishnan's remuneration effective from April 1, 2023, will be as under:

Details	Remuneration terms	
Total fixed pay ("TFP")	Rs 340 Lakh	Include Basic Salary, House Rent Allowance/ Company Leased Accommodation, Special Allowance, Provident Fund, Leave Encashment, Gratuity
Short-Term Incentive Plan (STIP)	STIP is upto 67% of TFP, which is subject to both the Company's performance and individual performance.	
Long-Term Incentive Plan (LTIP)	LTIP is up to 43% of TFP, which is subject to both the Company's performance and individual performance. The pay-outs under the part of the LTIP are in cash paid over 3 years and part of the LTIP that are settled in stocks are granted under "Employees Stock Option Scheme, 2018" ("Scheme" or "ESOS 2018") of the Company.	

In addition to the above, Mr. Krishnan will be eligible for staff benefits and policy-related reimbursements in the ordinary course of business.

In accordance with the applicable provisions of the Act, approval of members is being sought, by way of special resolution, for payment of remuneration to Mr. Krishnan, in excess of the prescribed limit of 5% of net profit of the Company but within the overall limit of 10 % of the net profit of the Company. The Board of Directors of the Company, as recommended by the Nomination and Remuneration

Committee, be authorised to vary, alter, and modify the terms of remuneration and/or remuneration structure of Mr. Krishnan within the limits prescribed in this Explanatory Statement.

All other terms and conditions relating to Mr. Krishnan's appointment and remuneration as approved earlier by the members shall remain unchanged.

The terms and conditions as set out in the resolution and explanatory statement above may be treated as an abstract of the terms of appointment of Mr. Krishnan as per Section

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190 of the Companies Act, 2013.

The Company has not defaulted in payment of dues to any bank or public financial institution or other secured creditor, if any.

Mr. Krishnan does not hold any shares in the Company. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Krishnan, is in any way concerned or interested in this Resolution.

Relevant information and disclosures prescribed under Schedule V to the Companies Act, 2013 have been presented in Annexure-B of this Notice.

The Board of Directors of your Company recommends the Resolutions as set out at item no. 4 as a special resolution of the Notice for approval of the Members of the Company.

Item No. 5

In terms of the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**"), including its modifications, ICRA Limited (the "**Company**") had sought through postal ballot the approval of the Members in March 2022 to receive professional fees from Moody's Corporation (including its affiliates) ("**Moody's entities**") for providing analytics, data, research, financial

analysis, consultancy, & related support service through its material unlisted subsidiary, ICRA Analytics Limited ("**ICRA Analytics**") of amount not exceeding USD 20 million (Rs 150 crore; Rs 75/USD 1) per annum.

The Company proposes to its Members for giving further approval to the Board of Directors for carrying out and/or continuing with the following arrangements and transactions of amount not exceeding USD 50 million (Rs 410 crore; Rs 82/USD 1) per annum. The tenure of the proposed transactions shall be for five years, effective from April 1, 2023. The transactions generally happen in USD for which approvals are being sought and INR numbers are given only as reference.

The transactions as described hereunder are Material Related Party Transactions (i.e. exceeding 10% of the annual consolidated turnover of previous financial year) ("**RPT**"), thereby requiring approval of the Members.

Such transactions are in the ordinary course of business of the concerned subsidiary and at an arm's length basis.

Details of the transaction and other particulars thereof as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 188 of the Companies Act, 2013 (the "**Act**") as amended till date and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, and as considered by the Audit Committee are given as under:

Particulars	Information
Type, material terms and particulars of the proposed transaction;	ICRA Analytics Limited (" ICRA Analytics "), a material unlisted subsidiary of ICRA Limited (the " Company "), receives professional fees from Moody's Corporation (including its affiliates) (" Moody's entities ") for providing Analytics, Research, Data and support services. The terms and particulars of services are specified in respective Statements of Work (SOW) and reside under the Master Professional Services Agreement (MPSA).
Name of the related party and its relationship with the listed entity or its subsidiary, including the nature of its concern or interest (financial or otherwise);	Moody's Corporation is the ultimate holding company of ICRA Limited and its subsidiaries including ICRA Analytics.
Name of Director(s) or key managerial personnel who is related, if any	None of the Directors or Key Managerial Personnel of the Company except the Non-Executive Non-Independent Directors, being members of the board/senior management of Moody's entities.
Tenure of the proposed transaction;	Five years, effective from April 1, 2023, subject to renewal as per contractual terms.
Value of the proposed transaction;	Amount not exceeding USD 50 million (Rs 410 crore per annum)
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	The percentage of the Company's annual consolidated turnover for the immediately preceding financial year (FY23) that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary (ICRA Analytics), is 102%, and such percentage calculated on the basis of ICRA Analytics' annual turnover on a standalone basis is 235%.

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Particulars	Information
If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary;	None
Details of the source of funds in connection with the proposed transaction;	None
Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,	None
Nature of indebtedness;	None
Cost of funds and tenure;	None
Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	None
The purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT;	None
Justification as to why the RPT is in the interest of the listed entity;	The transaction with the related party significantly contributes to revenue and operating profit of the Company.
A copy of the valuation or other external party report, if any such report has been relied upon;	The proposed transactions are in the ordinary course of business following arm's length principles within the framework of Transfer Pricing guidelines.
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	NA
Any other information that may be relevant	None

The details of the RPTs would continue to be disclosed in the Annual Financial Statements and submitted to the stock exchanges and also hosted on the website of the Company, from time to time.

The Board of Directors and the Audit Committee recommend the Ordinary Resolution as set out at Item No. 5 of this Notice for approval of the Members in terms of Regulation 23 of the Listing Regulations. The Members may please note that in terms of the provisions of the Listing Regulations, no related party/ies shall vote to approve on the resolution under Item No. 5.

None of the Directors or Key Managerial Personnel of the Company, except for the Non-Executive, Non-Independent Directors, being members of the board/senior management of Moody's entities and their relatives, are concerned or interested, financially or otherwise, in the resolution at Item No. 5 of this Notice.

By Order of the Board of Directors
For ICRA Limited

(S. Shakeb Rahman)

Company Secretary & Compliance Officer
F7854

Place: Gurugram

Date: May 24, 2023

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

NOTICE

Annexure - A

Details of each Director seeking reappointment/appointment at the Thirty Second 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



Ms. Wendy Huay Huay Cheong

Ms. Wendy Huay Huay Cheong is a Non-Executive, Non-Independent Director of ICRA Limited.

Ms. Cheong is the Managing Director- Regional Head of Asia Pacific for Moody's Investors Service (MIS), and Chief Executive Officer of MIS Singapore. In this role, Wendy develops and leads the growth strategy in both developed and emerging markets in the region. She is the senior representative for Moody's in Asia Pacific and is responsible for regional operations, overseeing policy and regulatory outreach, coordinating global initiatives, and domestic market strategies.

A senior management and strategy professional experienced in leading and transforming international business operations, Wendy acts as an Executive Director for majority of Moody's Asia entities. She also serves as a Non-Executive Director on Moody's numerous domestic affiliate boards, including China Chengxin Credit Rating Group, Korea Investors Service and Malaysian Rating Corporation Berhad.

Wendy joined Moody's in 2010 and has since held senior positions in strategy and management roles across business lines in Hong Kong and New York. She has served as Chief of Staff to the President of Moody's Investors Service; Representative Director for MIS 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.

Wendy is the Global Executive Sponsor for the Moody's Women's Business Resource Group, and sits on the Board of the Asian Venture Philanthropy Network (AVPN). Before joining Moody's, Wendy held senior strategy, sales and marketing positions at Prudential PLC Hong Kong and Singapore Telecoms. She holds a BA in Southeast Asian Studies from the National University of Singapore.

Name of Director	Ms. Wendy Huay Huay Cheong
Date of Birth and Age	October 24, 1977; 45 years
Relationship with other Directors inter se	None
First Date of Appointment	November 6, 2020
Experience and Expertise in Specific Functional Areas	Strategy and General Business Management
Qualifications	B.A. in Southeast Asian Studies from the National University of Singapore.

NOTICE

No. of Equity Shares held in the Company including shareholding as a beneficial owner	Nil
List of Other Companies/bodies corporate (including listed entities) in which Directorships are held along with listed entities from which the person has resigned in the past three years	<ul style="list-style-type: none"> • China Chengxin International Credit Rating Co., Ltd. • Korea Investors Service, Inc. • Malaysian Rating Corporation Berhad • MARC Ratings Berhad • MARC Solutions Sdn. Bhd. • Moody's Investors Service Hong Kong Limited • Moody's Investors Service Pty Limited • Moody's (Japan) K.K. • Moody's SF Japan K.K. • Moody's Group Australia Pty Ltd • Moody's Asia Pacific Limited • Moody's Company Hong Kong Limited • Moody's Singapore Pte Ltd • Moody's Investors Service (Korea) Inc. • Moody's Investors Service Singapore Pte. Ltd. • Moody's Asia-Pacific Group (Singapore) Pte. Ltd. • Vietnam Investors Service and Credit Rating Agency Joint Stock Company <p>Ms. Cheong is not holding a directorship in any other listed entities. Since she has not held in the past three years directorships in any other listed entities, hence the disclosure with respect to the resignation from the directorships of listed entities in the past three years is not applicable.</p>
List of Committees of the Board of Directors (across all companies / bodies corporate) in which Chairmanship/ Membership is held*	Member: Audit Committee of ICRA Limited

*Pursuant to Regulation 26(1)(b) of the Listing Regulations, only two committees, viz. Audit Committee and Stakeholders Relationship Committee, have been considered.

Note: For other details such as number of meetings of the board and its committees attended during the financial year 2022-23 and remuneration drawn in respect of Ms. Cheong, if any, please refer to the corporate governance report of the Company.

NOTICE

Annexure - B

Relevant information and disclosures prescribed in Schedule V to the Companies Act, 2013 are given below:

I General Information																									
1 Nature of Industry	ICRA Limited (the "Company") is a credit rating agency registered with the Securities and Exchange Board of India.																								
2 Date or expected date of commencement of commercial production	The Company was incorporated on January 16, 1991, and the Certificate of Commencement of Business was granted on March 15, 1991. Since then, the Company had commenced its business.																								
3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable																								
4 Financial performance based on given indicators	As per standalone financial statements (Rs in lakh)																								
	<table border="1"> <thead> <tr> <th>Financial year</th> <th>2022-23</th> <th>2021-22</th> <th>2020-21</th> </tr> </thead> <tbody> <tr> <td>Total income</td> <td>28,810.68</td> <td>24,015.33</td> <td>21,758.99</td> </tr> <tr> <td>Profit before Tax</td> <td>11,713.23</td> <td>9,334.87</td> <td>7,166.29</td> </tr> <tr> <td>Profit after Tax</td> <td>9,592.90</td> <td>7,330.93</td> <td>5,294.54</td> </tr> <tr> <td>Rate of dividend</td> <td>1,300%</td> <td>280%</td> <td>270%</td> </tr> <tr> <td>Earnings per share (Basic) (In Rs)</td> <td>99.73</td> <td>76.21</td> <td>55.04</td> </tr> </tbody> </table>	Financial year	2022-23	2021-22	2020-21	Total income	28,810.68	24,015.33	21,758.99	Profit before Tax	11,713.23	9,334.87	7,166.29	Profit after Tax	9,592.90	7,330.93	5,294.54	Rate of dividend	1,300%	280%	270%	Earnings per share (Basic) (In Rs)	99.73	76.21	55.04
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5 Foreign investments or collaborations, if any	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company during the previous three financial years. The foreign investors, mainly comprising promoter group entities, foreign portfolio investors and non-resident Indians are investors in the Company on account of past issuances of securities and/or secondary market purchases.																								

NOTICE

II. Information about the appointee

1	Background details	Refer to the annual report of the Company
2	Past remuneration	Refer to the corporate governance report of the Company
3	Recognition or awards	Highly acclaimed professional in the banking and financial services sector.
4	Job profile and his suitability	<p>Mr. Ramnath Krishnan devotes full time and attention to ICRA ratings and non-ratings business, subject to superintendence, control and directions of the Board of Directors.</p> <p>Mr. Krishnan has rich experience in the banking and financial services sector, and his candidature is compatible with the organisational requirements.</p>
5	Remuneration proposed	Refer to the Item No. 4 to the Explanatory Statement to this Notice for details.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company and ICRA Group, the profile of the Managing Director & Group CEO, the responsibilities shouldered by him and the industry benchmarks, the remuneration is commensurate with the remuneration prevailing in the industry.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Krishnan has no pecuniary relationship with the Company or its Key Managerial Personnel other than his remuneration in the capacity of the Managing Director & Group CEO

III. Other Information

1	Reasons of loss or inadequate profits	<p>Though the Company is a profit-making entity, a situation of inadequate profits may arise in any of the financial year during the tenure of appointment of Mr. Krishnan.</p> <p>Therefore, the Company proposes to obtain approval of the Members by way of Special Resolution, to enable the Company to pay the managerial remuneration as stated in the resolution.</p>
2	Steps taken or proposed to be taken for improvement	The Company will take all reasonable steps and measures to avoid a situation of inadequacy of profits.
3	Expected increase in productivity and profits in measurable terms	Given the uncertainty in the current macro-economic environment, we are unable to determine impact on productivity in measurable terms.
IV.	Disclosures	The prescribed disclosures with respect to remuneration are provided in Item No. 4 to the Explanatory Statement to this Notice.



ICRA

A MOODY'S INVESTORS
SERVICE COMPANY

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