

annual report

2006
- 2007

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Enhancing Business Value through Intellectual Leadership



ICRA Limited

An Associate of Moody's Investors Service

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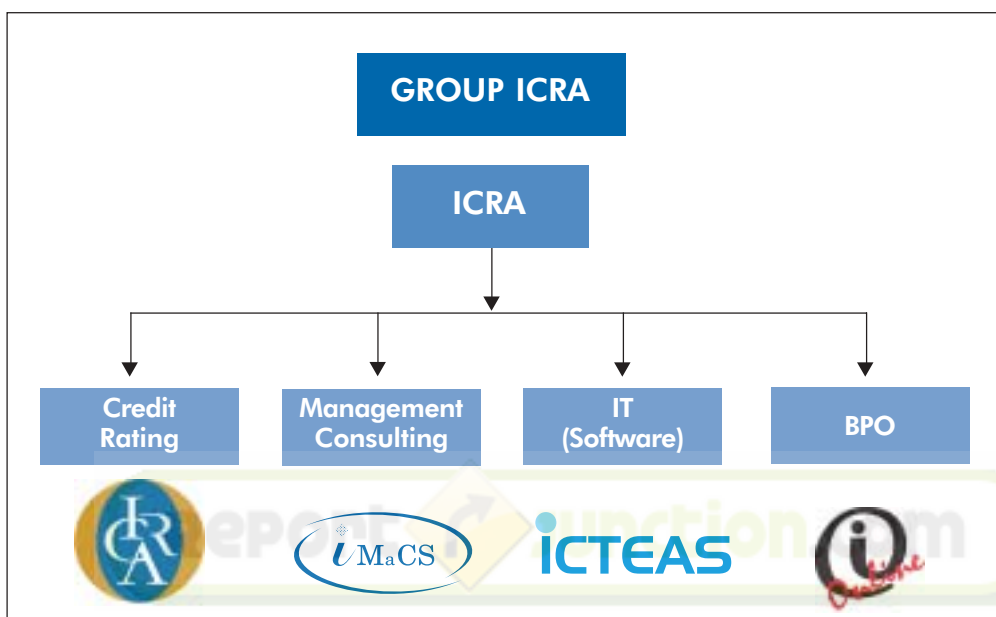
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ICRA Limited
Sixteenth Annual Report

ICRA at a Glance

ICRA Limited (formerly Investment Information and Credit Rating Agency of India Limited) 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. Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA).



- ICRA Limited
- ICRA Management Consulting Services Limited
- ICRA Techno Analytics Limited
- ICRA Online Limited

Alliance with Moody's Investors Service

The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder. The participation of Moody's is supported by a Technical Services Agreement, which entails Moody's providing certain high-value technical services to ICRA. Specifically, the agreement is aimed at benefiting ICRA's in-house research capabilities, and providing it with access to Moody's global research base. The agreement also envisages Moody's conducting regular training and business seminars for ICRA analysts on various subjects to help them better understand and manage concepts and issues relating to the development of the capital markets in India. Besides this formal training programme, the agreement provides for Moody's advising ICRA on Rating-products strategy, and the Ratings business in general.

The ICRA Factor

Facilitating efficiency in business...

ICRA information products, Ratings, and solutions reflect independent, professional and impartial opinions, which assist businesses enhance the quality of their decisions and help issuers access a broader investor base and even lesser known companies approach the money and capital markets.

The research factor...

We strongly believe that quality and authenticity of information are derivatives of an organisation's research base. We have dedicated teams for Monetary, Fiscal, Industry and Sector research, and a panel of Advisors to enhance our in-house capabilities. Our research base enables us to maintain the highest standards of quality and credibility.

Committed to the development of the financial market...

The focus of ICRA in the coming years will continue to be on developing innovative concepts and products in a dynamic market environment, generating and promoting wider investor education and interest, enhancing efficiency and transparency in the financial market, and providing a healthier environment for market participants and regulators.

Our products and 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 the regulators in promoting transparency in the financial markets.
- Provide intermediaries with a tool to improve efficiency in the funds raising process.

Range of Services

Rating Services

As an early entrant in the Credit Rating business, ICRA Limited is one of the most experienced Credit Rating Agencies in the country today. ICRA Rates rupee-denominated debt instruments issued by manufacturing companies, commercial banks, non-banking finance companies, financial institutions, public sector undertakings and municipalities, among others. ICRA also Rates structured obligations and sector-specific debt obligations such as instruments issued by Power, Telecom and Infrastructure companies. The other services offered include Corporate Governance Rating, Stakeholder Value and Governance Rating, Rating of Claims Paying Ability of Insurance Companies, Project Finance Rating, and Line of Credit Rating. Recently, ICRA, along with National Small Industries Corporation Limited (NSIC), has launched a Performance and Credit Rating Scheme for Small Scale Enterprises in India. The service is aimed at enabling Small and Medium Enterprises (SMEs) improve their access to institutional credit, increase their competitiveness, and raise their market standing.

Grading Services

The Grading Services offered by ICRA employ pioneering concepts and methodologies, and include Grading of: Construction Entities; Real Estate Developers and Projects; Mutual Fund Schemes and Fund Houses; Healthcare Entities; Maritime Training Institutes; and Initial Public Offers (IPOs). The Grading of Construction Entities seeks to provide an independent opinion on the quality of performance of the entities Graded. Similarly, the Grading of Real Estate Developers and Projects seeks to make property buyers aware of the risks associated with real estate projects and with the developers' ability to deliver in accordance with the terms agreed. ICRA's Mutual Fund Gratings aim at providing an independent opinion on the credit/performance risks associated with investing in various Mutual Fund schemes and on the managerial and governance quality of Asset Management Companies.



Mr. D.N. Ghosh, Chairman, ICRA, striking the gong at the BSE to mark the commencement of trading in the ICRA stock as (from left) Mr. Rajnikant Patel, Managing Director & CEO, BSE, Mr. Naresh Takkar, Managing Director, ICRA, and Mr. P.K. Choudhury, Vice-Chairman & Group CEO, ICRA, look on



From left: Mr. Naresh Takkar, Managing Director, ICRA; Mr. R. Sridharan, Managing Director & CEO, SBI Capital Markets; Mr. P.K. Choudhury, Vice-Chairman & Group CEO, ICRA; and Mr. R. Raghuttama Rao, Managing Director, ImaCS; during the Road Show in Mumbai ahead of ICRA's IPO



Mr. D.N. Ghosh, Chairman, ICRA, speaking at the ICRA Online Mutual Fund Awards Function in Mumbai



From left: Mr. R. Sivakumar, Fund Manager, ABN AMRO Asset Management Company; Mr. Mahendra Jajoo, Head-Fixed Income, ABN AMRO Asset Management Company; and Mr. A.P. Kurian, Chairman, Association of Mutual Funds in India, at the ICRA Online Mutual Fund Awards Function in Mumbai

ICRA's Healthcare Gradings present an independent opinion on the quality of care provided by healthcare entities. In the education sector, ICRA offers the innovative service of Grading of Maritime Training Institutes in India. In IPO Grading, an ICRA-assigned IPO Grade represents a relative assessment of the "fundamentals" of the issue Graded in relation to the universe of other listed equity securities in India.

Information Services

The Information Services Division focuses on providing authentic data and value-added products used by intermediaries, financial institutions, banks, asset managers, institutional and individual investors, and others. The Division's portfolio of products includes sector/industry-specific studies/publications, corporate reports, and mandate-based studies (customised research).

Advisory Services

ICRA Management Consulting Services Limited (IMaCS), a subsidiary of ICRA, offers wide-ranging management Advisory Services covering the areas of Strategy Practice, Risk Management Practice, Regulatory Practice, Transaction Practice, and Content. While Strategy Practice focuses on improving an organisation's competitiveness across its value chain, Regulatory Practice advises clients like governments and regulators on formulation of economic and financial policies. Under Transaction Practice, IMaCS provides consulting service at a transaction level to infrastructure projects, while under Risk Management Practice advice is offered on the efficient management of risk to banks and other lenders.

Online Software and Business Process Outsourcing

ICRA Online Limited, a subsidiary of ICRA, provides technology solutions, both in the form of products and services, targeted at distributors of third-party financial products, insurance brokers, and stock broking houses. The Business Process Outsourcing (BPO) Division of ICRA Online serves financial services companies, financial institutions, investment banks, private equity and venture capital funds, boutique investment advisors, market researchers, financial information vendors, consulting companies, and the like. The focus is on high-end knowledge processing like financial modelling, data analysis, valuation, outsourced research, equity research, fixed income research, financial assets pricing, financial report writing, and econometric analysis.

Software Development

ICRA Techno Analytics Limited (ICTEAS), a subsidiary of ICRA, offers a complete portfolio of Information Technology (IT) solutions to meet the dynamic needs of present day businesses. The services range from the traditional development of client-server, web-centric and mobile applications to the generation of cutting edge business analytics. An in-depth knowledge of various technology areas enables ICTEAS provide end-to-end services of excellent quality. ICTEAS uses a mix of onsite/offshore strategies to optimise bottom-line benefits for its customers.

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ICRA LIMITED

Board of Directors

Mr. D.N. Ghosh, Chairman	Formerly, Chairman, State Bank of India
Dr. Uddesh Kohli	Formerly, Chairman & Managing Director, Power Finance Corporation Limited
Prof. Deepak Nayyar	Formerly, Vice Chancellor, University of Delhi
Mr. Piyush G. Mankad	Formerly, Executive Director, Asian Development Bank
Mr. Amal Ganguli	Formerly, Chairman and Senior Partner, PricewaterhouseCoopers
Mr. Chester V.A. Murray	Executive Vice President, International, Moody's Investors Service
Mr. Thomas J. Keller ¹	Group Managing Director, Global Project Finance and Structured Finance Business Development, Moody's Investors Service
Ms. Jennifer Elliott ²	Group Managing Director, Asia Pacific, Moody's Asia Pacific Limited
Mr. P.K. Choudhury	Vice-Chairman & Group CEO
Mr. Naresh Takkar	Managing Director

Audit Committee

Mr. D.N. Ghosh, Chairman
Dr. Uddesh Kohli
Prof. Deepak Nayyar
Mr. Amal Ganguli
Mr. Thomas J. Keller³
Ms. Jennifer Elliott⁴

Remuneration Committee

Mr. D.N. Ghosh, Chairman
Prof. Deepak Nayyar
Mr. Piyush G. Mankad
Mr. Chester V.A. Murray

Shareholders'/Investors' Committee

Dr. Uddesh Kohli, Chairman
Prof. Deepak Nayyar
Mr. P.K. Choudhury

Auditors

Vipin Aggarwal & Associates
E-4, Defence Colony
New Delhi 110024

Solicitors

Luthra & Luthra Law Offices
103, Ashoka Estate
Barakhamba Road
New Delhi 110001

Company Secretary

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers
216, Okhla Industrial Estate
Phase III, New Delhi 110020

Fox Mandal & Co.
Solicitors & Advocates
FM House, A-9, Sector 9
Noida 201301

Bankers

Mr. Vijay Wadhwa

HDFC Bank Limited
Surya Kiran Building
KG Marg, New Delhi 110001

ABN Amro Bank N.V.
Hansalaya,
15 Barakhamba Road
New Delhi 110001

State Bank of Hyderabad
Surya Kiran Building
KG Marg, New Delhi 110001

Deutsche Bank AG
Ground Floor, Infinity Tower
DLF, Phase II
Gurgaon 122002, Haryana

Share Transfer Agent

Intime Spectrum Registry Limited
A-31, 3rd Floor
Naraina Industrial Area, Phase I
Near P.V.R. Naraina
New Delhi 110028

Registered Office

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

Corporate Office

Building No. 8,
2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon 122002, Haryana

Visit us at

www.icra.in
www.icraratings.com

¹ has ceased to be ICRA's Director since May 23, 2007

² appointed Additional Director on ICRA's Board with effect from May 23, 2007

³ has ceased to be a member since May 23, 2007

⁴ appointed member with effect from May 23, 2007