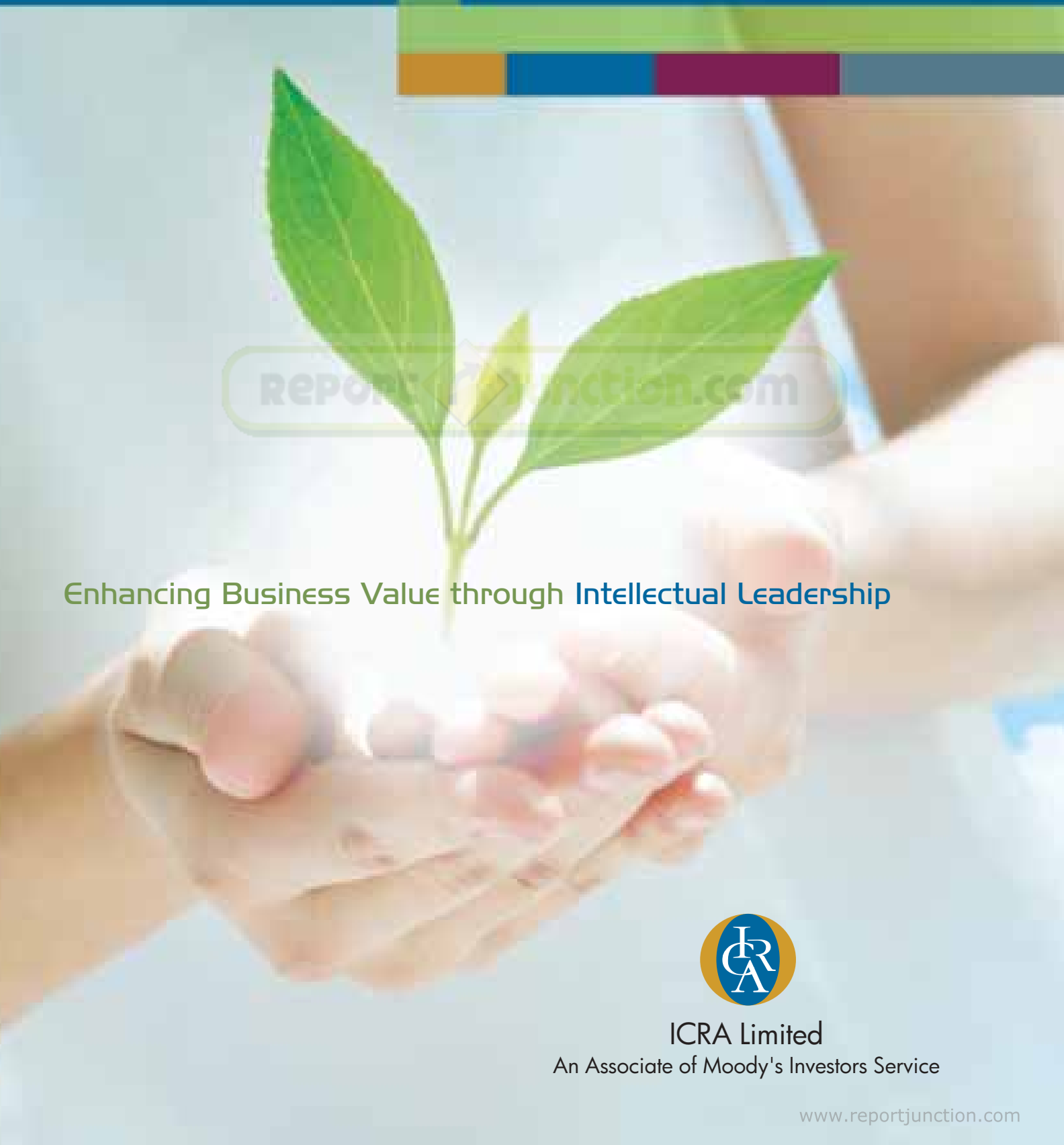
Annual Report 2008-09



Enhancing Business Value through Intellectual Leadership

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2008-09

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Eighteenth Annual Report

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IN MEMORIAM



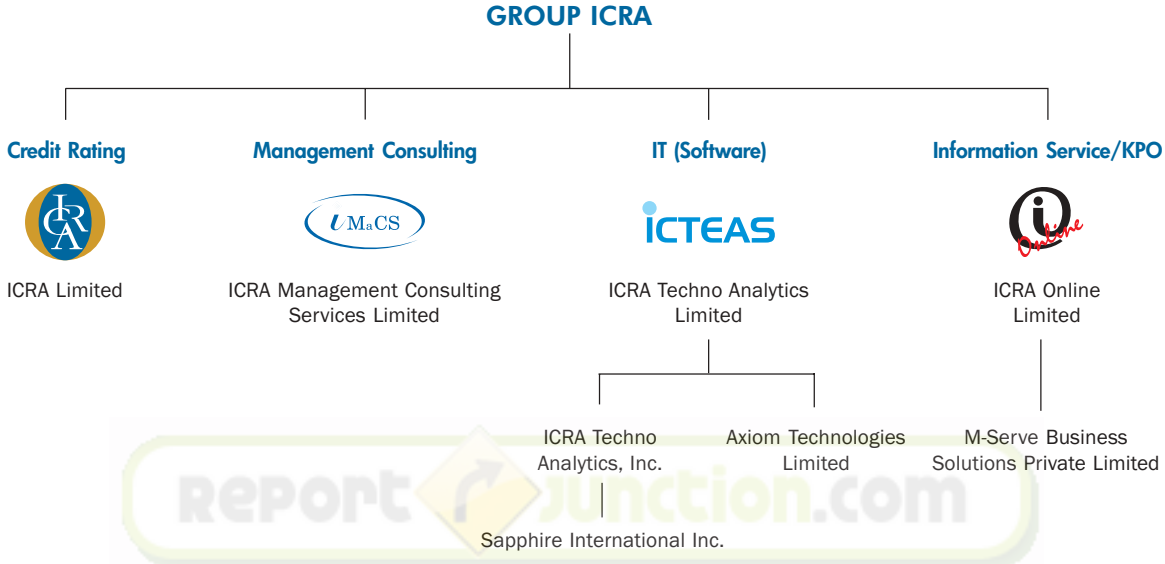
Dr. Raja Jesudoss Chelliah (December 12, 1922 – April 7, 2009), distinguished policymaker and educationist. He was a Member of the Board of Directors of ICRA Limited for 13 years between June 1991 and July 2004. It is to a large measure that ICRA owes its current stature to the advice it received from Dr. Chelliah in its initial years.

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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 is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange.



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Alliance with Moody's Investors Service

The international Credit Rating Agency Moody's Investors Service[1] 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.

[1] *through its Group company Moody's Investment Company India Private Limited*

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ICRA at a Glance

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 awareness 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; and
- 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, Credit Risk Rating of Debt Mutual Funds, Rating of Claims Paying Ability of Insurance Companies, Project Finance Rating, and Line of Credit Rating. 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; 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 Health Care 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 and mandate-based studies (customised research).

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ICRA at a Glance

Consulting Services
ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of ICRA Limited, is a multi-line consulting firm with a global operating footprint. IMaCS offers Consulting Services in Strategy, Risk Management, Regulation & Reform, Transaction Advisory, Development Consulting and Process Re-engineering. IMaCS' clientele includes Banks and Financial Service Companies, Corporate Entities, Institutional Investors, Governments, Regulators, and Multilateral Agencies. Besides India, IMaCS has consulting experience across 35 countries in South East Asia, Northern Asia, West Asia, Africa, Western Europe, and North America.

Software Development
ICRA Techno Analytics Limited (ICTEAS), a subsidiary of ICRA Limited, 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, coupled with its strengths in various verticals, 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. ICTEAS has two subsidiaries, ICRA Techno Analytics, Inc., which is based in New Jersey, USA, and Axiom Technologies Limited, which operates out of Kolkata, India.

The Engineering Division of ICTEAS offers multidisciplinary computer aided engineering design services. The activities cover design and drawing in the mechanical, civil/structural, electrical and instrumentation space. ICTEAS engineers and designers are well-versed in AutoCAD, MicroStation, PDS and Staad pro with experience in the Oil & Gas, Petrochemical, and Power Sectors. The services range from providing Engineering Design Services to CAD Vectorisation and Conversion Services. Over the years, ICTEAS has successfully deployed skilled resources to work for large engineering consulting companies both in the domestic and international market.

ICRA Techno Analytics, Inc., USA, is a wholly-owned subsidiary of ICTEAS serving as a proximity marketing, relationship and project management office. It offers clients in the US a hybrid project engagement model that involves both onsite presence, which interfaces with clients locally, and offshore teams, which work out of ICTEAS, Kolkata. The engagement allows for seamless project management and execution while substantially bringing down development costs for the client. The areas covered include Math/Stat analytics, Data Mining, Business Intelligence tools, IT development, and Professional services encompassing various verticals like BFSI, Healthcare, Manufacturing, Retail, and Supply Chain, among others.

During calendar 2009, ICRA Techno Analytics, Inc. acquired **Sapphire International Inc.**, a Delaware company based in Connecticut, USA. Sapphire is a software services company engaged in the business for around 14 years now, providing IT solutions to government agencies and large corporations in the US market. Sapphire is a Microsoft Gold Partner. It specialises in .NET based applications and solutions and has an impressive client list.

Axiom Technologies Limited, a wholly-owned subsidiary of ICTEAS, specialises in customisation and implementation services on Oracle E-Business Suite. Its services include process study, fitment analysis, customisation, implementation, and post-implementation maintenance services. Axiom focuses on the Financial Modules of Oracle E-Business Suite, covering the entire span of Order Management, General Ledger, Accounts Payable, Accounts Receivable, Cash Management, Purchasing and Inventory, Fixed Assets, and Global Consolidation.

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ICRA at a Glance

Online Software and Knowledge Process Outsourcing

ICRA Online Limited (Online) is a leading information services, outsourcing solutions provider and technology solutions provider and caters for some of the biggest names in the financial services sector in India and abroad, which is a testimony to its product quality, commitment and credibility.

Online is a wholly-owned subsidiary of ICRA Limited. Online was incorporated in January 1999 and has over the period since then established itself as an independent and credible source of authentic information and software solutions as well as outsourcing solution provider. Online has two Strategic Business Units (SBUs) with a list of reputed global and domestic clients:

- The Information Services and Technology Solutions Division (MFI Division); and
- The Knowledge Process Outsourcing Division (KPO Division).

The MFI Division leverages its domain expertise to provide high quality technology solutions, in the form of products, to a large number of Banks, Mutual Funds, Financial Institutions, Third Party Products' Distributors, Insurance Companies, Investment Advisors, Portfolio Managers, Stock Brokers, Treasury Managers, and Academic Institutions, among others. The Company has developed several innovative products to meet the varied needs of its clients. The products are highly customised to meet the specific requirements of clients and help them in their research, analysis and decision making, while also helping them achieve automation in business operations.

Encouraged by the emerging dynamics of the outsourcing business, Online diversified into the Knowledge Process Outsourcing (KPO) business in April 2004, focusing especially on the Banking, Financial Services and Insurance (BFSI) vertical.

The KPO Division of Online offers Knowledge Process Outsourcing services that combine advanced analytical abilities and deep domain expertise to deliver value by translating data and information into structured business inputs. It provides back-end analytical services support to its clients in the areas of Accounting and Finance, Business Intelligence, Research and Modelling/Analytics. The Division has attained ISO 27001 certification through rigorous adherence to data security policies and practices.

Online has a wholly-owned subsidiary **M-Serve Business Solutions Private Limited**, a KPO services company headquartered in Kolkata, India.

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