

Fourteenth Annual Report
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*Information,
Opinion,
Advice*



I C R A L i m i t e d

An Associate of Moody's Investors Service

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ICRA Limited

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ICRA Management Consulting Services Limited (IMaCS)

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ICRA LIMITED

Board of Directors

Mr. D.N. Ghosh, Chairman	Formerly Chairman, State Bank of India
Mr. John Rutherford, Jr.	Senior Advisor, Moody's Corporation Formerly Chairman & CEO, Moody's Corporation
Dr. Uddesh Kohli	Formerly Chairman & Managing Director, Power Finance Corporation Limited
Prof. Deepak Nayyar	Formerly Vice-Chancellor, University of Delhi
Dr. Pritam Singh	Director, Management Development Institute, Gurgaon
Mr. P.K. Choudhury	Managing Director

Auditors

Vipin Aggarwal & Associates

Company Secretary

Vijay Wadhwa

Bankers

HDFC Bank Limited
ABN Amro Bank N.V.
State Bank of Hyderabad

Registered Office

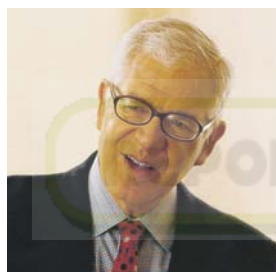
Kailash Building, 4th Floor,
26, Kasturba Gandhi Marg,
Connaught Place,
New Delhi 110001.

ICRA BOARD OF DIRECTORS



Mr. D.N. Ghosh,
Chairman

Mr. D.N. Ghosh is Chairman of ICRA and of its Rating Committee, Audit Committee, and Compensation and HR Committee. He is former Chairman of State Bank of India, Philips India Limited, and Larsen & Toubro Limited. Currently, Mr. Ghosh is also Chairman of The Peerless General Finance & Investment Co. Limited, Sundaram Asset Management Co. Limited, L&L Services (Private) Limited, OPUS Financial Services Limited, ICRA Management Consulting Services Limited, and SJK Steel Plant Limited (as IDBI nominee). In addition to this, he is Director on the Boards of Housing Development Finance Corporation Limited and Tata Tea Limited. He is also the Managing Trustee of Sameeksha Trust (*publisher of Economic and Political Weekly*)



Mr. John Rutherford, Jr.,
Director

Mr. John Rutherford, Jr. is at present Senior Advisor of Moody's Corporation after his retirement as Chairman and Chief Executive Officer of the Corporation. In September 2001, Mr. Rutherford was elected to the Board of Directors of the National Association of Securities Dealers, Inc. (NASD), a securities self-regulatory organisation in the United States, where he continues to serve. Mr. Rutherford has held various positions at Moody's in the past including Managing Director for New Business Development and Chief Administrative Officer responsible for Accounting and Finance, Information and Technology, and Product Services. Mr. Rutherford is a graduate of Princeton University and law graduate from the Harvard University Law School.



Dr. Uddesh Kohli,
Director

Dr. Uddesh Kohli is an Engineer from the University of Roorkee and holds a Post-Graduate Diploma in Industrial Administration from the Manchester University (UK). He obtained his Ph.D. in Economics from the Delhi School of Economics. Dr. Kohli is former Chairman and Managing Director of Power Finance Corporation Limited. He was associated with the Planning Commission, Government of India, as an Adviser (Additional Secretary Level). He has carried out international assignments for ADB, UNIDO, UNDP, UNOPS, ILO and the United Nations. He is at present Chairman of National Research Development Corporation and Director on the Board of Cybizcall International Limited. Dr. Kohli's areas of expertise include development planning, finance and project formulation, appraisal, sustainability and monitoring, energy planning, training and human resource development.

Prof. Deepak Nayyar is former Vice-Chancellor, University of Delhi. He holds the Degrees of B.A. (Honours) and M.A. in Economics and obtained his B. Phil. and D.Phil. in Economics from the University of Oxford. Prof. Nayyar is the author of several books and articles on economics. He was a Rhodes Scholar from India at the University of Oxford and the recipient of the VKRV Rao Award for contribution to research in Economics. Formerly, he was on the Boards of State Trading Corporation of India Limited, State Bank of India, Export and Import Bank of India, and Maruti Udyog Limited. In the past, Prof. Nayyar has served as Chief Economic Adviser to the Government of India and as Professor of Economics at the Jawahar Lal Nehru University, Indian Institute of Management, Kolkata, and the University of Sussex.



Prof. Deepak Nayyar,
Director

Dr. Pritam Singh is at present Director of Management Development Institute, Gurgaon. He is the former Director of the Indian Institute of Management, Lucknow. Dr. Singh obtained his M. Com. (Gold Medalist) and Ph.D. Degrees from the B.H.U., and Master of Business Administration from the Indiana University, Bloomington, USA. He is the author of a number of books and research articles on management. He is also the recipient of various Awards, including the Escort Award, FORE Award, Best Motivating Professor Award, National Excellence Award, National HRD Award, U.P. Ratan Award, and Excellence in Leadership Award. Currently, Dr. Singh is Director on the Boards of Punjab National Bank, Reserve Bank of India (Local Boards), Hindustan Aeronautics Limited, UTI Trustee Company Private Limited, Shipping Corporation of India Limited, India Medicines Pharmaceuticals Corporation Limited and Hero Honda Motors Limited.



Dr. Pritam Singh,
Director

Mr. P.K. Choudhury has been associated with the Company since its incorporation. He is currently Chairman of ICRA Online Limited and Director on the Board of ICRA Management Consulting Services Limited. He is also Vice-Chairman of the Association of Credit Rating Agencies of Asia and a Managing Committee Member of the PHD Chamber of Commerce and Industry. He is a Chartered Accountant and holds the Degree of M.Com., besides a Post- Graduate Diploma in Advanced Financial Management from the Maastricht School of Management, The Netherlands. Prior to joining ICRA, Mr. Choudhury was Deputy General Manager at IFCI Limited, with his responsibilities encompassing project appraisal, monitoring & recovery, merchant banking, and financial services.



Mr. P.K. Choudhury,
Managing Director

SENIOR MANAGEMENT



Mr. R.R. Rao
Joint Managing Director &
Chief Consulting Officer



Mr. Naresh Takkar
Joint Managing Director &
Chief Rating Officer



Mr. Amul Gogna
Executive Director &
Chief Information Services



Mr. Vijay Wadhwa
Executive Director &
Chief Finance Officer



Mr. Vivek Mathur
General Manager and In-charge
of Delhi Branch



Mr. L. Shivakumar
General Manager and In-charge
of Chennai Branch



Mr. Jayanta Chatterjee
General Manager and In-charge
of Bangalore Branch



Mr. Arun Agrawal
General Manager and In-charge
of Mumbai Branch



Ms. Anuradha Ray
General Manager and In-charge
of Kolkata Branch



Mr. R.S. Walia
Assistant General Manager and
In-charge of Hyderabad Branch



Mr. Nitesh Shanbhag
Assistant General Manager and
In-charge of Pune Branch



At the announcement of ICRA's Technical Collaboration with the Credit Rating Agency of Bangladesh (CRAB) (L to R) Mr. A.S.M. Quasem, V.P., International Chamber of Commerce Bangladesh, Mr. P.K. Choudhury, Managing Director, ICRA; Mr. D.N. Ghosh, Chairman, ICRA; Mr. M. Syeduzzaman, Chairman, CRAB; Mr. Md. Matiul Islam, Chairman, IIDFC, Bangladesh & Director, CRAB; and Mr. Samson H. Chowdhury, Chairman, Astras Limited



Mr. Rajeev Thakur, A.G.M. (ICRA) Speaking at a Seminar organised by the Institute of Company Secretaries of India



At the signing of renewal of the "Technical Services Agreement" with M/s Credit Rating & Collection (CRC), Kuwait, Mr. Mustafa Ebrahim Abdulla Al-Saleh, Vice-Chairman & Executive Director, CRC, and Mr. P.K. Choudhury, Managing Director, ICRA

DIRECTORS' REPORT

To the Members,

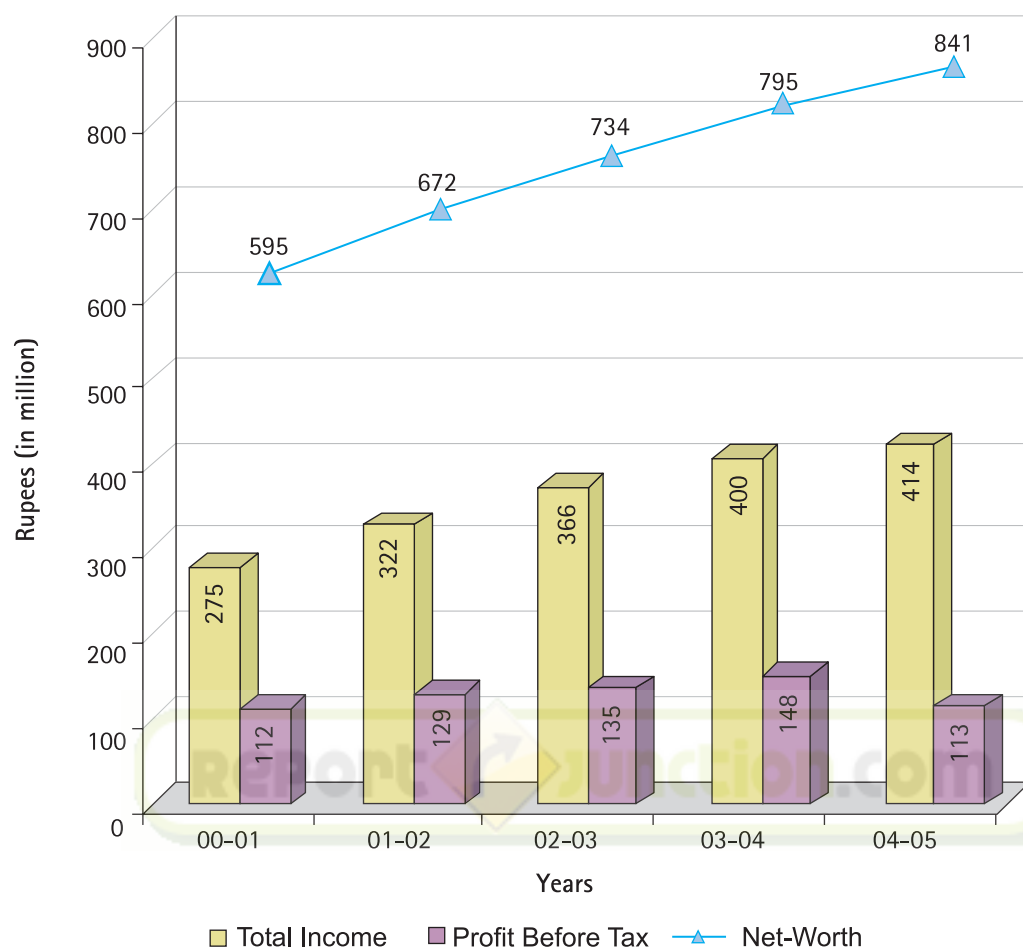
Your Directors have pleasure in presenting the fourteenth Annual Report of your Company with Audited Accounts for the year ended March 31, 2005.

FINANCIAL PERFORMANCE

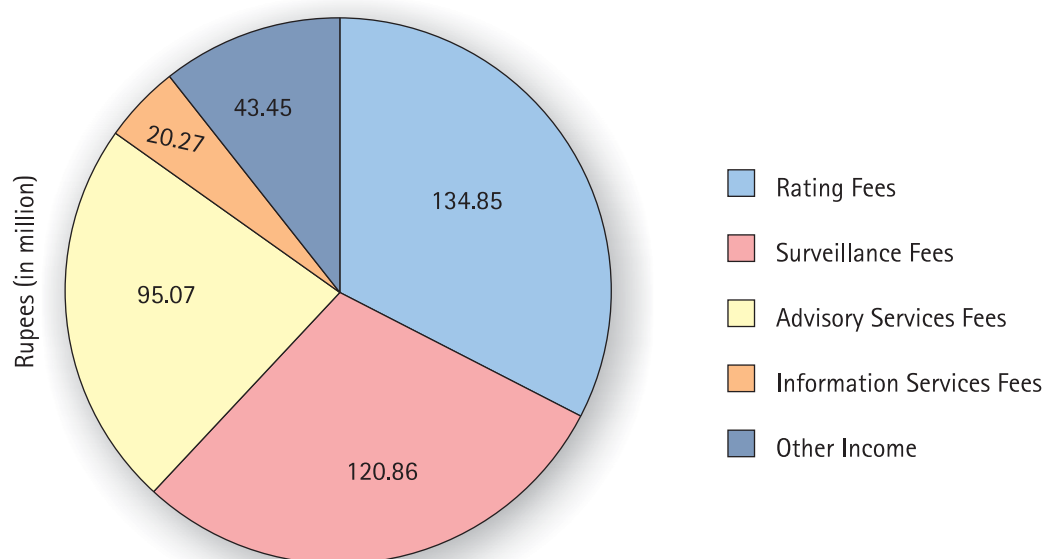
During the fourteenth year of its operations, your Company earned a net profit of Rs. 80.99 million as compared with Rs. 110.59 million during the previous year. During the year under review, profit after tax decreased by 26.77% compared to profit after tax for the previous year. The earning per share for the year was Rs. 9.20 as compared with the previous year's earning per share of Rs. 12.56. The financial results for the year ended March 31, 2005 are as presented below:

Particulars	2004-05 (Rs. million)	2003-04 (Rs. million)
Income from Operations	371.05	328.61
Other Income	43.45	71.36
Total Income	414.50	399.97
Total Expenditure	-287.54	-237.92
Profit Before Depreciation & Tax	126.96	162.05
Depreciation	-14.25	-13.74
Profit Before Tax	112.71	148.31
Provision for Taxes	-31.72	-37.72
Profit After Tax	80.99	110.59
Previous Year Adjustments	0.37	-0.61
Profit Available for Appropriation	81.36	109.98
APPROPRIATION		
Proposed Dividend	30.82	44.02
Corporate Tax on Proposed Dividend	4.32	5.64
Transferred to General Reserve	46.22	60.32
	81.36	109.98

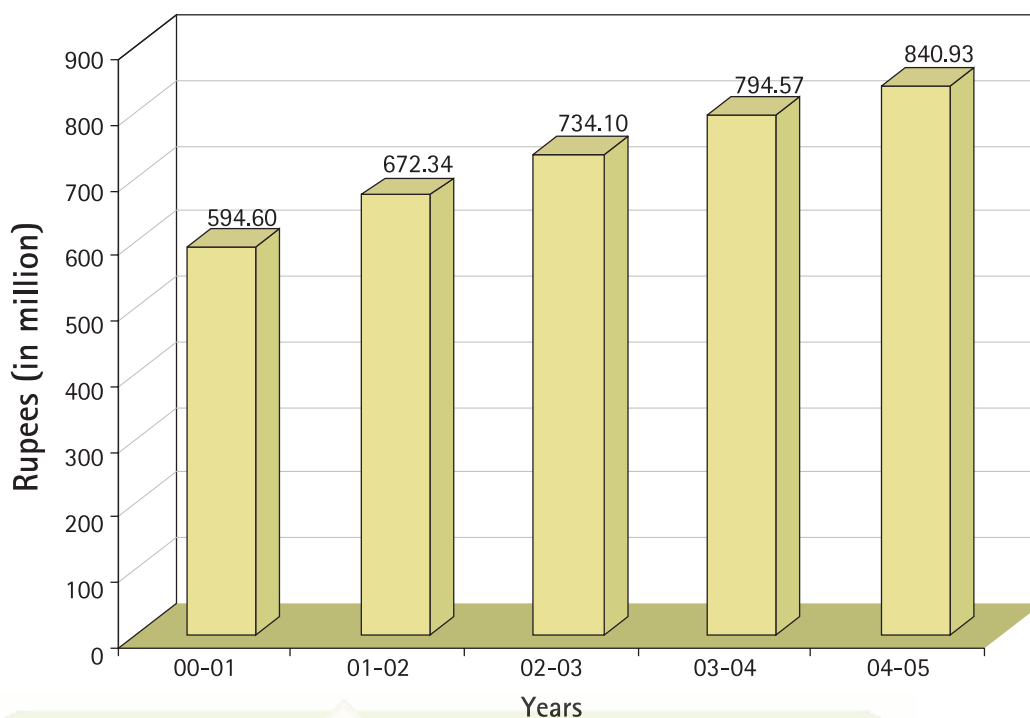
Past Financial Performance



Income Composition



Net Worth



REVIEW OF OPERATIONS

Credit Rating Services

The details of the instruments rated during 2004-05 vis-à-vis 2003-04 are presented below:

Nature of the Debt Instruments	2004-05		2003-04	
	Nos.	(Rs. million)	Nos.	(Rs. million)
Manufacturing Companies				
Long Term	35	146591.10	36	82045.00
Medium Term	12	2541.50	7	5769.50
Short Term	66	33361.70	80	23867.00
Total	113	182494.30	123	111681.50
Financial Services Companies				
Long Term	7	3397.90	8	3818.90
Medium Term	9	9537.50	23	12119.60
Short Term	33	29300.00	24	15468.10
Total	49	42235.40	55	31406.60
Financial Institutions, State Level/Local Bodies				
Long Term	75	543082.00	53	507592.70
Medium Term	17	23457.00	8	10244.10
Short Term	29	88734.80	23	74445.80
Total	121	655273.80	84	592282.60
Grand Total	283	880003.50	262	735370.70