

ICRA Limited

An Associate of Moody's Investors Service

ENHANCING BUSINESS VALUE THROUGH INTELLECTUAL LEADERSHIP

ANNUAL REPORT 2014-2015



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Group ICRA

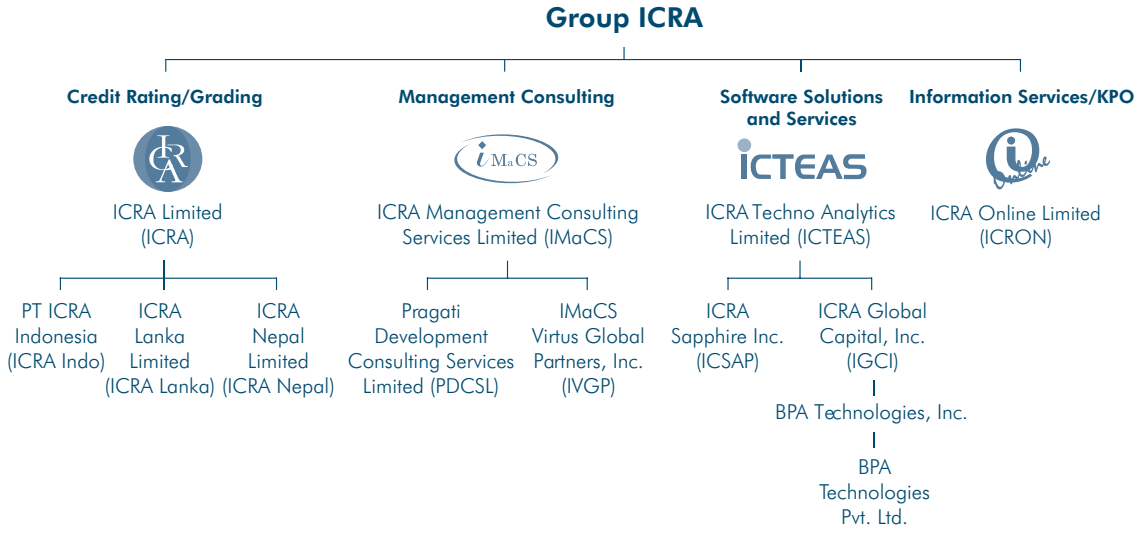
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ICRA at a Glance

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, a full-service Credit Rating Agency with its shares listed on the BSE and the National Stock Exchange, has six subsidiaries: ICRA Management Consulting Services Limited (IMaCS); ICRA Techno Analytics Limited (ICTEAS); ICRA Online Limited (ICRON); PT ICRA Indonesia (ICRA Indo); ICRA Lanka Limited (ICRA Lanka), and ICRA Nepal Limited (ICRA Nepal). Together, ICRA and its subsidiaries, along with their subsidiaries, form the ICRA Group of Companies, that is, Group ICRA. ICRA is majority-held by Moody's Group, which has 50.06% equity ownership stake in the Company.



Alliance with Moody's Investors Service

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 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.
- Provide intermediaries with a tool to improve efficiency in the funds raising process.

ICRA at a Glance

Group ICRA
The Services Spectrum*

ICRA

RATING SERVICES
- Credit Rating
- Bank Loan Rating
- Rating of SSIs/SMEs
- Corporate Governance Rating
- Rating of Claims Paying Ability of Insurance Companies
- Project Finance Rating
- Mutual Fund Rating

GRADING SERVICES
IPOs, Microfinance Institutions, Construction Entities, Real Estate Developers and Projects, Education Institutes, Maritime Training Institutes

EQUITY RESEARCH SERVICE

INDUSTRY RESEARCH

www.icra.in

ICRA Indo**

RATING SERVICES
- Credit Rating
- Structured Finance Rating
- Bank Loan Rating
- Project Finance Rating
- Mutual Fund Rating
- Claims Paying Ability of Insurance Companies
- Issuer Rating

**The operations of PT ICRA Indonesia (ICRA Indo) are limited to the Indonesian market

www.icraindonesia.com

ICRA Lanka***

RATING SERVICES
- Credit Rating
- Structured Finance Rating
- Bank Loan Rating
- Project Finance Rating
- Mutual Fund Rating
- Claims Paying Ability of Insurance Companies
- Issuer Rating

***The operations of ICRA Lanka Limited (ICRA Lanka) are limited to the Sri Lankan market

www.icralanka.com

ICRA Nepal****

RATING SERVICES
- Credit Rating
- Structured Finance Rating
- Bank Loan Rating
- Project Finance Rating
- Mutual Fund Rating
- Claims Paying Ability of Insurance Companies
- Issuer Rating

****The operations of ICRA Nepal Limited (ICRA Nepal) are limited to the Nepalese market

www.icranepal.com

IMaCS

CONSULTING SERVICES
- Policy Advisory
- Strategy
- Risk Management
- Capacity Building
- Process Re-engineering
- Transaction Advisory
- Policy & Regulation
- Development Consulting

www.imacs.in

ICTEAS

IT SOLUTIONS/ANALYTICS/ ENGINEERING
- Information Technology Solutions
  - Client-Server Applications
  - Web-centric Applications
  - Mobile Applications
  - Software Services in Disaster Response Initiative
  - Customization/Implementation Services on Oracle E-Business Suite
- Business Intelligence/Analytics
  - Predictive Modelling Solutions
  - Data Mining Solutions
  - Business Intelligence and Analytics Solutions
- Engineering Services
  - Multidisciplinary Computer Aided Engineering Design Services
  - Resourcing Services

www.icteas.com

ICRON

FINANCIAL INFORMATION PRODUCTS AND SERVICES
- Mutual Fund and ULIP Data and Content Provider
- Investment Research and Analytics
- Wealth and Transaction Management Software Products
- IT Tools for Financial Planning and Analytics
- Software Services

KPO SERVICES (BACK-END ANALYTICAL SERVICES SUPPORT)
- Data Services
- Accounting Services
- Electronic Conversion of Financial Statements
- Research
- Analytics

www.icraonline.com

** The list of services is indicative and not exhaustive*

ICRA at a Glance

Range of Services

Rating Services

As an early entrant in the Credit Rating business, **ICRA Limited (ICRA)** 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, Line of Credit Rating and Valuation of Principal Protected-Market Linked Debentures (PP-MLD). 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.

PT ICRA Indonesia (ICRA Indo), a subsidiary of ICRA, offers a wide range of rating services in the Indonesian market, including credit rating of rupiah-denominated debt instruments issued by corporate entities, banks, finance companies and financial institutions, service companies and infrastructure sector companies; issuer rating of corporate entities, banks, finance companies and financial institutions, service companies, infrastructure sector companies and small & medium sector companies; structured finance rating of asset-backed and mortgage-backed securitization transactions, among others; bank loan rating based on the Basel II accord; project finance rating; mutual funds and fund house ratings; municipal bonds rating and claims paying ability rating of insurance companies.

ICRA Lanka Limited (ICRA Lanka), a wholly-owned subsidiary of ICRA, offers a wide range of Rating services in the Sri Lankan market, putting into use parent ICRA's accumulated experience in the areas of Credit Rating, Grading, and Investment Information. Its Rating focus is on entities mainly in the financial sector, besides long-, medium-, and short-term debt instruments issued by borrowers from various sectors of the economy.

ICRA Lanka also rates rupee-denominated debt instruments issued by commercial banks, non-banking finance companies, financial institutions, and manufacturing and service companies, among others. It also rates structured obligations and sector-specific debt obligations. 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 Nepal Limited (ICRA Nepal), a subsidiary of ICRA, offers a wide range of Rating services in the Nepalese market. Using the accumulated experience and technical support from the holding company, it has developed capability to execute the diversified product. ICRA Nepal rates rupee-denominated long-term, medium-term and short-term debt instruments. Its services also include Issuer Rating, Fund Management Quality Rating and Grading of Equity Offers. The Rating/ Grading service with current focus in the banking and finance, insurance and hydro-electricity sector is also being offered to manufacturing companies, infrastructure sector companies, service companies, small and medium sector entities etc. Further, ICRA Nepal is preparing to offer other products including Bank Loan/Line of Credit Rating and Rating of Claims Paying Ability of insurance companies in the near future.

Grading Services

The Grading Services offered by ICRA employ pioneering concepts and methodologies, and include Grading of: Initial Public Offers (IPOs); Microfinance Institutions (MFIs); Construction Entities; Real Estate Developers and Projects; and Maritime Training Institutes. 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. In MFI Grading, the focus of ICRA's grading exercise is on evaluating the candidate institution's business and financial risks. 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. In the education sector, ICRA offers the innovative service of Grading of Maritime Training Institutes in India. These apart, of late, ICRA has been offering the services of Grading of the Renewable Energy Service Companies (RESCOs) and the System Integrators (SI); Grading of Management Education Institutes; Grading of Engineering Colleges/Universities; Grading of Fundamental Strength and Recovery Prospects; Assessment of the fundamental and financial strength of Real Estate Entities (REEs) & Real Estate Projects (REPs); and ICRA Corporate Responsibility and Sustainable-Business Grading.

Industry Research

ICRA has re-launched its industry research service, covering over 30 segments in the corporate and financial services sectors. Given ICRA's strong analytical capabilities across industries, the research reports provide in-depth analysis of industry-specific issues, trends in demand-supply factors, the competitive landscape, and medium-to-long-term outlook. The research reports are tailored to meet the research requirements of a wide range of participants, including banks, mutual funds, insurance companies, venture funds and corporates.

ICRA at a Glance

Equity Research Service

The ICRA Equity Research Service seeks to provide market participants with an assessment of the fundamental earning quality of specific companies and their current relative valuation as reflected by the prevailing price of their equity shares. An ICRA Equity Research assessment, while not specifying any target price for the shares evaluated, captures two key factors–fundamental earning quality and relative valuation–that influence the price behaviour of equity shares of companies over the medium and long term. In assessing the relative valuation of a company's equity share, the same is benchmarked against an appropriate peer set or index.

ICRA Equity Research reports are aimed at benefiting all categories of investors, including retail investors and especially those with a longer term investment horizon.

Consulting Services

ICRA Management Consulting Services Limited (IMaCS), a wholly-owned subsidiary of ICRA Limited, is a Consulting and Analytics firm with a global operating footprint in 45 countries across South Asia, South East Asia, West Asia, Africa, Europe, and North America. IMaCS' Consulting and Analytics services cover Public Policy, Strategy, Risk Management, and Transaction Advisory services. IMaCS' clientele includes Banks and Financial Service Companies, Financial Investors, Corporates, Governments, Regulators, Multilateral/Bilateral Development Agencies, and Not-for-profit Organisations.

IMaCS offers Programme Management and other outsourcing services through its wholly-owned subsidiary, Pragati Development Consulting Services Limited.

Software Development, Analytics & Business Intelligence and Engineering Services

ICRA Techno Analytics Limited (ICTEAS), a wholly-owned 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 development of traditional web-centric and mobile applications to the new generation of cutting-edge analytics and business intelligence solutions. With many man-years of experience in data-mining and predictive modeling, ICTEAS offers analytics solutions in multiple functional domains such as procurement, sales, supply chain, logistics, resource planning. The Engineering Division of ICTEAS offers multidisciplinary computer aided engineering design services.

ICTEAS uses a mix of onsite/offshore strategies to optimize bottom-line benefits for its customers. It is a Microsoft Gold Partner and Oracle Gold Partner. It is also ISO 9001: 2008 & ISO 27001 : 2013 certified Company.

ICRA Sapphire, Inc. (ICSAP), a wholly-owned subsidiary of ICTEAS, is based in and operates out of Connecticut, USA. It offers US clients a full array of leading edge Business Analytics and Software Development services backed by offshore teams, which work out of ICTEAS, Kolkata. This hybrid engagement model allows for seamless project management, execution and rapid offshore scaling of teams while bringing down development costs.

ICRA Global Capital, Inc. (IGCI) is a special purpose vehicle of ICTEAS. IGCI has been incorporated to look after overseas investment activities. Currently, it holds 100% equity stake in BPA Technologies, Inc.

BPA Technologies, Inc. (BPA), a subsidiary of IGCI, is a California-based global business consulting and software technology services firm. It delivers Enterprise Content Management (ECM) solutions, Portal and Collaboration solutions, and Comprehensive Quality assurance (QA) Solutions. BPA has development centre in Chennai. With a global delivery model, BPA offers innovative and cost effective information management solutions to its clients across various industries.

BPA Technologies Private Limited, a wholly-owned subsidiary of BPA, acts as a state-of-the-art offshore delivery centre in India for software development and QA services.

Knowledge Process Outsourcing and Online Software

Incorporated in 1999, **ICRA Online Limited (ICRON)** is a wholly-owned subsidiary of ICRA Limited with delivery centres in Kolkata and Mumbai. ICRON has three lines of business (LoBs) that offer outsourcing solutions in Data Services, Research & Content and Analytics to regional and global clients. Timely, accurate and affordable services help the company's clients achieve their business goals.

The Data Services segment offers basic and value-added services in areas of data extraction, aggregation, populating chart of accounts, validation, ratio analysis, accounting adjustments, etc. ICRON also provides Operation Support in areas such as data management and reconciliation and quality assurance.

The Research & Content segment engages in mutual funds and other asset-class research, news & event tracking, preparation of company profiles, customer data analysis, customized newsletters, profiling of mutual fund schemes, etc. ICRON also contributes equity oriented articles to various portals.

Analytics is an emerging arena for ICRON. The segment offers services in the areas of predictive and marketing analytics.

ICRON is ISO 9001:2008 and 27001: 2013 certified organisation.



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Chairman Emeritus
Mr. D.N. Ghosh

Board of Directors

Mr. Arun Duggal	Chairman, Independent Director
Ms. Ranjana Agarwal	Independent Director
Ms. Radhika Haribhakti	Independent Director
Dr. Min Ye	Non Executive and Non Independent Director
Mr. Simon Richard Hastilow	Non Executive and Non Independent Director
Mr. Robert Scott Fauber	Non Executive and Non Independent Director
Mr. Thomas John Keller Jr.	Non Executive and Non Independent Director
Mr. Naresh Takkar	Managing Director & Group CEO

Board Committees

Audit Committee	Ms. Ranjana Agarwal, Chairperson Ms. Radhika Haribhakti Dr. Min Ye
Nomination and Remuneration Committee	Ms. Radhika Haribhakti, Chairperson Ms. Ranjana Agarwal Mr. Simon Richard Hastilow
Stakeholders Relationship Committee	Mr. Simon Richard Hastilow, Chairman Ms. Ranjana Agarwal Mr. Naresh Takkar
Corporate Social Responsibility Committee	Ms. Ranjana Agarwal, Chairperson Dr. Min Ye Mr. Naresh Takkar

Statutory Auditors	B S R & Co. LLP Chartered Accountants
Solicitors	FoxMandal Little AZB & Partners HSB Partners
Group CFO	Mr. Vipul Agarwal
Company Secretary & Compliance Officer	Mr. S. Shakeb Rahman
Bankers	HDFC Bank Limited State Bank of Hyderabad Deutsche Bank AG Kotak Mahindra Bank Limited
Registrar and Share Transfer Agent	Link Intime India Private Limited
Registered Office	1105, Kailash Building 11th Floor, 26, Kasturba Gandhi Marg New Delhi – 110 001
Corporate Office	Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon – 122 002, Haryana

ICRA Board of Directors



Mr. Arun Duggal

Mr. Arun Duggal is the Non-Executive Chairman and an Independent Director of ICRA. Mr. Duggal is Chairman of Federation of Indian Chambers of Commerce and Industry (FICCI) Centre for Corporate Governance focused on enhancing Corporate Governance in India through multiple programs including a Mentorship initiative to get more women on Corporate Boards. He is also a Visiting Professor at the Indian Institute of Management, Ahmedabad where he teaches a course on Venture Capital, Private Equity and Business Ethics. He is an experienced international Banker and has advised companies and financial institutions on Financial Strategy, M&A and Capital Raising.

Mr. Arun Duggal is Chairman of Board of Directors of International Asset Reconstruction Company. He is on the Boards of Directors of ITC Limited, Jubilant Energy, Netherlands (Chairman Audit Committee), Info Edge (Chairman Audit Committee), and Dish TV. He is a member of the Investment Committee of Axis Private Equity.

Mr. Duggal is involved in several initiatives in social and education sectors. He is Senior Advisor, Asia Pacific for Transparency International, Berlin devoted to create change towards a World free of Corruption. He was erstwhile Chairman of the American Chamber of Commerce, India. He was on the Board of Governors of the National Institute of Bank Management.

Mr. Duggal had a 26 years career with Bank of America, mostly in the U.S., Hong Kong and Japan. His last assignment was as Chief Executive of Bank of America in India from 1998 to 2001. He is an expert in international finance and from 1981-1990 he was head of Bank of America's (oil & gas) practice handling relationships with companies like Exxon, Mobil, etc. From 1991-94 as Chief Executive of BA Asia Limited, Hong Kong he looked after Investment Banking activities for the Bank in Asia. In 1995, he moved to Tokyo as the Regional Executive, managing Bank of America's business in Japan, Australia and Korea. From 2001 to 2003 he was Chief Financial Officer of HCL Technologies, India.

A Mechanical Engineer from the prestigious Indian Institute of Technology, Delhi, Mr. Duggal holds an MBA from the Indian Institute of Management, Ahmedabad (recipient of Distinguished Alumnus Award).



Ms. Ranjana Agarwal

Ms. Ranjana Agarwal is an independent director on the board of ICRA Ltd. and chairs their Audit and CSR committees.

Ms Agarwal has over 30 years of experience in audit, tax and related services. She is the Founder and Managing partner of Vaish & Associates, Chartered Accountants and earlier managed the Deloitte Haskins & Sells practice in Delhi up to 2000.

She is also on the boards of KDDL Limited and Shubham Housing Development Co. Pvt. Ltd. and Indo Rama Synthetic (India) Ltd.

She was the National President of the women wing of FICCI the Federation of Indian Chambers and Commerce. She also heads the India chapter of Women Corporate Directors, USA.

Ms Agarwal is a graduate in Economics from LSR, Delhi University and CA training from Price Waterhouse Coopers.

She is also a trustee of two non profits, and recipient of the Indira Gandhi Priyadarshini award for professional excellence.



Ms. Radhika Haribhakti

Ms. Radhika Haribhakti is an independent director on the board of ICRA Ltd. Ms. Haribhakti has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley and DSP Merrill Lynch. She has advised several large corporates and led their IPOs, FPOs, GDR and ADR offerings. She now heads RH Financial, a boutique Advisory Firm focused on M&A and Private Equity.

She serves as an Independent Director on the Boards of Adani Ports & Special Economic Zone, EIH Associated Hotels Ltd, ICRA Techno Analytics Ltd, Navin Fluorine International Ltd, Rain Industries Ltd and Vistaar Financial Services Pvt Ltd.

Ms Haribhakti has also been closely involved with issues of women empowerment, financial inclusion and CSR and has served on Boards of non profits for over 18 years. She serves on the Governing Council of Citigroup Micro Enterprise Award and is the former Chair of Friends of Women's World Banking (FWWB) and Swadhaar Finaccess, both non profits engaged in providing financial solutions to women in economically disadvantaged communities. She has also served on CII's National Committee on Women Empowerment.

Ms Haribhakti is a Graduate in Commerce from Gujarat University and Post Graduate in Management from the Indian Institute of Management (IIM), Ahmedabad.