

April 20, 2018

Listing Department
BSE Limited
P J Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Dear Sirs,

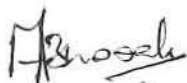
Sub.: Annual Report of CRISIL Limited

Kindly be informed that the 31st Annual General Meeting (AGM) of CRISIL Limited was held on Tuesday, April 17, 2018 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year ended December 31, 2017.

Kindly acknowledge receipt and inform your members accordingly.

Yours faithfully,
For CRISIL Limited



Minal Bhosale
Company Secretary
ACS 12999

Encl.: a/a

30
years





future ready

A black silhouette of a person in a running pose, positioned to the right of the word 'ready' and appearing to run along a horizontal line that underlines the word.

We are 30.

And our journey has
just begun.

Today, CRISIL is leveraging the power of technology to provide sharper insights and unmatched analytics to enable decisions with conviction. Our culture of agility and innovation is helping us continuously reinvent ourselves, ensuring delivery of differentiated value to our clients.

With an independent voice, an outside-in perspective and passion for excellence, CRISIL is truly geared to take on the future.

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Message from the Chairman



“CRISIL is ready to cater to tomorrow’s markets, and to serve evolving customer needs through cutting-edge solutions”

In 2017, CRISIL completed 30 illustrious years of providing independent opinions, actionable insights and efficient solutions in tune with its mission of making markets function better. Come to think of it, CRISIL is just as young as the majority of India is today, and steadfastly committed to its mission. It’s a matter of pride for me to be associated with this great legacy.

In the markets we operate, the pace of change has been unprecedented. Evolving customer needs and rapid technological advances in a fast-globalising world necessitate a nimble approach and discipline to excel.

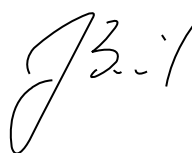
To this end, we broke new ground on many fronts in 2017, with initiatives that foster agility and innovation. Among others, we launched Expected Loss Ratings and independent credit evaluation for stressed assets; Quantix, a cross-sector analytics tool that enables high-quality decision making; InfraInvex, a first-of-its-kind investability index for the infrastructure sector; and SMART, a unique financial research platform for global banks that uses cognitive automation to enable faster decision-making. These steps offer compelling and distinctive value across facets of our work and set the platform for our future growth.

Meanwhile, CRISIL continued to enhance its leadership position across businesses. It

sustained the progress on enhancing market share, deepening relationships, tapping newer client segments, and leveraging the needs of the emerging global regulatory landscape. Also, collaboration between S&P Global and CRISIL strengthened and several joint franchise events were hosted across Asia and Europe.

Given the commitment to growth and investments for future, CRISIL is ready to cater to tomorrow’s markets and serve evolving customer needs through cutting-edge solutions.

I take the opportunity to thank CRISIL’s employees for their many valuable contributions. Thank you for your support, and I look forward to our exciting journey ahead.



John L. Berisford
Chairman



Scan to view Chairman’s video message

#Agile
to market needs

Unleashing
#Innovation

Defining
#Global best standards

Empowering decision-making
with cutting-edge
#Analytics

Making markets function better

About CRISIL

Who we are

A leading agile and innovative, global analytics company

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better.

We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000

customers. Our businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

Who we serve

Micro, small and medium companies to large corporates, investors, and top global financial institutions

Our clients range from micro, small and medium companies to large corporates, investors, and top global financial institutions. We work with commercial and investment banks, insurance companies, private equity players and asset management companies globally.

We also work with governments and policy makers in the infrastructure space in India and in other emerging markets.

How we add value

Insights, opinions and solutions that enable better financial decisions

Our analyses, insights and solutions help lenders, borrowers, issuers, investors, regulators and intermediaries make sound decisions. We help clients manage and mitigate risks, take pricing and valuation decisions, reduce time to market, generate more revenue and enhance returns.

By helping shape public policy on infrastructure in emerging markets, CRISIL helps catalyse economic growth and development in these geographies.

Board of Directors

**Mr. Ewout
Steenbergen**

**Dr. Nachiket
Mor**

**Mr. M.
Damodaran**

**Mr. Girish
Paranjpe**

**Mr. Ravinder
Singhania**



**Ms. Vinita
Bali**

**Ms. Ashu
Suyash**

**Mr. John L.
Berisford**

**Ms. Martina
Cheung**

Mr. John L. Berisford

Chairman

Mr. John Berisford is President of S&P Global Ratings. He has ultimate responsibility for all aspects of the business, including commercial, analytical, control, and operations functions.

S&P Global Ratings is regulated in many of the countries in which it operates, and Mr. Berisford is a director of two of its largest legal entities, Standard & Poor's Credit Market Services Europe Limited and Standard & Poor's Financial Services LLC.

Previously, Mr. Berisford served as Executive Vice President of Human Resources for S&P Global. In this role, he was instrumental in creating and executing on the Company's Growth and Value Plan, resulting in the creation of McGraw Hill Financial and the sale of McGraw Hill-Education. He led the initiative to create S&P's focussed Business Unit operating model while strengthening the HR function with new capabilities to support the Company's growth and performance goals. Mr. Berisford also drove the succession process that enabled a seamless CEO transition in 2013.

Before joining the Company in 2011, Mr. Berisford spent 22 successful years at PepsiCo where he spearheaded a number of important global initiatives and transformations. Among other strategic projects, he led the integration after PepsiCo acquired the independent Pepsi Bottling Group into its overall corporate structure.

Mr. Berisford holds a bachelor's degree in political science from West Liberty College in West Virginia and a master's degree in labour and industrial relations from West Virginia University.

Dr. Nachiket Mor

Director (Independent)

Dr. Mor holds a PhD in Economics from University of Pennsylvania with a specialisation in Finance from the Wharton School, a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad; and a BS in Physics from the Mumbai University.

He is India Country Director of the Bill & Melinda Gates Foundation, and in his independent capacity, a member on the Board of Reserve Bank of India.

Dr. Mor worked with ICICI from 1987 to 2007 and was a member of its Board of Directors from 2001 to 2007. From 2007 to 2011, he served as the founding president of the ICICI Foundation and during this period was also the Chair of the Governing Council of IFMR Trust and Board Chair of Financial Inclusion Network & Operations. During 2011-12,

he was a member of the High Level Expert Group on Universal Healthcare, set up by the Planning Commission of India. During 2013-14, he served as the chair of the RBI Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households. He has also served on the Boards of Wipro, the Azim Premji Foundation, and the Fixed Income Money Market & Derivatives Association of India, in the past.

Mr. M. Damodaran

Director (Independent)

Mr. M. Damodaran was a member of the Indian Administrative Service, since 1971, and had held a number of important positions in both the Central and State Governments and in India's financial sector, before demitting office as Chairman, Securities and Exchange Board of India (SEBI) in February 2008. Prior to this, he was Chairman, Unit Trust of India and Industrial Development Bank of India and led the successful restructuring efforts of both these institutions. His earlier assignments include Joint Secretary (Banking) Ministry of Finance, Govt. of India, Joint Secretary, Ministry of Information and Broadcasting, Govt. of India and Chief Secretary, Govt. of Tripura.

During his tenure at SEBI, he was elected Chairman of an 80-member Emerging Markets Committee of the International Organisation of Securities Commissions. As SEBI Chairman, Mr. Damodaran brought several improved practices to India's securities market.

He is presently Adviser in India for the ING Bank of Netherlands and an Independent Director on the Boards of some of India's leading companies. He is the founder of Excellence Enablers, a Corporate Governance Advisory firm that focusses on improvement of Board performance. He is the Chairman of Glocal Healthcare Systems, a pioneering pan-India effort to provide quality healthcare at affordable cost to Indians in the underserved rural areas. He was the Chairman of the Government of India constituted Task Force for setting up the Resolution Corporation of India.

He was the Chairman of Ministry of Corporate Affairs Committee for Reforming the Regulatory Environment for doing Business in India. He is the founder Chairman of the Society and Board of Governors of the Indian Institute of Management (IIM), Tiruchirappalli.

Ms. Vinita Bali

Director (Independent)

Ms. Vinita Bali is a global business leader with extensive experience in leading large companies, both in India and overseas. She has worked with eminent multinationals like The Coca-

Cola Company and Cadbury Schweppes PLC in a variety of Marketing, General Management and Chief Executive roles in the UK, Nigeria, South Africa, Latin America and the USA, in addition to Britannia Industries Ltd., in India.

Effective April 2014, Ms. Bali moved from a full time operational role as MD & CEO of Britannia to pursue her wide-ranging interests in the corporate and development sectors, through a portfolio of roles and responsibilities. She is a Non-Executive Director on the Global Boards of Smith & Nephew plc, and Bunge Limited; and Chairman of GAIN (Global Alliance for Improved Nutrition), a Swiss Foundation based in Geneva. She also served on the Global Board of Syngenta International AG from April 2012 to June 2017. In India, Ms. Bali serves as a Non-Executive Director on the Boards of Titan Industries Ltd and Syngene International Limited; is a Member of the Board of Governors of Indian Institute of Management – Bangalore; and an Advisory Board Member of PwC. She brings a global and pragmatic perspective to strategy and operations, having lived and worked in 6 countries and 5 continents, with responsibility for global roles, in addition to regional ones.

Ms. Bali is among 27 global leaders appointed by the UN in 2012 to help improve maternal and child health as part of its SUN (Scaling up Nutrition) initiative and completed her term in 2016. She has been recognised in fora nationally and internationally and won several awards for her various contributions to business and society.

Mr. Girish Paranjpe

Director (Independent)

Mr. Paranjpe is a well-rounded business leader with over 3 decades of experience in the Technology and other industries, also having good exposure in Financial Services technology.

Mr. Paranjpe served as the Co-CEO of Wipro's IT Business from 2008-11 and was a member of the Board of Directors of Wipro Ltd. Mr. Paranjpe has had a two-decade long tenure at Wipro Limited, where he led Wipro's IT business and held other senior positions at Wipro, as President - Financial Services Consulting and Marketing, Head - Financial Services and CFO - IT business.

More recently, Mr. Paranjpe was Managing Director for Bloom Energy International, a Silicon Valley based alternative energy company.

He is currently an Operating Partner at Advent International (a Private Equity firm), where he has oversight of the firm's proposed investments in the IT services sector. He is also

Board of Directors

the Founding Partner at Exfinity Venture Partners which invests in tech startups.

Mr. Girish Paranjpe is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India.

Ms. Martina Cheung

Director

Ms. Martina L. Cheung is Head of Risk Services. She is responsible for monetising and leveraging S&P Global's significant risk intellectual property (research, content, models, data, analytics and solutions) cross-divisionally to serve clients in managing complex risk challenges. Ms. Cheung's responsibilities also include driving S&P Global's enterprise-wide growth strategy in ESG and cyber risk.

Previously, Ms. Cheung served as S&P Global's Chief Strategy Officer, where she was responsible for the execution and measurement of S&P Global's growth and performance objectives, positioning the Company for sustainable growth and the continuing expansion of its global footprint. As Chief Strategy Officer, she was also head of S&P Global Ventures, overseeing investments in early stage Fintech startups.

Ms. Cheung joined S&P Global in 2010 as Vice President of Operations and was appointed Managing Director of the Global Strategy group in 2012. Prior to joining S&P Global, she worked in the consulting industry, first in Accenture's Financial Services Strategy group and later as a Partner at Mitchell Madison Consulting.

Ms. Cheung holds a bachelor's degree in Commerce and a master's degree in Business Studies from University College Galway.

Mr. Ewout Steenbergen

Director

Mr. Ewout Steenbergen is Executive Vice President and Chief Financial Officer (CFO) of S&P Global. As CFO, Mr. Steenbergen is responsible for all aspects of the Finance department, focussed on growth and sustainable shareholder value. Moreover, he is responsible for Strategy & Corporate Development. He was appointed CFO of S&P Global in 2016. Previously, he

was Executive Vice President and CFO of Voya Financial, Inc.

Prior to his role as Voya's CFO, Mr. Steenbergen was CFO and Chief Risk Officer for ING Asia-Pacific and held a number of management roles for ING Group, including serving as regional general manager in Hong Kong and as a Chief Executive Officer of RVS, an ING Group company based in the Netherlands.

He has also held other international roles such as CEO of ING's Retail Business in the Czech and Slovak Republics and CEO of ING Nationale-Nederlanden Slovak Republic.

Mr. Steenbergen holds a master's degree in actuarial science from the University of Amsterdam and a master's degree in business administration from the University of Rochester and from Nyenrode University.

He also serves on the Board of Directors of the U.S. Fund for UNICEF.

Mr. Ravinder Singhania

Alternate Director to Mr. John L. Berisford

Mr. Singhania is the Managing Partner of Singhania & Partners LLP, Solicitors, and Advocates with more than two decades of experience in the legal profession. He is ranked amongst top 100 legal luminaries of India in researches conducted by Lexis Nexis, Indian Business Law Journal, and Indian Corporate Counsels Association. He has been consistently rated as India's top Corporate M&A, Dispute Resolution and Project Finance Lawyer.

He currently serves on the Boards of Indian subsidiaries of several multinational companies such as National Instruments and American Bureau of Shipping. He is a member of the Law Society of England & Wales, Chartered Institute of Arbitrators, London as well as the Supreme Court Bar Association. He is a governing body member of Indian Council of Arbitration and a member of the managing committee and Co-Chairman of Law & Justice Committee of PHD Chamber of Commerce in India. He is also a Board member of TerraLex, Inc. a global network of law firms with more than 19,000 attorneys in 100+ countries.

Mr. Singhania holds a Bachelor's degree in Commerce and Law from Shri Ram College of Commerce and Campus Law

Centre, Delhi University, respectively. He is admitted to practice law in India and England (Solicitor of the Supreme Court of England and Wales). He is the former Vice Chairman of the Asia Pacific Committee of the American Bar Association.

Ms. Ashu Suyash

Managing Director & Chief Executive Officer

Ms. Suyash leads CRISIL's domestic and global businesses, steering its efforts to deliver high quality analytics, opinions and solutions to its rich and diversified client base which ranges from small companies to large corporations, investors, financial institutions, governments and policy makers based in India and around the world.

Under her leadership, CRISIL has strengthened existing business portfolios, enhanced its customer value proposition and is creating new intellectual properties.

Ms. Suyash has 30 years of experience in the financial services industry. Prior to CRISIL, she served as the Chief Executive Officer of L&T Investment Management Ltd. She led Fidelity's Indian Mutual Fund business from 2003 to 2012 as its Country Head and Managing Director. Prior to Fidelity Mutual Fund, Ms. Suyash was the Head of Strategy and Business Development at Citibank India. Her career at Citibank spanned over 15 years during which she held several key positions across the corporate, consumer and investment banking divisions.

Over the years, Ms. Suyash has been recognised among the Top 50 Women in business in India and Asia by various publications. She is a Chartered Accountant and holds a Bachelor's degree in Commerce. She is on the Advisory Board of the Chartered Institute for Securities & Investment, the Primary Markets and Advisory Committee, and the Corporate Bonds and Securitisation Advisory Committee of SEBI. She has a keen interest in the education sector and is associated with the Board of Studies at NMIMS, NM College, and on the Advisory Board of Aseema Charitable Trust - an NGO that provides education to underprivileged children.

Senior Leadership Team

Ashu Suyash, Managing Director & Chief Executive Officer
Gurpreet Chhatwal, President – CRISIL Ratings
Pawan Agrawal, Chief Analytical Officer – CRISIL Ratings
V. Srinivasan, President – CRISIL Global Research & Analytics
Ramraj Pai, President – CRISIL Risk & Infrastructure Solutions and CRISIL Foundation
Amish Mehta, Chief Financial Officer and President – India Research, Global Analytical Centre and SME
Anupam Kaura, President – Human Resources
Sameer Bhatia, President – CRISIL Infrastructure Advisory
Stephane Besson, Chief Executive Officer – CRISIL Coalition
Krishnan Venkateswaran, Senior Director – Corporate Technology
Subodh Rai, Senior Director & Head Analytics – CRISIL Ratings
Priti Arora, Chief Strategy Officer

Committees of the Board

Audit Committee

Mr. M. Damodaran, Chairperson
 Ms. Vinita Bali
 Mr. Girish Paranjpe
 Ms. Martina Cheung

Nomination and Remuneration Committee

Ms. Vinita Bali, Chairperson
 Mr. M. Damodaran
 Mr. John L. Berisford

Stakeholders' Relationship Committee

Mr. M. Damodaran, Chairperson
 Mr. Ewout Steenbergen
 Ms. Ashu Suyash

Corporate Social Responsibility Committee

Ms. Vinita Bali, Chairperson
 Mr. Girish Paranjpe
 Ms. Ashu Suyash

Investment Committee

Ms. Vinita Bali, Chairperson
 Mr. Girish Paranjpe
 Mr. Ewout Steenbergen
 Ms. Ashu Suyash

Company Secretary

Ms. Minal Bhosale

Statutory Auditors

Walker Chandiok & Co. LLP
 Chartered Accountants

Solicitors

Wadia Ghandy & Co.

Bankers

ICICI Bank Limited
 Citibank N.A.
 The Hongkong and Shanghai Banking Corporation Limited
 HDFC Bank Limited
 Andhra Bank
 Indian Overseas Bank

Share Transfer Agent

Karvy Computershare Pvt. Ltd.
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli Financial District,
 Nanakramguda, Hyderabad - 500 032

Email: einward.ris@karvy.com
 Phone No.: +91 40 6716 1500
 Toll Free No.: 1 800 34 54 001

Registered Office

CRISIL House,
 Central Avenue,
 Hiranandani Business Park,
 Powai, Mumbai - 400 076

Phone No.: 022 3342 3000
 Fax No.: 022 3342 3001

global
expertise



customer
centricity

Client need

A leading global investment bank's Quantitative Modelling team faced a daunting task of comprehensive evaluation and documenting of pricing models for 100+ exotic derivatives to exacting standards defined by global regulations. And these needed to be completed within stringent timelines committed to the regulators.

Solution

Working with speed and agility, CRISIL Global Research & Analytics put together an internal taskforce, spanning risk and analytics experts across London, New York, Buenos Aires and Mumbai to understand and assess the complexity of the bank's modelling practices. The team was able to effectively leverage its global experience to design a framework, drawing out commonalities in the bank's modelling approaches and by developing a repository of quantitative test standards.

Outcome

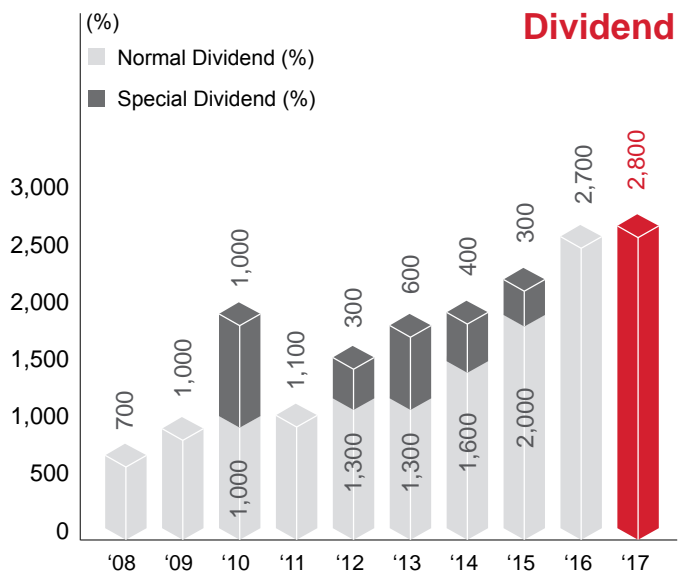
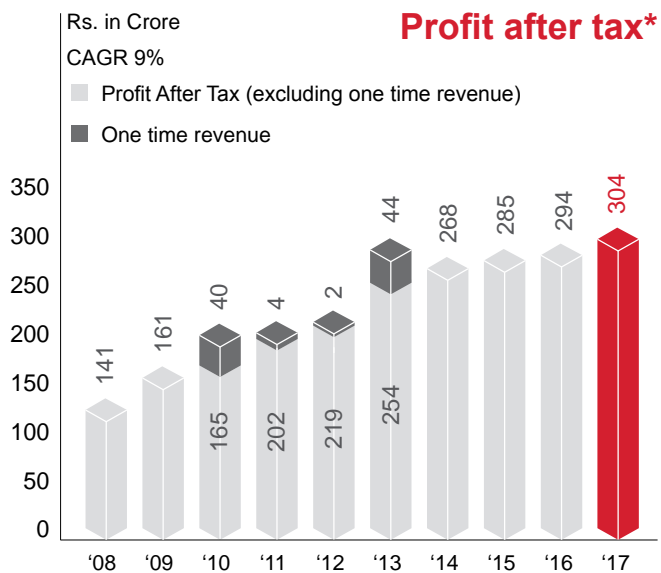
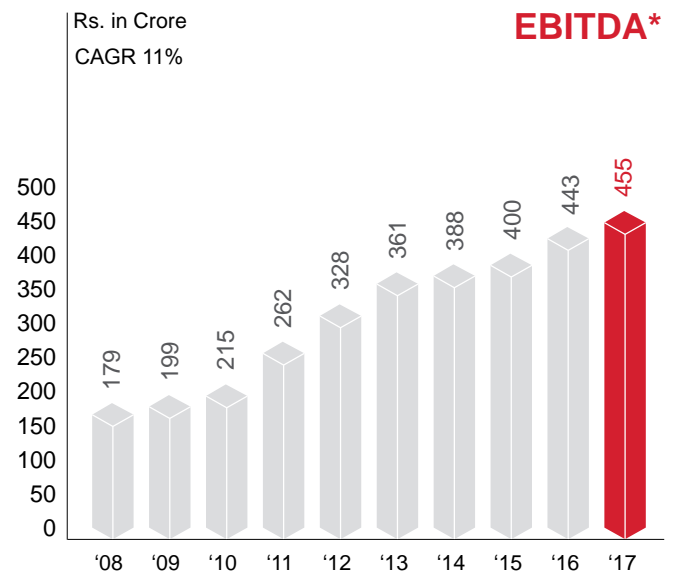
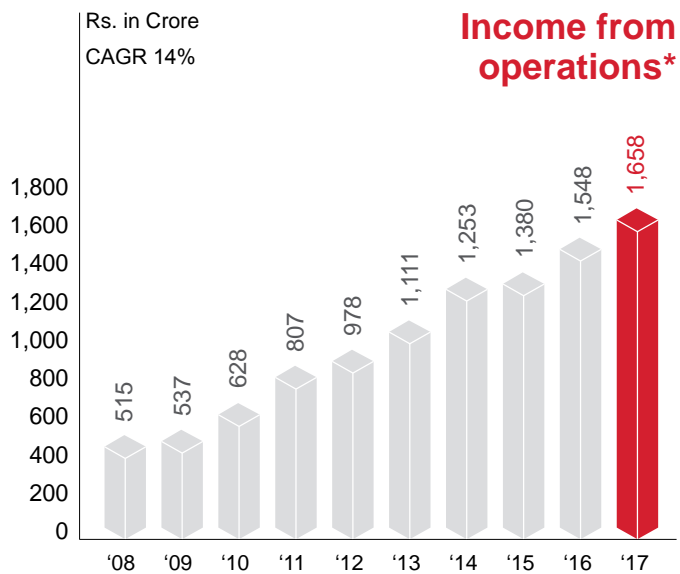
- ▶ Delivered **over 60 high-quality model evaluation reports** for a **wide range of exotic derivatives pricing models** including Autocallables, Volatility target models, Markov-functional models, Tree-based pricing models and others
- ▶ Provided **enhanced modelling infrastructure** that allows banks to keep their testing and evaluation models updated and relevant

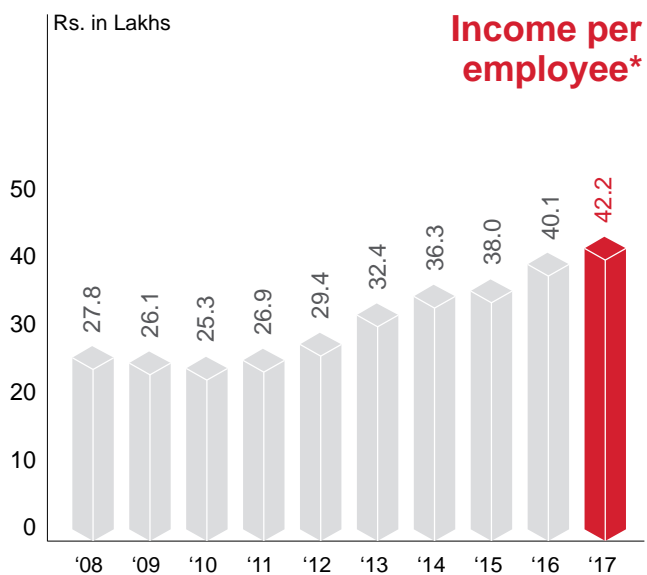
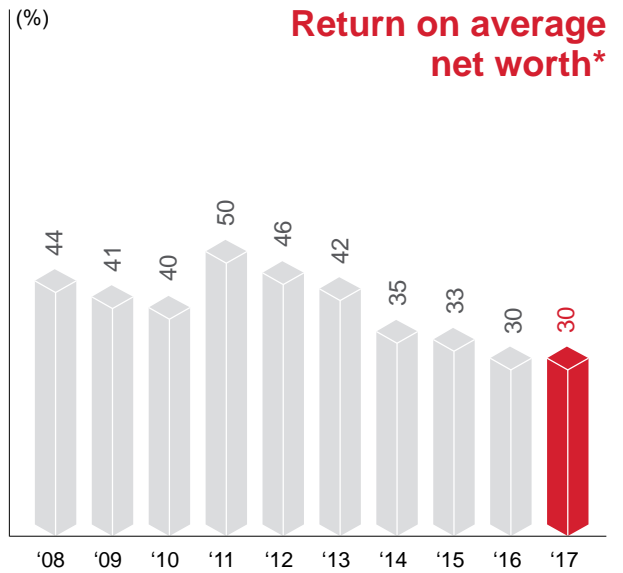
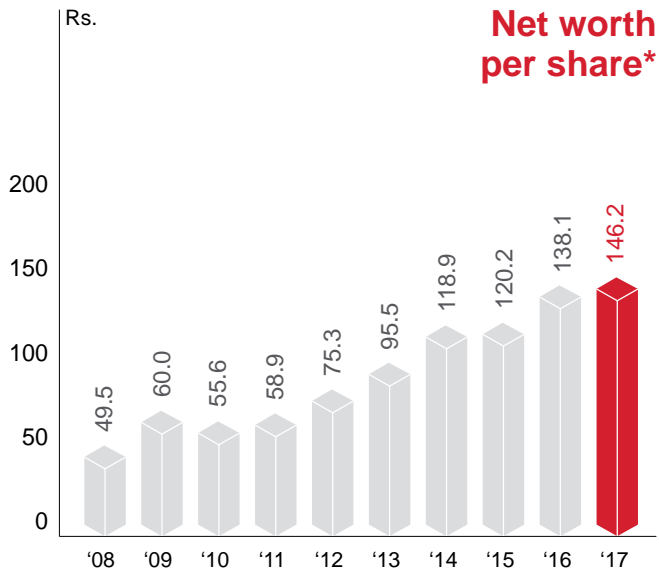
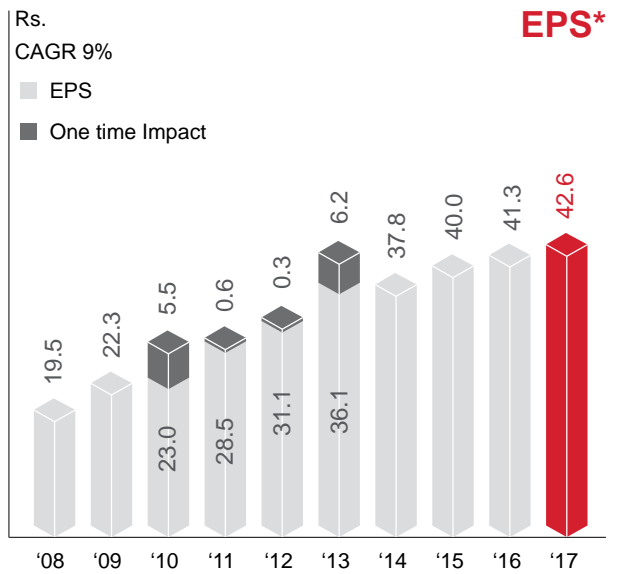
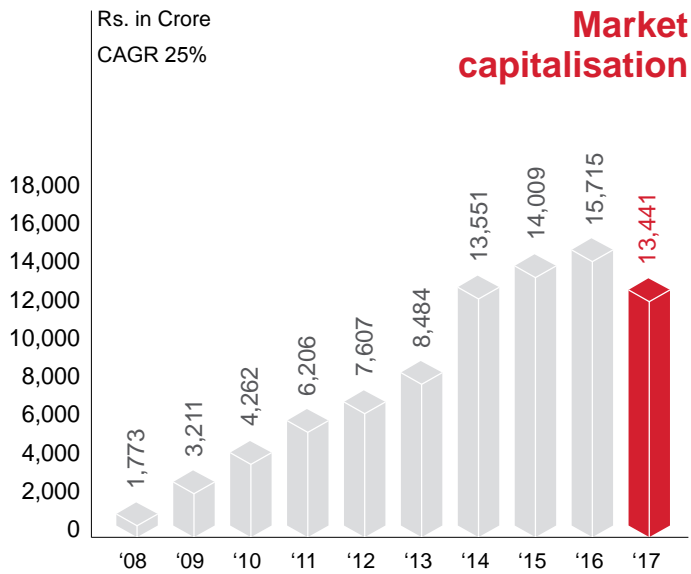
Defining **#Global** best standards



Corporate Overview

Financial Highlights





* Figures for 2017 and 2016 are as per Ind AS and for the earlier years as per IGAAP

CRISIL's Businesses

CRISIL Ratings

Bond Ratings • Bank Loan Ratings • SME Ratings • Global Analytical Centre • Other Grading Services

**Rated over
25,000
large and mid-
scale corporates
and financial
institutions in India**

We are India's pre-eminent credit rating agency, having rated more than 25,000 large and mid-scale corporates and financial institutions, and with capabilities spanning across the entire range of debt instruments. We have also rated, graded or assessed about 1,25,000 micro, small and medium enterprises (MSMEs) in India.

Our culture of innovation is what sets us apart and helps us stay well ahead. We create and redefine methodologies that set benchmarks at the industry level. Most innovative instruments in the Indian market are rated first by CRISIL.

Our credit ratings support growth and transparency in the capital markets, enabling

investors and lenders make sounder investment decisions. We improve access to funding for issuers and borrowers, helping them optimise their cost of funds. We also assist regulators in measuring and managing credit risks at a systemic level. Our ratings are used in computation of capital adequacy in the banking sector.

Through our Global Analytical Centre (GAC), we provide analytical, research and data services to S&P Global across the world. GAC partners with S&P Global Ratings and S&P Global Platts to process information, improve workflow efficiency, support research and analysis, and execute modelling assignments.

CRISIL Global Research & Analytics

Financial Research • Risk & Analytics • Corporate Research • Coalition

**Preferred
provider of high-
end research
services, risk
analytics
and benchmarks
to global
investment banks**

We are the market leader in cutting-edge financial research and risk & analytics, supporting more than 75 global banks, 50+ buy-side firms, insurance companies, corporations, consulting firms, private equity and asset management firms. We support 15 of the top 20 global investment banks and provide coverage of over 3,300 stocks and 3,400 credits globally. Our team of quantitative, regulatory, risk, and actuarial specialists has served more than 75 banks globally, reviewed more than 20% of outstanding exotic equity derivatives annually, and provided critical regulatory compliance support to our banking clients.

Our research support to investment banks covers the entire spectrum of financial research and analytics. We provide high-quality research

support and help our clients gain differentiated insights across domains like investment research, sales and marketing, client analytics, digital marketing and portfolio analytics.

Our rapidly evolving data analytics and automation-based solutions provide our clients a distinct competitive edge and enables them in making key strategic and tactical business decisions. A globally recognised brand, CRISIL Coalition is a leading Analytics and Business Intelligence provider to more than 25 corporate and investment banks across the global financial services industry. We have been providing objective research and high-end analytics to support strategic and tactical decision-making across Competitor Analytics, Capital Analytics, Client Analytics and Country Analytics.

CRISIL Research

Economy & Industry Research • Funds & Fixed Income Research • Equity & Company Research

90%
of India's banking
industry depends
on our actionable
insights

As the leading, independent research house, we are India's most credible provider of economy and industry research, with coverage across 86 sectors. We work with nearly 1,000 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation, all Indian mutual fund (MF) and life insurance companies and 4 of the world's leading consulting firms.

We are also the largest provider of valuation of fixed-income securities to the mutual funds,

insurance and banking industries, valuing over \$1.57 trillion of Indian debt securities. We maintain over 45 standard indices and 100+ customised indices. We provide due-diligence and ranking services to mutual funds and insurers.

Our access to proprietary and public data across the economy, industry, company and capital markets gives us an edge in developing analytics, which can be leveraged to provide deep and actionable insights to customers.

CRISIL Risk & Infrastructure Solutions Ltd

CRISIL Risk Solutions • CRISIL Infrastructure Advisory

**A credible
player** in
risk management
and infrastructure
advisory in India
and other emerging
markets

CRISIL conducts its risk solutions and infrastructure advisory businesses through its subsidiary CRISIL Risk and Infrastructure Solutions Ltd.

CRISIL Risk Solutions

We provide a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks and corporates in India, the Middle-East, Africa, South Asia and South-East Asia.

We have helped over 80 banks and financial institutions adopt best practices in risk management including providing solutions to 9 out of top 10 banks in India, and undertaken risk management assignments across 15 countries.

CRISIL Infrastructure Advisory

We are leading advisors to governments and regulators, multilateral agencies, investors and large corporates. We help shape public policy and enable infrastructure development. We work in the areas of policy and regulatory, project advisory, public private partnership frameworks, infrastructure financing mechanisms, and implementation support to large infrastructure programmes.

Our teams have expertise across the infrastructure spectrum, including urban development, energy and natural resources, transport and logistics, and infrastructure financing in India and other emerging countries.

Reports and Publications

cutting-edge research & incisive insights

> Economy Insights



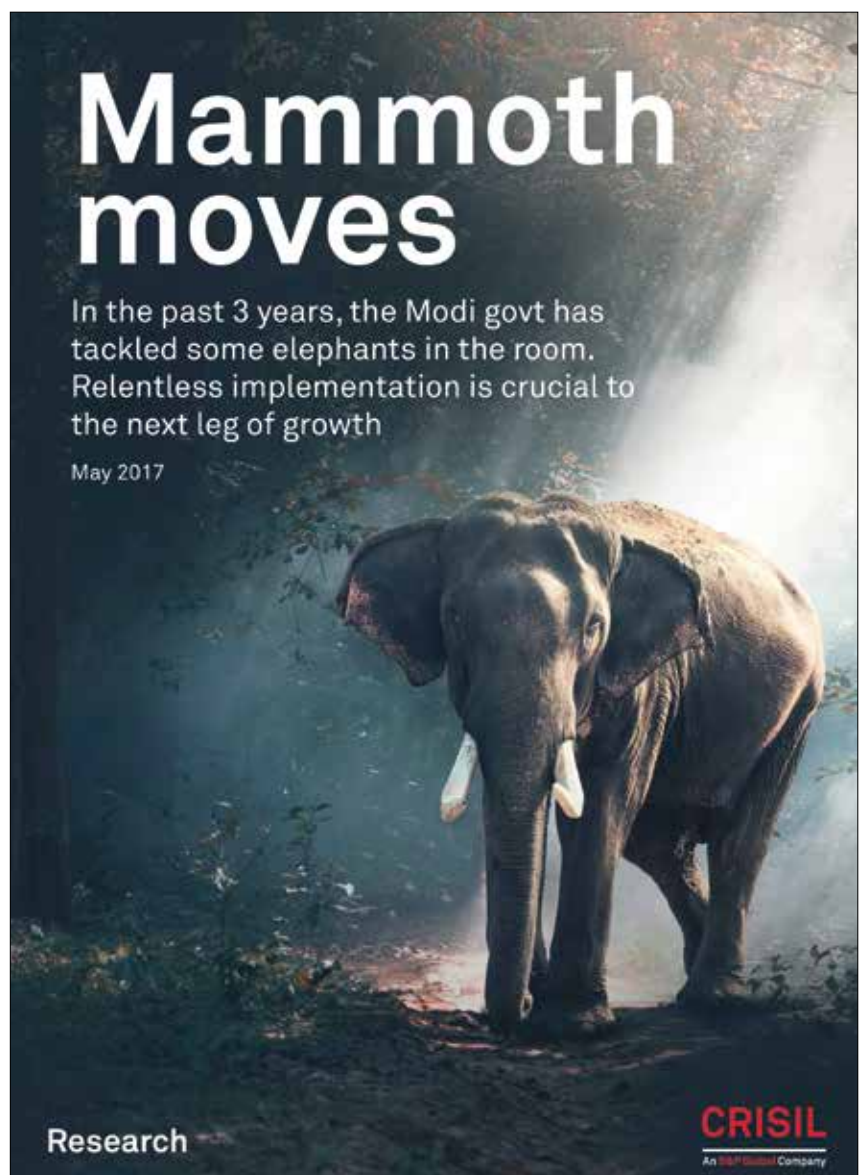
Bolstering Bharat

CRISIL Research's report and analysis on Budget 2017: 'Bolstering Bharat'



Colours of Growth

CRISIL's report on the Indian macro-economy and key sectors for Fiscal 2018



Mammoth moves

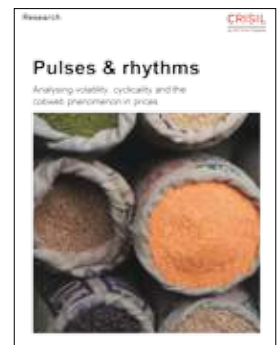
CRISIL's annual publication on the performance of the Indian government: 'Mammoth moves'

> Industry Insights



Haircuts worth Rs. 2.4 lakh crore

CRISIL Ratings' report on banking sector: 'Haircuts worth Rs. 2.4 lakh crore - That's what banks may need to resolve the top 50 stressed accounts'



Pulses & rhythms

CRISIL Research's analysis of volatility, cyclicity and the cobweb phenomenon in prices



Driving past potholes

CRISIL Ratings' views on the road sector in India



Mobile data usage to multiply 4x in 5 years

CRISIL Research's comprehensive report on mobile data usage in India

CRISIL Infrastructure Yearbook 2017

First-of-its-kind yearbook on the infrastructure sector in India



Reports and Publications

> Global trends and insights



Investment research faces technological disruption, profitability pressures

CRISIL's GR&A whitepaper on cognitive automation: 'Investment research faces technological disruption, profitability pressures'



Bitcoin

CRISIL GR&A whitepaper on 'Bitcoin: Currency of the future or money laundering vehicle?'

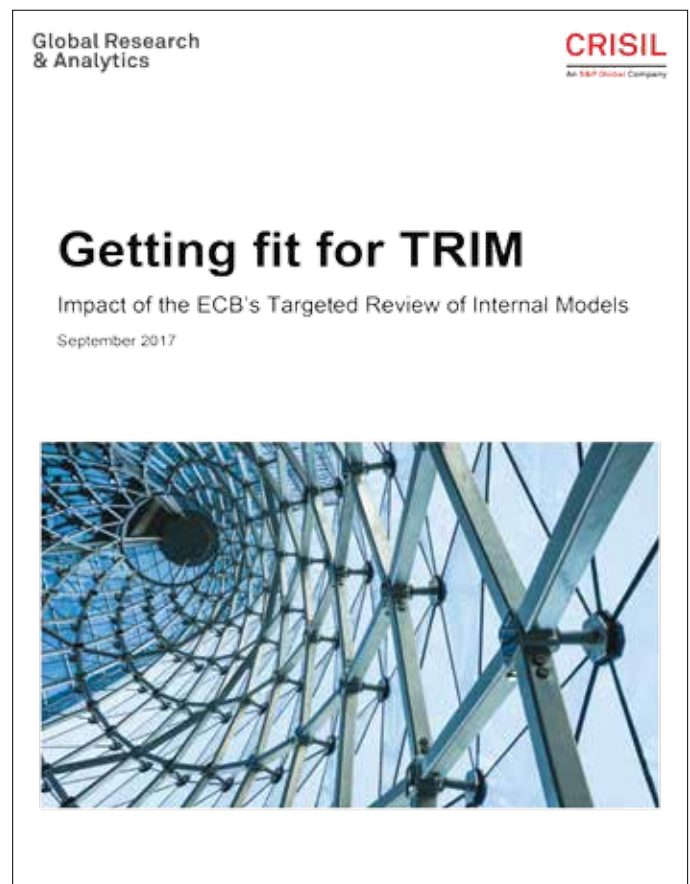
Basel III liquidity risk

Whitepaper on the implications of 'Basel III liquidity risk'



Complying with CECL

Report on CECL (Current Expected Credit Loss) regulations and implementation



Getting Fit for TRIM

Whitepaper on impact of the ECB regulation, Targeted Review of Internal Models (TRIM)



A question of answers

CRISIL GR&A
whitepaper on the state
of preparedness of asset
managers to implement
MiFID II



India-West Africa: Partners in Growth

A joint FICCI-CRISIL
report that outlines critical
collaboration opportunities
across sectors that can
benefit both Indian and
West African economies
including Ghana



Transaction laundering, the new online scourge

CRISIL GR&A
whitepaper on how
to identify transaction
laundering, its impact
and preventive
measures



CRISIL Coalition: Global Transaction Banking League Table

CRISIL Coalition's Global Transaction Banking League Table that analyses the performance of the 10 largest Transaction Banks globally

Franchise Highlights

exchanging ideas & empowering opinions

India Outlook

CRISIL's views, opinions and insights on the Indian economy and key sectors



CRISIL started the year with the 2nd edition of India Outlook seminar in Mumbai, presenting its views and insights on '**India Outlook Fiscal 2018: Resetting Growth Expectations**'. The highlight of the seminar was a panel discussion with industry experts on pain points, mitigations and tailwinds in fiscal 2018. Samiran Chakraborty, Chief Economist, Citibank (India), Andreas Bauer, Senior Resident Representative, International Monetary Fund (India), Pronab Sen, Country Director, India Central Team, International Growth Centre, Shinjini Kumar, CEO, Paytm Payments Bank, and others were the key speakers at the seminar.

◀ **Gurpreet Chhatwal (centre), President, CRISIL Ratings moderates the panel discussion on 'Can India Inc make the big turnaround in fiscal 2018?'**

CRISIL Research shared its sectoral insight at the 11th **Society of Indian Automobile Manufacturers' (SIAM) Looking Ahead Conclave** on the theme 'Doing Business in Challenging Times', in New Delhi.

Rahul Prithiani, Director, CRISIL Research, made a presentation on 'market dynamics in the Metals industry' at the 4th **International Indian Metals Recycling Conference** in Jaipur.

CRISIL and S&P Global Ratings jointly conducted a seminar on '**India Credit Spotlight: Opportunities and Risks In the Face of Reforms**' in Mumbai. Similar seminars were also held in Singapore and Hong Kong to provide insights on India's macro-economic indicators, impact of demonetisation and GST on India, commentary on the expected credit behaviour, outlook on investment and credit trends.



▲ **Prasad Koparkar (second from left), Senior Director, CRISIL Research, speaking in a panel discussion on the topic 'Opportunities and Risks In the Face of Reforms'**

Ashu Suyash, MD & CEO, CRISIL, participated in the **4th Asia Summit** organised by Milken Institute at Singapore themed around how the region has changed over the last 20 years and what trends would shape its path to 2037.



▲ Ashu Suyash (second from right), Managing Director & CEO, CRISIL, shares her views during the panel discussion on 'A Window of Opportunity: Unlocking India's Potential'

CRISIL Research provided insights on the Indian economy and reforms at **S&P BSE Indices' 3rd Annual Thought Leadership Seminar** in Mumbai, themed around 'India: A mammoth on the move'.



▲ Dharmakirti Joshi (second from left), Chief Economist, CRISIL, at the panel discussion on 'Financial Reform, Next Generation Investing & Keeping Up with Global Competition'

CRISIL SME Ratings participated in the conference on '**Accelerating MSME Competitiveness through innovation, technology, finance and cluster development**' organised by All India Association of Industries in Mumbai.



◀ R Vasudevan (right), Senior Director, SME Ratings, moderates the panel discussion

CRISIL SME Ratings shared its perspectives on the **impact of government reforms and policies on SMEs in India** at the SMART-MANAGE-EXPAND series held across Ahmedabad, Vadodara, Surat and Pune.

CRISIL Real Estate Rating was the knowledge partner in the **3rd Estrade Real Estate Conclave and Awards** in Singapore, providing deep insights into the real estate sector in India.

CRISIL SME Ratings presented on 'Improving Creditworthiness and Credit Ratings for SMEs' at the **Rajasthan Finance & SME Conclave 2017** organised by Confederation of Indian Industry (CII) in Jaipur. The conclave focussed on enabling entrepreneurs to receive structured information, support and guidance in taking their businesses to the next level.

CRISIL Research participated in the **Refining, Petrochemicals and Polymers' World Conference 2017** in Mumbai, providing its 'outlook on the petrochemicals growth in India'.

Franchise Highlights

InfraIntelligence

CRISIL's comprehensive analysis of Indian infrastructure sector, including power, roads and transportation



Themed around '**Financing the Great Indian Build-out**', CRISIL Infrastructure Advisory hosted the first CRISIL India Infrastructure Conclave in New Delhi that provided deep insights into the country's infrastructure sectors. The CRISIL InfraInvex, country's first investibility index, was also launched at the conclave.



Scan to view the launch of InfraInvex

▲ **Amitabh Kant (centre), CEO, NITI Aayog unveiled the CRISIL Infrastructure Yearbook at the conclave**

CRISIL Infrastructure Advisory participated in the 10th edition of **World Future Energy Summit** at Abu Dhabi, UAE. Vivek Sharma, Senior Director, Energy & Natural Resources shared his insights on sustainable and future energy sources.

CRISIL Infrastructure Advisory participated in the third edition of '**Railways Reforms and Governance Conclave 2017**' in New Delhi. The conclave was supported by the Ministry of Railways to highlight governance and infrastructure reforms in the sector.

CRISIL participated in a two-day convention organised by Indo-American Chamber of Commerce (IACC) involving policy makers and business leaders to deliberate on '**Taking India-US Economic Relations to the Next Level**' in Mumbai.

CRISIL Infrastructure Advisory organised a workshop on '**Enabling Monetisation of Infrastructure Assets in India**' for Asian Development Bank (ADB) in Mumbai. Sameer Bhatia, President, CRISIL Infrastructure Advisory, moderated the panel on Infrastructure development and financing in India.



▲ **Smt. Sharmila Chavaly, Joint Secretary, Ministry of Finance, shared her views on the need for infrastructure investment in India at the workshop**

CRISIL Infrastructure Advisory participated in the 5th edition of **India PPP Summit 2017** organised by FICCI in New Delhi, focussed on discussing the policy issues relating to implementing PPP (Public Private Partnership) projects and highlight investment opportunities for private investors.



▲ **Sudip Sural, Senior Director, CRISIL Infrastructure Advisory, moderates a panel discussion on 'Fostering partnership to invigorate PPPs in infrastructure'**

CRISIL Infrastructure Advisory shared their perspective on '**Smart Cities in India: Journey so far**' at a conference organised by the Housing & Urban Development Committee of PHD Chamber, in New Delhi.



▲ **Anand Madhavan (second from left), Director, CRISIL Infrastructure Advisory, participated at a panel discussion on Smart Cities during the conference**

CRISIL Infrastructure Advisory was the knowledge partner at the **SMART Railways Conclave** organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) in New Delhi.



◀ **Shri Suresh Prabhu (third from left), former Union Minister for Railways, along with Jagannarayan Padmanabhan (third from right), Director, CRISIL Infrastructure Advisory, released the CRISIL- FICCI Knowledge Report**

CRISIL Research participated in **CII's 6th Regional Conference on Infrastructure Project Management** in association with CBRE, themed around 'Changing Dynamics of Real Estate Sector in India – The Growth Drivers, Investment Opportunities and Project Management Challenges', in Mumbai.

CRISIL Infrastructure Advisory provided insight on the emerging trends in the natural gas vehicle market during the **NGV India Summit 2017** in New Delhi, supported by Indian Oil Corp, Automotive Research Association of India, and the Ministry of Heavy Industries and Public Enterprises.

Abhay Kantak, Director, CRISIL Infrastructure Advisory, delivered an address on 'Rethinking urban water supply' at the **7th India International Water Summit** organised by the Indian Chamber of Commerce in New Delhi.

CRISIL Infrastructure Advisory participated in **Namaskar Africa 2017** in Ghana, a flagship initiative of FICCI and the Government of India for promoting India's economic cooperation with African countries.

Franchise Highlights

FinInsights

CRISIL's views and commentaries on the banking and financial services sector in India



CRISIL Ratings hosted its second annual seminar on NBFC sector titled '**NBFCs: Fortunes on the uptrend**' in Mumbai, aimed at fostering ongoing dialogues and discussions on developments in India's banking and financial sector.

◀ Ashu Suyash, Managing Director & CEO, CRISIL, gives the opening address at the NBFC seminar 2017

CRISIL Risk Solutions participated in the 3rd **National Summit on Bankers Borrowers Business Meet 2017** organised by ASSOCHAM (The Associated Chambers of Commerce of India) in New Delhi aimed at analysing the problems of the Indian SMEs. Somdeb Sengupta, Director, CRISIL Risk Solutions, shared his 'views on GST, Ind-AS, and Bankruptcy Law' during the seminar.

CRISIL Research partnered with Assocham for a six city seminar series titled **ASSOCHAM National Conference on the Bond Market**, held across Kolkata, New Delhi, Chennai, Bengaluru, Hyderabad and Ahmedabad.

CRISIL Research collaborated with Association of Mutual Funds in India (AMFI) as a knowledge partner for the **AMFI Mutual Fund Summit 2017** in Mumbai, providing a platform for thought-provoking discussions between all industry stakeholders including asset managers, distributors and partners.



▲ Ashu Suyash (left), Managing Director & CEO and SEBI Chairman Ajay Tyagi, (center) along with other dignitaries inaugurate the AMFI - CRISIL Factbook

CRISIL Ratings participated in the IDFC Annual Investor Conference **'The Stock Called India'** in Mumbai providing an insight on India's growth story and outlook.



▲ Pawan Agrawal, Chief Analytical Officer, CRISIL Ratings, shares his views at the IDFC Annual Investor Conference

CRISIL Research partnered Pension Fund Regulatory and Development Authority (PFRDA) as the knowledge partner for the 3rd Pension Conference on implementation of National Pension System. The conference, titled **'Towards a Pensioned Society: The Road Ahead'** was held in New Delhi.

Financial security for India's elderly

The imperatives
April 2017



▲ CRISIL unveiled the knowledge report on Financial security for India's elderly at the PFRDA conference

CRISIL Risk Solutions shared their views on **'rising significance of technology in the banking, financial services and insurance (BFSI) domain'** at the second BFSI CTO Summit, Awards & Expo 2017 in Mumbai.

CRISIL Ratings participated at the ASSOCHAM 10th Global Insurance Summit 2017 held in Mumbai, themed around the development and changes in the insurance industry. Krishnan Sitaraman, Senior Director, CRISIL Ratings deliberated with our expert panelists on **'Prediction of Impact of Changes in the Insurance Industry'**.

Krishnan Sitaraman presented CRISIL's views on the Financial Resolution and Deposit Insurance Bill 2017 at the Study Visit of the Joint Committee on the **'Financial Resolution and Deposit Insurance Bill 2017'** in Mumbai, which was attended by over 20 members of Lok Sabha, Rajya Sabha, and other policy makers.

CRISIL Ratings participated in the 4th **National Summit on Non-Banking Finance Companies 2017**, themed around 'A Bright Spot in the Economy', in New Delhi.

CRISIL Ratings participated in the 6th **Securitisation Summit 2017**, in Mumbai to discuss the 'prospects, challenges, issues, concerns and the way forward for the securitisation industry' in India.

Ashu Suyash, Managing Director & CEO, CRISIL, along with other leading CEOs were invited to present their views to the Honourable Prime Minister Shri Narendra Modi at the Government of India's conclave themed **'Champions of Change: Transforming India through G2B partnership'**. She made a presentation on Banking Sector Reforms.

Franchise Highlights

Global Insights

CRISIL's perspectives on global economy, analytics and solutions



CRISIL GR&A hosted a seminar on '**Disruption and Future of Research**' in New York to share their views on how the cognitive automation is shaping the future of research. The seminar also saw the launch of SMART, an innovative financial research platform powered by cognitive automation.



Scan to view the demo of SMART

◀ **V. Srinivasan, President, CRISIL GR&A, speaks on the disruptions looming for the research industry at the seminar**

Kshitij Bhatia and Stephen Knights, Directors, R&A (Risk and Analytics), CRISIL GR&A, shared their views in a web conference on '**Preparation for Brexit: Key Challenges and Ongoing Developments**' from London. Their views covered the challenges and key elements for implementing the regulatory changes for banks post Brexit.

Paul Shotton, Senior Director, R&A, CRISIL GR&A, was a panelist at the discussion on '**Regulating Trade Activities: A Moving Target**' at the discussion forum on Financial Services Regulation, organised by PRMIA Washington DC Chapter Event. He presented his views on the regulatory aspects that affect the financial services industry globally.



Scan to listen to the webcast by Eric Li, Research Director, CRISIL Coalition

CRISIL Coalition collaborated with S&P Global group companies to share ongoing commentaries in the investment banking space - Kate Joicey Cecil, Head of Client Relationships, CRISIL Coalition participated in a S&P Market Intelligence '**Capital Markets Update Q&A Webcast**', Amrit Shahani, Research Director, CRISIL Coalition shared his views at the 11th Alpha Insights Event with S&P Global and Eric Li, Research Director, CRISIL Coalition joined Joy Macknight of The Banker FT for 'The View from Sibos' Video Webcast.

CRISIL and S&P Global organised a forum on research unbundling, themed '**MiFID II and the Changes in Research Consumption Practices**' in New York.



▲ Abhik Pal, Director, CRISIL GR&A, discusses the findings from market research study on MiFID II

CRISIL GR&A hosted a roundtable on the '**use of Big Data analytics in research**', marketing and sales for asset managers from buy-side firms in New York.



▲ CRISIL GR&A's expertise was on display at the roundtable on Big Data Analytics in Research in New York

CRISIL GR&A participated in a webinar on '**Best Practices in Model Governance and Validation**' organised by Risk Management Association (RMA). Stephen Knights, Director, R&A, CRISIL GR&A made a detailed presentation on the various aspects of model risk management, model risk governance and model validation.

Through a series of sponsorships, CRISIL GR&A shared their insights and expertise across the risk management space. These included participating in 18th Annual **Risk Management Convention** in New York, the flagship event on risk management organised by Global Association for Risk Professionals (GARP), presenting on 'Global convergence of Model Risk Management' at 10th edition of **Model Risk Management conference** in New York and others.

S&P Global and CRISIL jointly hosted an exclusive investor briefing on '**Global Trade, Barriers and Brexit**' in Mumbai, providing a perspective on risks of increased protectionism in world trade, European recovery and impact of BREXIT.

Employee Engagement

enabling talent & realising potential

Employee connect

Building a sense of belonging



Over 4,500 CRISILites and their families joined in the fun and excitement at the CRISIL Family Day held across 7 cities in India. Themed around '**Our World, Our Family**', the forum gave an opportunity to showcase our diverse work environment and culture. Fashion show for children, Tambola, Karaoke and performances by CRISIL employees were the highlights of the day!

◀ **Employees and their families enjoy fun and games at the CRISIL Family Day**

CRISIL team in China organised a **team building workshop** for all employees at Anji County in Huzhou. Through a series of well planned interventions, the team bonded over fun and games.



▲ **CRISILites in China enjoy a day out at Anji County**



CRISIL Coalition employees participated in the **JP Morgan Corporate Challenge** in Battersea Park, London

◀ **The CRISIL Coalition team gears up for the run**

Commitment to diversity and inclusion

Making inclusion integral to the work culture



CRISIL's D&I (diversity and inclusion) programme, Winspiration organised a theatre workshop for employees on '**Embracing Diversity and Inclusion**' at Mumbai and Gurugram. The workshop provided an insight into stereotypical perceptions and attitudes influenced by unconscious biases at workplaces, enabling CRISILites to understand their role in building an inclusive work environment.

◀ **Employees attend a theatre workshop at the CRISIL Coalition office**



CRISIL was featured as one of the '**100 Best Companies for Women in India**' in 2017 by Working Mother Media and AVTAR Group for the second time in a row. This award is a recognition of our strong focus on creating an inclusive workplace where our women workforce is empowered, enabled and inspired to excel in their careers at CRISIL.

◀ **Named one of the 'Best Companies for Women in India' - for the second straight year**

Ashu Suyash, MD & CEO, CRISIL was ranked among Top 20 '**Most Powerful Women in Business**' for 2017 by Fortune India. This is the second time in the row that Ashu has been featured in this list.

CRISIL launched '**In Conversation**', a new lunch-and-learn series, on International Women's Day. Ashu Suyash, Managing Director & CEO, CRISIL, shared anecdotes from her life during the session.



With 60% of women constituting the workforce in China, employees got together to celebrate **Women's Day** with surprise floor gathering, engaging games and delicious snacks.

◀ **Celebrating women power in China**

Employee Engagement

Recognising talent

Promoting and sustaining a meritocratic organisation



With a strong focus on identifying and developing the top talent within the organisation, CRISIL launched the **Future Leader and Key Talent programme** across India, US, UK and Argentina. Based on workplace achievements, stakeholder feedback and performance on globally benchmarked Talent Inventories, a select group of the brightest CRISILites were chosen under the program. They were provided with customised development opportunities including peer coaching, stretch assignments, leadership interactions and more to develop and groom them as future CRISIL leaders.

◀ **Ashu Suyash, Managing Director & CEO, CRISIL,** addressing the participants at the gathering

The **Gold ACE** (Acknowledging and Celebrating Excellence awards) recognise employees' efforts to deliver outstanding performance to our customers around the world. The winners are decided by the global ACE Committee at S&P Global, which named 13 winners for 2017.

The **CEO Awards** celebrate outstanding contributions made by employees, who exemplify the culture of excellence at CRISIL. In 2017, 22 employees were awarded under 9 prestigious categories.

With a focus on recognising analytical excellence, CRISIL Ratings organised the third edition of the **Best Analyst Contest**. Spread over nearly three months, this provided an excellent platform for all analysts to test their analytical prowess and showcase their mettle. Sonia Agarwal (centre), Manager, Corporate & Infrastructure Ratings, emerged the winner for 2017.



▲ **Sonia Agarwal (centre), Manager, Corporate & Infrastructure Ratings,** along with the finalists and the CRISIL senior leadership team

Learning & development

Nurturing talent and future leaders



Over 30 associates graduated as the ninth batch of **CRISIL Certified Analyst Programme (CCAP)**, a two-year intensive work-cum-study programme aimed at developing world-class finance professionals for various analyst roles in CRISIL and industry at large. The unique format combines work assignments on live projects with classroom learning and interactive workshops, equipping participants with exceptional financial and business skills.

◀ Graduates from the 9th CCAP batch

Major D P Singh, a retired officer of the Indian Army, Kargil war veteran and India's first blade runner addressed CRISILites on '**Challenging the Convention**'.



▲ Major D P Singh, India's first blade runner, gives an inspiring talk at the CRISIL Conclave

CRISILites took part in a series of knowledge sharing sessions - **CRISIL Conclave** - throughout the year. Some of the key conclaves included 'Asia's Trifecta' with Dr Paul Gruenwald, Managing Director & Chief Economist, Asia-Pacific, S&P Global, 'Global Trade, Barriers and Brexit' by Jean-Michel Six, Managing Director & Chief Economist EMEA, S&P Global Ratings and others.

With a focus on partnering with universities globally and building stronger connect, CRISIL Poland team organised **CRISIL Day at Wroclaw University of Economics**. Planned as a series of sessions to introduce students to the diverse nature of financial industry and the multitude of opportunities available at CRISIL, the forum was very well received by the university.



With an endeavour to promote and recognise young thought leaders on campus, we organised the 17th edition of the **CRISIL Young Thought Leader (CYTL) competition**. Over 650 dissertation papers were received across a variety of topics including digital disruptions, talent acquisition strategies, future of sell-side research globally and others.

◀ Ashu Suyash (centre), Managing Director & CEO, CRISIL, and Anupam Kaura (extreme right), President, HR, with the CYTL 2017 winners

innovative
approach



actionable
insights

Opportunity

In the absence of a credible tracking and grading tool, stakeholders in the Indian infrastructure sector were forced to rely on sporadic data points for information gathering and evaluation. This slowed down decision making and posed bottlenecks to reliable investment decisions.

Solution

Having worked extensively across the value chain, CRISIL Infrastructure Advisory team realised the need for a holistic investability index that captures the opportunities and risks across the infrastructure sector.

Given the context, the team launched CRISIL Infracore, a first-of-its-kind index that tracks, measures and evaluates the investment attractiveness, development and maturity of infrastructure sectors. It is built on four thematic pillars – policy direction, institutional strength and regulatory maturity, financial sustainability, and implementation ease.

Outcome

- ▶ An **industry benchmark** that provides relative investment attractiveness of the various infrastructure sectors and which can guide policy and reforms, and direct requisite government support to high-impact initiatives that will help improve the foundations of Indian infrastructure
- ▶ Can be **utilised by policy makers, government institutions, investors and other infrastructure sector stakeholders** to enable sustained and durable economic growth

Unleashing **#Innovation**



Corporate Social Responsibility

Corporate Social Responsibility

1 Mein Pragati

Mein Pragati is CRISIL Foundation's flagship project, empowering socially and economically disadvantaged sections of society by strengthening their financial capabilities. The programme strives to help participants make informed financial choices, and develop a greater sense of control over their finances.

Mein Pragati is delivered at the doorstep of participants by 'CRISIL Mitras' through periodic interventions and handholding over six months.

Launched in Assam in 2015 to empower 1,00,000 rural women in six districts (Barpeta, Darrang, Goalpara, Kamrup, Morigoan and Nalbari), CRISIL Foundation works with Rashtriya Gramin Vikas Nidhi as the project implementation partner in these districts.

To expand the project's geographical footprint, Mein Pragati was launched in Rajasthan in May 2016. The programme is being implemented in three districts in the eastern region – Alwar, Dausa and Sikar in association with Humana People to People India, as the implementation partner.

Mein Pragati - Assam

Independent Endline Impact Assessment

The first phase of Mein Pragati (2015 to 2017) culminated in December 2017, with outreach to over 1,03,000 women. As per the independent end-line impact assessment by KPMG's Social Sector Practice:

- 100% participants frequent banks to meet their financial needs, after attending Mein Pragati interventions, with majority being aware about social security schemes and access points
- 40% increase in the role of participants in making decisions for their households
- 28% rise in women's participation in livelihood-related activities
- 59% women confidently and independently visit banks
- 92.6% participants find budget card effective for household finance management as well as for expense prioritisation and reduction



▲ Members of a self-help group who participated in the Mein Pragati program in Assam

Programme achievements

Outreach

Women participants



45,121 (2017)



1,03,847 (2015-17)

Self-help groups



4,444 (2017)



10,277 (2015-17)

Linkages

Savings (bank and post office accounts)



38,487 (2017)



86,300 (2015-17)

Insurance



20,656 (2017)



38,550 (2015-17)

Credit



26,447 (2017)



49,790 (2015-17)

Sustainability and scale

Mein Pragati is poised to deepen its involvement in existing project areas, through Phase II (2018 to 2020).

Develop a village-based community cadre (Sakhis), trained to provide handholding and counselling support to community members to strengthen their financial capabilities.

- Improve usage of financial products and services achieved through linkages in Phase I.
- Reinforce good financial behaviour and sustain good financial decision-making habits at the individual and household level.

- Expand scope to cater to women not organised into self-help groups, men and family units/households.
- Leverage institutional infrastructure (SHGs, Gram Panchayats, state rural livelihood missions, NABARD and RBI) to sustain the enabling environment created.



▲ Participants share experiences and reflect on their financial habits in the advanced module



▲ Picture cards are used during Mein Pragati workshops to help participants understand financial planning concepts

Over the next two years, 500 Sakhis from Assam, trained to provide periodic/need-based handholding, will reach out to 4,00,000 villagers.

The Sakhis will connect with beneficiaries of Phase I to increase participation in financial decision-making of the household. Similarly, Sakhis will strengthen self-help groups (SHGs) through handholding support such that savings in SHG bank accounts increase, and the groups begin engaging in gainful livelihood activities. Additionally, the Sakhis, will engage with SHGs and community-based organisations to ensure participation in village organisations and in block level federations.

CRISIL Foundation has partnered with HaqDarshak, a social enterprise, to develop a comprehensive database of government schemes available for citizens in Assam. CRISIL Sakhis will be trained to create awareness about relevant government schemes and help promote uptake and usage of such schemes through a web and mobile-based platform.

Corporate Social Responsibility

Mein Pragati – Rajasthan

CRISIL has replicated its efforts in Assam by contextualising Mein Pragati to financially empower rural women in Alwar, Dausa and Sikar in eastern Rajasthan. Steps are being taken to develop a trained community cadre in the state.



Scan to hear from the Alwar SHG participants

Programme achievements

Outreach

Women participants



31,070 (2017)



49,172 (2016-17)

Self-help groups



2,803 (2017)



4,561 (2016-17)

Linkages

Savings (bank and post office accounts)



26,715 (2017)



35,473 (2016-17)

Pradhan Mantri Jan-Dhan Yojana & Pradhan Mantri Suraksha Bima Yojana



21,397 (2017)



29,801 (2016-17)

Health insurance (including Bhamashah)



25,723 (2017)



34,274 (2016-17)



▲ Sakhis being trained in Alwar, Rajasthan



▲ Women from an SHG in Rajasthan participate in a discussion on goal-based financial planning

2 Moneywise Centres of Financial Literacy

CRISIL Foundation is one of the six non-profit organisations, and the only corporate CSR arm empanelled by the Reserve Bank of India to implement a pilot project. This requires non-profits, with the support of sponsor banks, to set up the centres in 80 blocks across nine states.

The foundation has set up and is managing 20 centres until 2020, including five in Gurugram and Mewat (Haryana) in association with Syndicate Bank; five in Panipat and Karnal (Haryana) with Punjab National Bank; five in Washim (Maharashtra) with State Bank of India; and five in Ratnagiri (Maharashtra) with Bank of India.

Based on the hub-and-spoke approach, the centres are designed to strengthen the financial capabilities of socially and economically disadvantaged communities within designated intervention blocks. The centres will function as a HUB for training and learning. Subsequently, trained human resources will drive outreach in the respective communities as SPOKES. Community members will also avail of financial counselling services at the centres, on a walk-in basis. A combination of educational videos, experiential learning and financial planning tools are being used to drive home key messages and benefits of using formal financial services. The foundation and its sponsor banks will reach out to 6,25,628 households in 2,233 villages over the next three years.



▲ Sudip Sural, Senior Director, CRISIL, addressing the gathering during the inauguration of CRISIL's Moneywise Centres for Financial Literacy in Israna, Haryana

The foundation and its sponsor banks will reach out to 6,25,628 households in 2,233 villages over the next 3 years.



Outreach

Villages

Haryana & Maharashtra



582

Training sessions

Haryana & Maharashtra



3,889

People covered

Haryana & Maharashtra



44,068

Corporate Social Responsibility

3 New mediums and geographies for optimal outreach and impact

a. Community radio in Haryana, Maharashtra, Uttarakhand

CRISIL Foundation's radio-based financial literacy campaign through community radio station, Mandakini ki Awaaz (90.8FM), has reached 3,00,000 villagers in Rudraprayag, Uttarakhand. The campaign, a collaboration between CRISIL Foundation, IFMR Trust and People's Power Collective, has broadcast messages about goal-based financial planning over 242 hours of airtime in 12 months.

CRISIL Foundation is now collaborating with Radio Mewat (Haryana), and Radio Vatsagulm (Washim, Maharashtra) to reach 7,50,000 rural and urban individuals.

Through the (radio) programme, people in the valley have begun opening bank accounts and saving money, exults Narendra Singh (52), a villager.

”



▲ A radio jockey from Radio Mewat interviews a villager as a part of broadcast for a community radio station in Haryana

b. Outreach to rural women in newer geographies

Madhya Pradesh and southern Rajasthan

CRISIL Foundation has partnered with ITC Ltd since 2016, with the goal of building the financial capabilities of rural women and SHGs.

The foundation, as the technical resource partner, has customised the Mein Pragati training module for rural women in Madhya Pradesh and Rajasthan, under the ambit of ITC's Women's Empowerment Programme for sustainable livelihoods.

Based on the pilot in fiscal 2017, ITC and CRISIL are now preparing to scale up the initiative in association with the respective state rural livelihood missions. To this effect, we have signed a Memorandum of Understanding (MoU) with Madhya Pradesh State Rural Livelihoods Mission to reach 1.7 million women across the state. A similar scale up is being proposed with Rajasthan Gramin Ajeevika Vikas Parishad, in Rajasthan.

Maharashtra

CRISIL Foundation has signed an MoU for a collaboration with Mahila Aarthik Vikas Mahamandal (MAVIM) to develop an eco-system that leverages existing resources and platforms to sustain the impact of financial capability-building efforts and access to financial services.

MAVIM will extend CRISIL's Mein Pragati model for financial capability-building to SHGs and federations.

The intervention will be rolled out as a pilot in Ratnagiri and Washim (Maharashtra). The outcomes of the pilot will determine the course of expansion across MAVIM's stronghold of 34 districts in Maharashtra, to reach 1.1 million rural women.

4 CRISIL RE

CRISIL RE, is the flagship community outreach programme in cities — Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai and Pune.

The programme leverages CRISIL's vibrant workforce as agents of change for environment conservation, as well as outreach to disadvantaged communities through inclusive education and financial literacy.

CRISIL RE caters to diverse target groups that are excluded in some way, from scavengers and domestic helpers to small shopkeepers and entire households, as well as traffic personnel, farmers, and those differently-abled, across multiple cities.

a. Environment conservation and outreach to disadvantaged urban communities

CRISIL RE continues to extensively invest in environment conservation through tree plantation and maintenance drives. To this effect, grants to partner NGOs cover costs for pre-plantation, plantation and post-plantation activities.

Impact

The Foundation follows a programmatic approach for maintenance and upkeep of all plantation sites since inception in 2015, maintaining every plantation site for three years. Maintenance activities typically include setting up irrigation lines to enable water supply for maintenance, constant watering of all saplings planted, digging soil for mulching to lock in moisture, replanting dead saplings (if any), as well as cutting grass and digging trenches to prevent forest fires.

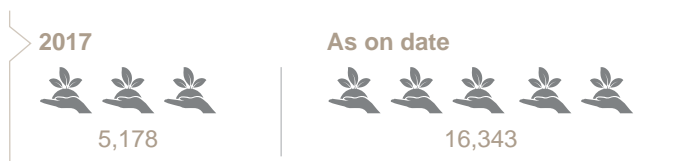


▲ CRISIL RE volunteers during a plantation drive in Maharashtra



▲ Volunteers make their way to the plantation site at Rabale, Navi Mumbai

Trees planted



Trees maintained



Corporate Social Responsibility

b. Change The Scene: A social impact incubator

In 2016, CRISIL RE launched a social impact incubator, 'Change The Scene' with the objective of designing solutions to resolve challenges in communities. The campaign entails a rigorous selection of projects conceptualised by employees in partnership with local NGOs catering to specific needs and issues, with defined community outreach and impact goals.

The 2017 edition of the programme saw 21 projects, across 8 cities focussing on women's empowerment, environment conservation, education and integrated rural development selected for funding and implementation.

Key projects in environment conservation

- **Project Maati** reached over 5,000 farmers through awareness campaigns to test soil in small farmlands; 60 farmers are actively using customised soil health cards (with recommendations for soil management) for organic cultivation.
- **Plastic awareness** for environment and society reached out to 10 residential societies, one school, two corporate offices, and one village driving good practices for disposal of plastic waste.

Key projects in financial literacy

- **Cashless Mandi** sensitised small street vendors and shopkeepers about cashless transactions in the wake of demonetisation, with most vendors approached installing BHIM and Paytm.
- **Pehla Padhaav** raised financial awareness among domestic staff, auto and taxi drivers, security guards, delivery boys, and corporate support staff. Of over 600 domestic helpers, more than 120 opened bank accounts and signed up for Jan Dhan insurance schemes.

Key projects in inclusive education

- **Cycle Library** was launched to increase attendance at a rural primary school by overcoming accessibility issues. About 45 bicycles were donated to set up a cycle library for students from Rajguru Vidhyalaya in Shahapur Taluka (Maharashtra).
- **Tech-nabbling the differently-abled** created digital libraries (of audiobooks) for visually impaired and dyslexic individuals. The project has recorded over 70 audiobooks through the first studio set up in 2016 in Bengaluru, also setting up an additional studio and scaling up to Mumbai in 2017.



▲ Team Project Maati: Winners of 'Change The Scene 2017'

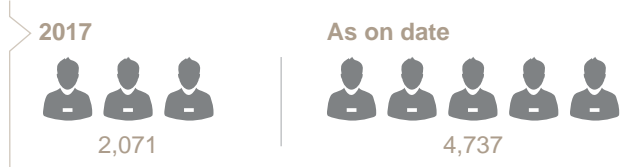


▲ A volunteer records an audio book in Chennai for the benefit of the differently-abled

Additionally, CRISIL RE concentrates on creating an enabling environment for disadvantaged students through Mentoring Matters, a programme to meet the need for positive role models in communities. It was launched as a campaign to meet the need for positive role models, with employees mentoring under-privileged students during an academic year. More than 40 mentors have been carefully selected across CRISIL offices with the aim of enabling the mentees to enhance self-esteem, develop critical thinking abilities, improve job-preparedness and others.

Volunteers involved

CRISIL employees



Family and friends



▲ CRISIL RE volunteer Sameer Bhatia enjoys a lighter moment during the mentoring session



▲ Students of Rajguru Vidyalaya in Shahapur, Maharashtra, with their new bicycles at the launch of the cycle library

Recognition

CRISIL Foundation was felicitated as a finalist in the category: 'Leader In Employee Volunteering' at the iVolunteer awards in October 2017

Deane DeMenezes, a CRISIL RE volunteer and Change The Scene participant in 'Red is the New Green' (menstrual hygiene) project which won 'The Queen's Young Leader Award 18', and 'The Start-up Challenge' on Radio Mirchi, was invited to be a panelist at the Swachh Bharat Symposium in Bihar.



▲ Deane DeMenezes (right), a CRISIL RE volunteer, won many accolades for her project 'Red is the New Green'

CRISIL @30

Celebrating our Past & Ready for the Future

2017 provided a unique opportunity to celebrate the rich organisational legacy. And also effectively position the strategic shift in CRISIL's journey, being the launch year for a robust analytics portfolio of offerings for clients globally. Here is a snapshot of the initiatives round the year.



CRISIL organised **celebratory client forums** in Mumbai and in London, to share the future priorities of the organisation while acknowledging the contributions of issuers, investors and other influencers in CRISIL's 30-year journey.

◀ (Left to right) Douglas Peterson, President and CEO, S&P Global, Chanda Kochhar, Managing Director & CEO, ICICI Bank, and Ashu Suyash, Managing Director & CEO, CRISIL Ltd, at the celebratory dinner in Mumbai



The anniversary year also saw the **strengthening of CRISIL's analytics portfolio with the launch of new solutions**, leveraging the power of new-age technology to provide differentiated insights to our clients. These included SMART (financial research platform powered by cognitive automation), Quantix (integrated web platform that offers unmatched cross segmental data and analytics), smefirst (new delivery platform for MSME), among others.

▲ Team CRISIL GR&A at the SMART product launch in New York



Scan to watch a video on CRISIL's 30-year journey

Employees across CRISIL offices in India and globally joined in the anniversary celebrations, marked by highly engaging panel discussions with CRISIL Board members on **'Enabling Change. Enduring Leadership'** and **'Realising the CRISIL Potential'**.



▲ Douglas Peterson, President and CEO, S&P Global, and CRISIL board members engage in a discussion on how innovations can drive enduring leadership

Experience Zones across CRISIL offices in India, UK, US, China, Argentina and Poland provided employees an opportunity to explore the new innovations and solutions launched during the year. Quantix, SMART, crisil.com (new digital address for the organisation) and others were showcased at these zones.



◀ Experience Kiosks were set up across all CRISIL locations to showcase new innovation like SMART and Quantix



CRISIL launched its anniversary year with a special conclave for the employees on **'Thinking outside the box'** by corporate advisor, inspirational speaker and author, R Gopalakrishnan.

◀ R Gopalakrishnan, former Vice-Chairman, Hindustan Unilever, and former Director, Tata Sons, shares his views

With the aim to spread awareness about the strategic shifts towards being agile and innovative, global analytics company, CRISIL rolled out multiple employee engagement initiatives throughout the year. Rubik cube challenge (fastest solvers of one of the world's most popular puzzle), **#MyCRISILMoment** (story competition about experiencing the new CRISIL characteristics) and **#RECOGNICE** (a unique peer recognition platform) were some of the key programmes.



▲ Over 3,000 employees joined in the peer-to-peer recognition initiative

innovative
approach



independent
opinion

Client need

A large Indian bank needed credible and independent opinion on the sustainability of resolution plans for its stressed assets. The exercise involved independent and in-depth assessment of the various resolution plans proposed by the bidders.

Solution

CRISIL Ratings set up a specialist team comprising of criteria and sector experts for this first-of-its-kind assignment. By leveraging their deep institutional knowledge, understanding of stressed assets, and ability to conceptualise new products, the team formulated an innovative framework to assess the sustainability of the proposals. It projected long-term financial performance based on the proposals and business outlook, and effectively stress-tested the proposals on pricing and profitability.

And all this within an extremely tight deadline.

Outcome

- ▶ Provided **timely and in-depth assessment** of proposals that helped the bank differentiate between the diverse proposals, and choose the most optimal one.
- ▶ Successfully **commercialised the first product in the stressed assets** segment to support timely resolution of non-performing assets or NPAs.

#Agile to market needs



Statutory Reports

Directors' Report

Dear Member,

The Directors are pleased to present to you the 31st Annual Report of CRISIL Limited, along with the audited financial statements, for the year ended December 31, 2017. The year marked the completion of three decades of CRISIL. It is a matter of pride to have been at the forefront of India's financial services sector since executing India's first corporate sector rating in 1988. Today, CRISIL has ratings on more than 25,000 large and mid-scale corporates and financial institutions in India and serves more than 90% of India's banking industry by asset base through research services. Our Global Risk & Analytics business is a leading provider of research and analytics with deep domain expertise in Financial Research and Risk & Analytics and covers over 3,300 stocks and 3,400 credits globally. We provide research support to more than 75 global banks and 50 buy-side firms. Our Coalition business provides business intelligence and high end analytics to more than 20 corporate and investment banks, including the top 15 globally. We have a well diversified research team operating from offices across US, UK, Argentina, China, Poland and India.

2017 was a year to reflect and introspect on our achievements, our capabilities, and a milestone that marks our growth and evolution as an agile and innovative global analytics company. This Report provides you insights on our enhanced market relevance, global market footprint, new services, our collaborations, our focus on innovation and technology and overall excellence across our operations.

Financial performance

A summary of the Company's financial performance in 2017:

(Rs. in crore)

Particulars	Consolidated		Standalone	
	2017	2016	2017	2016
Total income for the year was	1,683.84	1,597.18	1,213.32	1,173.93
Profit before interest, depreciation, exceptional items and taxes was	480.66	493.00	374.98	396.85
Finance cost	0.41	-	0.41	-
Deducting depreciation of	46.64	54.52	28.52	28.51
Profit before tax was	433.61	438.48	346.05	368.34
Deducting taxes of	129.18	144.15	108.79	128.05
Profit after tax was	304.43	294.33	237.26	240.29
Other comprehensive income	(77.42)	(24.71)	(85.17)	11.36
Total comprehensive income	227.01	269.62	152.09	251.65
Appropriations are:				
Final Dividend	64.20*	71.21**	64.20*	71.21**
Interim Dividend	128.81	128.34	128.81	128.34
Corporate dividend tax	37.74	40.63	37.74	40.63
Special Economic Zone reinvestment reserve	3.00	-	3.00	-
General reserve	-	20.45	-	20.45

*Final dividend for the year 2016 Rs. 9 per equity share of Re 1 each.

**Final dividend for the year 2015 Rs. 10 per equity share of Re 1 each.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The financial statements up to and for the year ended December 31, 2016, were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act ('Previous GAAP'). The 2017 financial statements are the first financial statements of the Company under Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the previous presentation of financial statements of share holders total equity

as at December 31, 2016, and January 1, 2016, and of the total comprehensive income for the year ended December 31, 2016, of the Company as a part of financial statements under Previous GAAP to Ind AS. There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the Annual Accounts. Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses consolidated and standalone financial results on a quarterly basis which are subjected to

limited review and publishes consolidated and standalone audited financial results on an annual basis.

a) Consolidated operations

Revenue from the consolidated operations of the Company for the year was Rs. 1,683.84 crore, 5% higher than Rs. 1,597.18 crore in the previous year. Overall operational expenses for the year were Rs. 1,250.23 crore, against Rs. 1,158.70 crore in the previous year. EBITDA for the year was Rs. 455.28 crore, against Rs. 443.33 crore, in the previous year. Profit after tax for the year was Rs. 304.43 crore, against Rs. 294.33 crore in the previous year.

b) Standalone operations

Revenue from the standalone operations of the Company for the year was Rs. 1,213.32 crore, 3% higher than Rs. 1,173.93 crore in the previous year. Overall operational expenses for the year were Rs. 867.27 crore, against Rs. 805.59 crore in the previous year. Profit after tax for the year was Rs. 237.26 crore, against Rs. 240.29 crore in the previous year.

A detailed analysis on the Company's performance, both consolidated and standalone, is included in the Management's Discussion and Analysis Report, which forms part of this Annual Report.

Dividend

The Directors recommend for approval of the members at the Annual General Meeting to be held on April 17, 2018, payment of Final Dividend of Rs. 10 per equity share of face value of Re. 1 each for the year under review. During the year, the Company paid three interim dividends, each of Rs. 6 per equity share of face value of Re. 1 each. The total dividend for the year shall be Rs. 28 per share on a face value of Re. 1 per share in 2017 as against a total dividend of Rs. 27 per share on a face value of Re. 1 per share in the previous year.

Increase in Issued, Subscribed and Paid-Up Equity Share Capital

During the year, the Company issued and allotted 3,69,570 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Schemes of the Company. At the end of the year, the issued, subscribed and paid-up capital of the Company was 7,17,04,928 equity shares of Re. 1 each.

The movement of share capital during the year was thus, as under:

Particulars	No. of shares allotted / (extinguished)	Cumulative outstanding capital (No. of shares of Face Value Re. 1 each)
Capital at the beginning of the year i.e. as on January 1, 2017	-	7,13,35,358
Allotment of shares to employees on April 20, 2017 pursuant to exercise of options granted under the Employee Stock Option Scheme, 2011, and the Employee Stock Option Scheme, 2012	21,750	7,13,57,108
Allotment of shares to employees on July 18, 2017 pursuant to exercise of options granted under the Employee Stock Option Scheme, 2012, and the Employee Stock Option Scheme, 2014	2,70,417	7,16,27,525
Allotment of shares to employees on October 17, 2017 pursuant to exercise of options granted under the Employee Stock Option Scheme, 2012, and the Employee Stock Option Scheme, 2014	77,403	7,17,04,928
Capital at the end of the year i.e. as on December 31, 2017	-	7,17,04,928

Segment-wise results

The Company has identified three business segments, in line with the Indian Accounting Standard on Operating Segment (Ind AS-108), which comprise: (i) Ratings, (ii) Research, and (iii) Advisory. The audited financial results of these segments are provided as a part of financial statements.

Directors' Report

Review of Operations

A. Ratings

Highlights

- Announced 2,982 new Bank Loan Ratings (BLRs) during the year, taking the total BLRs outstanding past 12,000
- Launched India's first expected loss, or EL, rating scale for infrastructure projects and was the first to assign rating to a hybrid annuity model-based road project
- On-boarded large corporate entities into the portfolio and added several new marquee clients
- Cemented premier position in corporate bonds with year-on-year jump in market share
- Conducted 15,000 assessments in the MSME sector
- Conducted a series of high-profile franchise activities, which were covered extensively in media and were well-appreciated by stakeholders
- Enhanced engagement with S&P Global Ratings in surveillance and risk and regulatory support through Global Analytical Center

Business environment

India's business environment for the credit rating business overall was positive in 2017 vis-à-vis 2016, mainly due to improving credit quality of corporate India, higher share of capital market borrowings due to falling interest rates and continued growth of the retail financing industry. However, the industry was impacted by weak investment climate, elevated level of non-performing assets in the banking sector, the implementation of the Goods and Services Tax (GST), and the transient effect of demonetisation.

The capital market saw increased refinancing activity by non-banks and corporates. The corporate bond market witnessed ~14% volume growth year-on-year, most of it in the first two quarters. There were fewer issuances in the last two quarters. The dual rating requirement mandated by the Reserve Bank of India for companies issuing Rs. 1,000 crore or more of commercial paper kept activity buoyant in the third quarter.

Business environment picked up in the first and second quarters, given the waning effect of demonetisation, reduced borrowing costs, and expectation of a near-normal monsoon. However, private investment and wholesale credit offtake remained sluggish. Despite softer interest rates, wholesale credit growth remained muted through the year due to impaired balance sheets of banks and excess capacity in the industry. This, and the implementation of GST, led to postponement of corporate borrowings in 2017, and consequently, the BLR business witnessed a marginal decline.

While pressure on pricing and the transitory impact of GST implementation are likely to persist, we anticipate an uptick in the BLR business in 2018 on the back of increase in private investment and the Rs. 2.11 lakh crore recapitalisation plan for public sector banks.

For CRISIL's SME Ratings business, 2017 was a year of transformation because of withdrawal of subsidy under the Performance and Credit Rating Scheme. Initially, the focus shifted to maximising revenue from non-subsidy products and increasing cost-efficiencies with improvement in productivity parameters, optimum utilisation of resources, and higher automation. Then, in a major boost to digitisation, the business initiated online sourcing of mandates through a digital platform, smefirst.com, which provides easy access to proprietary SME assessments and evaluations, and enables end-to-end digitisation of the customer acquisition process.

Considerable emphasis was also laid on aligning business with market requirements, which resulted in the development and launch of new products such as Enhanced Due-Diligence (EDD) and i-Check. CRISIL also signed a memorandum of understanding with the Small Industries Development Bank of India to launch CriSidEx, India's first sentiment index for MSEs.

In 2018, the focus would be on non-retail originations for new products such as CRISIL Credit Assessment Score (CCAS), EDD and i-Check. The smefirst.com platform is also expected to provide a fillip to revenue by enhancing reach across India, thereby providing MSMEs with all forms of credit assessments in an extremely convenient manner. Further, process automation will drive cost efficiencies.

The medium to long-term outlook for the MSME sector is positive given that it is a high-priority area for the government and it is also trying to facilitate greater flow of credit to the segment.

Operations

CRISIL Ratings maintained its market leadership in 2017, driven by strong performance in bond ratings and client acquisitions. There were 2,982 new BLRs and about 15,000 MSME assessments during the year. Ratings have been assigned on more than 25,000 large and mid-scale corporates to date, in addition to over 125,000 SME ratings and assessments.

We increased our bond market share by closing new deals with some marquee corporate groups and capitalising on our relationship with existing clients. We also on-boarded 150+

new large corporate clients, giving us newer avenues to grow our business.

In 2017, we were the first to assign an EL rating for infrastructure projects. The EL INFRA product witnessed modest interest as it is early days in terms of acceptance by both the market and regulators. CRISIL Ratings was the first to rate a credit-enhanced discom bond, and also rated India's first road project based on the hybrid annuity model. Moreover, drawing from our deep understanding of credit cycle, we developed criteria and methodology for independent credit evaluation (ICE) of the sustainable portion of debt in stressed assets for banks and other financial institutions. Overall, we received promising responses for these innovations from the market.

We maintained our multi-pronged approach to stakeholder management. To strengthen our engagement with the issuer and investor community, we extensively engaged with their senior management, delivered sectoral presentations and leveraged the digital channel to share our thought leadership reports and periodical publications on a regular basis.

We strengthened our market presence by regularly hosting web conferences on topical matters, getting covered by premier news channels and engaged with industry associations through panel discussions and speaking assignments, or as knowledge partners at conferences.

We also extensively engaged and worked with regulators to put forth our opinions on rating standards and governance policies for the credit rating industry.

CRISIL Ratings successfully hosted an Investor Discussion Forum (IDF) under its 'Fin Insights' umbrella on the non-banking finance company (NBFC) sector. The IDF, titled 'NBFCs: Fortunes on the Uptrend', saw us present our insights on the sector and its underlying asset-classes such as housing finance, vehicle finance and wholesale finance. We discussed the emerging trends and challenges, and shared our views on the sector's growth trajectory and future expectations. The conference drew several eminent NBFC industry leaders and received positive feedback on content and execution.

CRISIL Ratings also organised a joint conference with S&P Global and CRISIL Research for the investor community – key personnel of mutual funds, insurance and wealth management institutions – wherein we discussed opinions on the global economy and the Indian banking sector. Furthermore, CRISIL Ratings partnered with S&P Global Ratings on joint meetings and pitches to clients. Additionally, jointly hosted the CRISIL-S&P Global Ratings annual seminar.

Other noteworthy franchise activities in 2017 included webinars on banking, renewable energy, roads sector and press releases on stressed assets, NPA resolution, municipal bonds and retailing.

We hosted the 'Ratings Regional Conclave', to deepen our engagement with both prospective and existing clients in Tier-II geographies, providing us a platform to present our views on relevant industry trends and have close discussions with the clients.

CRISIL Global Analytical Center (GAC) partnered with S&P Global Ratings on key criteria implementation and optimisation initiatives in the domains of data, public finance and EMEA structured finance, provided support to Platts, and launched new analytics products.

With the evolving global regulatory requirements, GAC continued its focus on strengthening its internal controls framework in collaboration with S&P Global Ratings' control functions. GAC's culture of continuous improvement has created ongoing efficiency gains for S&P Global Ratings through lean management tools, work standardisation and process re-engineering. This results in more consistent support levels across diverse geographies and asset classes.

B. Research

B.1. Global Research & Analytics (GR&A)

Highlights

- Financial Research business added new logos on both sell-side and buy-side, while the focus on automation and technology remained key
- Launched our unique research automation platform, SMART

Driven by strong performance in bond ratings and new client acquisitions, CRISIL Ratings maintained its market leadership in 2017



Directors' Report

- Risk & Analytics reported strong business growth with diversification in existing accounts, acquisition of several key strategic clients, augmentation of portfolio of client offerings, and an encouraging market response for our services, designed to help clients satisfy various regulatory directives.
- Data Analytics segment witnessed growth, continuing to add new clients (including one of the biggest buy-side names in the market) and delivering analytical and innovative products and solutions to customers.

Business environment

Regulatory developments across the globe were a major driver for the banking industry in 2017. In response to persistent cost pressures and squeezed margins, banks are closely monitoring and transforming their front, middle, and back-office operations in order to realise cost-efficiencies and differentiate their services. The upcoming implementation of the Markets in Financial Instruments Directive II (MiFID II) regulations is expected to impact sell-side securities research. However, it also presents new opportunities in the buy-side space as traditional active AMs are reviewing their investment and research cost models due to tight market conditions, downward trend of research charges, and increasing cost of regulatory compliance. Global Model Risk Management guidelines have started to converge, with the US supervisors' SR 11-7 guidelines serving as the benchmark. 2017 also witnessed continued regulatory scrutiny of banking institutions and fines for non-compliance with regulatory mandates, further exacerbating cost pressures.

Market appetite for GR&A's stress testing, model validation, regulatory change management, and financial crime and compliance (FCC) analytics continues to be strong. Further, SPARC a subscription service platform for Credit Risk Assessments found widespread acceptance with a number of large and mid-size banks. In addition, the industry is increasingly adopting advanced automation and analytics solutions such as machine learning (ML), artificial intelligence (AI) and big data, and streamlining data analysis practice.

Within the Data Analytics space, there is growing demand for technologically entrenched solutions involving big data analytics, higher order automation, natural language generation, and application of machine learning as businesses look towards making processes more efficient and differentiated from traditional data mining.

Operations

In the Financial Research business, we managed to make inroads in regional and mid-tier bank segments in the US and the UK despite challenging business environment and

uncertainties surrounding MiFID II implementation. Buy-side continues to be a growth vertical – we have added multiple new logos in this segment (including one of the biggest asset managers in the world), and have significantly increased our market outreach in various geographies.

The Risk & Analytics business has started to reap meaningful returns from investments made in previous years. 2017 was a year of substantial growth for our FCC analytics and change management offerings, specifically for FRTB and risk data aggregation guidelines. We have witnessed growth in existing clients, as well as rapid ramp-up of services provided to three new clients added during the year. We continue to focus on knowledge management and process optimisation through various initiatives that have started to produce incisive outputs, allowing us to make our business processes more efficient and streamlined.

Our pursuit of an agenda focused on turning services into products continued in 2017, with a focus on modular solutions in FCC, developing tools and utilities pertaining to key regulations, and much progress in our work on the concept of a shared utility to provide data, risk models and analytics to the banking industry. Our data analytics products and offerings are continuously evolving to meet the rapidly changing market needs.

In addition, we launched our research automation platform, SMART (Simple Modular Analytics Research Toolkit) in New York this year. A proprietary platform that fully automates financial research tasks, SMART has gained a lot of interest in the market. We have also managed to complete several successful pilots and demos to our existing and prospective clients.

We continue to invest extensively in human capital, recognising this as a key driver of our success, by grooming talent through a series of comprehensive, in-house training programmes, which are routinely reassessed to ensure continued relevance,

CRISIL GR&A leveraged the power of cognitive automation to launch a unique financial research platform called SMART



given the rapidly evolving market landscape and changing client needs. We have continued to develop our franchise by participating in and sponsoring industry conferences, roundtable meetings of senior client stakeholders, hosting web-conferences, and publishing topical thought leadership research pieces across the spectrum of our strategic focus areas.

B.2. CRISIL Coalition

Highlights

- Added 7 clients, including a few regional players
- Enhanced existing analytics, resulting in more complete relationships per client
- Increased revenues from four out of five clients
- Commercialised and scaled up services in transaction banking, and introduced new analytics for treasury and lending
- Coalition was referred to in 450+ articles across 90+ global publications and its analytics were referenced in 20+ investor relations presentations across 15 leading banks

Business environment

CRISIL Coalition generates a majority of its business from the Corporate and Investment Banking (CIB) industry. For the CIB industry, 2017 was sombre and the outlook for 2018 is flat. The Coalition Index that tracks performance of the top 12 global investment banks continued with its trend of decline in revenues in FY2017, posting the lowest level since 2008. The decline was driven by poor performance in FICC, which was partially offset by improvement in IBD. The second half of 2017 was particularly weak across most FICC and equity products. Operating margin of these banks also deteriorated after two years of improvement. Consequently, return on equity declined 90 bps.

Most of global banks expect a similar environment to continue at least up to the second half of 2018 with no reduction in volatility. As result, we expect relatively flat to negative performance in the global markets. This would be partially compensated by moderate growth in banking. We also expect competition to intensify as European banks have completed their restructuring and became aggressive in 2017.

Operations

In the backdrop of a tight environment, CRISIL Coalition embarked on several initiatives to enhance its market relevance and connect with clients. These included reaching out to prospective clients, including regional players. In 2017, we added 7 more clients to our impressive list of global investment banks. We also enhanced our analytics portfolio to provide a comprehensive set to clients. We commercialised our services in transaction banking during the year and launched

new analytics for treasury and lending. These services have received good traction with clients and are expected to contribute to growth in 2018.

CRISIL Coalition also extended its outreach to senior levels at banks and established deeper connects with heads of corporate and investment banks. More than 90+ publications globally carried CRISIL Coalition's views and quoted it during the year. CRISIL Coalition was also referenced by 15 leading banks in 20+ investor relations presentations. We cleared a number of high-intensity client audits and underwent Phase 1 of the SSAE 18 Attestation, thereby confirming our high standards of controls. During the year, the business provided meaningful rotation opportunities to a number of employees, both within India and globally.

B.3. India Research

Highlights

- Maintained our dominant and premium position in the flagship Industry Research business with coverage across 90+ sectors
- Successfully launched our new product Quantix, a cross-segment analytics tool to drive growth in the Research business.
- Entered the eLearning space with a bouquet of credit & risk management course modules
- Enhanced the Research delivery platform (Cutting Edge V2) a faster and more user friendly experience
- Launched the ULIP rankings which marks our potential to become industry benchmark in the insurance space
- Witnessed healthy revenue growth in the Customised Research business on the back of significant traction in the Automobiles, BFSI and Logistics sectors
- Largest provider of valuation of fixed-income securities to the Mutual Funds, insurance and banking industries, valuing over USD 1,573 billion of Indian debt securities.

CRISIL Coalition strengthened its portfolio with new analytics offerings for treasury & lending



Directors' Report

Business environment

While pressure on profitability of banks has impacted their research spends, it has also created new opportunities for research in stressed asset segment. Further, NBFC segment is witnessing entry of many new players and robust business growth creating need for research. Apart from ongoing coverage on 90+ sectors, we launched many special reports in areas such as agriculture, NBFCs, SMEs, and eight new reports focusing on niche sectors such as animal feeds, home electrical, mobile handsets, and paints.

The market witnessed an increasing demand for more dynamic, granular data / tools beyond traditional qualitative research. There is also a growing focus on investible indices and technology enabled solutions. In order to cater to such demands, in mid-2017, we successfully launched our new product Quantix - integrated data platform for Indian market. The product, positioned as a unique offering of data, tools and analytics, is being released in a modular fashion and has received positive response from the market.

Buoyant Initial Public Offering (IPO) market contributed significantly to the growth of the customised research. We were the agency of choice for Investment Banks and issuers in the IPO market for providing research content in the industry section of Draft Red Herring Prospectus (DRHP) in 2017.

Operations

CRISIL Research works with nearly 1000 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation, and nearly all Indian mutual fund and life insurance companies

Addressing our increasing client needs, we have set up Analytical Quality Boards and Alpha labs, a special team created to drive innovation and new projects in the research business. They provide differentiated ahead of the curve analysis and frequent timely updates. These initiatives have been undertaken to funnel new product launches & improve existing offerings.

For the second consecutive year, the Customised Research witnessed healthy revenue growth on the back of significant traction in the core sectors - Automobiles, BFSI and Logistics sectors. We also forayed in the competitive benchmarking space and worked with some of the key clients in the industry.

In the fixed income part of our Funds & Fixed Income (F&FI) business, we consolidated our strong position in the valuation space further by winning mandates from general insurers and corporates. We are the largest provider of fixed-income indices

in India and have consolidated our position by launching 11 new indices (2 in India and 9 in Sri Lanka) during the year.

In the mutual fund part of our F&FI business, we enhanced our presence with corporate treasuries and exempted provident fund trusts, helping them in portfolio performance review and risk monitoring. We have been mandated by Employees State Insurance Corporation to help in selection of fund managers, custodian and external concurrent auditor for its investment corpus.

The Executive Training business saw remarkable growth in open programmes with the introduction of specialised sector-focused trainings. In addition, the launch of eLearning courses will enable a much larger user base to benefit from CRISIL's expertise in credit and risk management

The CRISIL Centre for Economic Research (C-CER) and the CRISIL Research businesses continued to focus on franchise and thought leadership activities by conducting distinctive research on contemporary issues. We published several landmark reports during the year, covering a wide spectrum of areas such third-year performance of the Modi government, India's trade competitiveness, inflation growth trade off, volatility in pulses prices and farmers distress, impact of rains on the economy and performance of states. CCER participated in over 18 leading industry conferences and panel discussions, and hosted 4 events/webinars on a variety of topics.

We also released articles, press releases and reports on a wide range of sectors such as telecom, housing, wind power, cab aggregators, and impact assessment of the National Steel Policy and GST implementation on SME sectors. CRISIL Research was the knowledge partner for a series of events carried out by ASSOCHAM (The Associated Chambers of Commerce and Industry of India) and the Renewable Energy

CRISIL Research launched 11 new fixed-income indices for India and Sri Lanka, consolidating our premier position in the market



Investment and Finance Forum (REIFF) 2017. CRISIL Research also organised a web conferences on the Launch of New NDBIB CRISIL Indices in the Sri Lankan Debt market, steel sector and trends, and MSME lending.

C. Advisory

C.1. CRISIL Infrastructure Advisory

Highlights

- Deepened our presence in Urban Infrastructure/ Smart Cities segment with large multi-year program management mandates
- Highest ever new business booked during the year; strong orderbook
- Hosted the first 'CRISIL India Infrastructure Conclave', which launched the inaugural edition of CRISIL India Infrastructure Yearbook and 'CRISIL InfraInvex' – the country's first investability index.

Business environment

Infrastructure sector remains one of the top-most priorities for the country, and it was heartening to see the government of India giving it the right impetus by launching new programmes and schemes like Bharatmala, Sagarmala, UDAN and Saubhagya. The Smart City mission also picked up momentum with a total of 90+ cities being selected under the challenge mechanism till the end of the year. The roads sector showed appreciable progress with significant improvement in the risk profile of ongoing highway projects. The government of India continued to carry the burden, as private sector investments remain muted with the dual challenges of stressed balance sheet of developers and the banking sector hesitant to increase their exposure to the infrastructure sector.

Going forward, it is expected that the government will prioritise implementation of the ongoing programmes and schemes on ground. 'Competitive Co-operative federalism' has been promoted by the government which will empower state and cities to have bigger role in decision making. Although the government seems focused on resolving the stressed assets and bad loans issue, the return of private sector to the infrastructure sector still seems a few quarters away.

Operations

The business started the year on a good note, with a couple of large multi-year programme management mandates in flagship programs of the government – deepening our foray in this defined strategic pursuit area. The momentum continued throughout the year, and the business had a record year in terms of new business booked. This enabled the business to build up a strong order book to deliver in the coming months. Some key wins in the urban reforms and municipal finance area – mainly in the area of implementation support for smart

cities, and Value Capture Finance (VCF) potential assessment for 50 cities in India – helped the business in strengthening its leadership position in the area of urban infrastructure advisory. The business also pursued a strategic agenda of deeper relationships at the state government level, and was successful in making significant inroads in some of the target states like Maharashtra, Andhra Pradesh, Uttar Pradesh and West Bengal. The international business, although still muted, showed some improvement towards the later part of the year, with mandate wins in some of the target emerging markets like Indonesia, Tanzania and Namibia. The business reported a very robust growth in revenues and margins during this year.

An important strategic initiative this year was to increase franchise and thought leadership. The business successfully launched the inaugural edition of 'CRISIL India Infrastructure Yearbook' – a one-of-its-kind annual publication that provides deep insights into the key infrastructure sectors in India. The business also launched 'CRISIL InfraInvex' – the country's first investability index for the infrastructure. These were launched by Shri Amitabh Kant, CEO NITI Aayog, at a high-profile 'CRISIL India Infrastructure Conclave' in New Delhi in October. This conclave, hosted by the business, was attended by nearly 200 senior stakeholders, and received very good coverage in leading media. In addition, media visibility for the business had a sharp increase with several authored articles (including opinion page pieces) being published in leading business media.

C.2. CRISIL Risk Solutions

Highlights

- Continued momentum in risk advisory services, especially in non-banking space
- Expansion of footprint in South Asia, the Middle East and Africa
- Developed new offering on IFRS 9/ IndAS109, gaining good traction globally

CRISIL Infrastructure Advisory launched CRISIL InfraInvex, India's first investability index for the infrastructure sector



Directors' Report

Business environment

The business environment in India has been fairly stable over the last 12 months, with continued focus on easing stress in credit quality in the banking industry. Growth in lending has been principally contributed by NBFCs as banks continue to face stress, though going forward, the bank recapitalisation plan proposed by the government could give banks the edge.

Momentum in internal credit rating platform & internal rating models continues, with small banks and NBFCs focusing on their underwriting quality. In spite of increasing awareness for credit monitoring and asset quality, institutions are adopting a cautious approach towards implementing EWS (automated monitoring product).

CRISIL Risk Solutions' risk advisory service business has shown good momentum and continues to be an opportunity to show our deep domain expertise, especially in the credit domain and analytics. In the international market, we have seen good momentum for our new offering around Expected Credit Loss (ECL) computations catering to IFRS9 regulations. We expect traction to increase in markets including India for financial institutions, in view of the approaching deadline for compliance.

Operations

The business continued to focus on product initiatives and expanding risk advisory offerings for NBFCs. In the international market, growth was largely driven through internal credit rating platform. The year saw continued consolidation, with investments in products and efficiencies in implementation. The year witnessed significant improvement in customer satisfaction, with various customer-centric initiatives. The business took efforts to undertake outreach in the international market across South Asia, Middle East and Africa for developing a strong pipeline and increased collaboration with S&P Global. We organised webinars on Ind AS provisioning and its impact on the lending community, which was well received. In addition, thought leadership articles were published on IFRS 9.

CRISIL Risk Solutions expects to build on the current momentum on offerings, with increased analytical capabilities and by expanding its footprint in global markets in 2018.

D. Franchise collaboration with S&P Global

We deepened our engagement with S&P Global and its group companies through a variety of outreach initiatives across geographies.

We jointly hosted the annual flagship seminar India Credit Spotlight, on the theme 'Opportunities and risks in the face of reforms', in Mumbai, Hong Kong and Singapore. The seminar was very well appreciated by investors and issuers alike.

In London, we partnered with S&P Global to organise a buy-side conference on 'MiFID II and the Changes in Research Consumption Practices' and presented a research paper on Research Unbundling.

We also regularly participated in S&P Global webinars and shared our perspectives on a variety of topical themes.

Krishnan Sitaraman, Senior Director, Ratings, participated as a guest speaker in the webinar titled 'India Non-Bank Financial Companies – A sector whose time has arrived'. Additionally, Somasekhar Vemuri, Senior Director, Ratings, shared CRISIL views on the haircuts required for resolving non-performing assets in the banking sector during an S&P Ratings webinar on the Indian banking sector.

We hosted Economist Forums with S&P Global Asia-Pacific Chief Economist Paul Gruenwald on the rebalancing in China and its implications, and with S&P Global EMEA Chief Economist Jean-Michel Six on global trade barriers and Brexit. Additionally, CRISIL Ratings hosted a joint investor briefing with S&P Global to bolster our relationship with the investor community.

CRISIL's Chief Economist Dharmakirti Joshi participated in several forums organised by S&P Global.

He was a panellist at the Global Economic Outlook morning briefing in New York, moderated the leadership panel on 'Financial reforms, next generation investing and keeping up with global competition' at S&P BSE Indices' annual thought leadership seminar, and was a panellist in the S&P Dow Jones thought leadership seminar titled 'Eyes on Asia: A brave new world' in Hong Kong.

Additionally, CRISIL continued to provide outlook on the Indian economy, contributing an article, 'India to ride recent reforms

Increased outreach in south Asia, the Middle East and Africa to develop a strong pipeline of clients



to grow' for an S&P Global publication. S&P Global Platts organised the 13th Annual Steel Markets Asia Conference in Mumbai, where Rahul Prithiani, Director, CRISIL Research, delivered a presentation on the latest trends in steel end-user buying patterns.

E. Human Resources

The Human Resources team made good strides in 2017. At the end of its financial year, CRISIL's headcount was 3,904, including all wholly owned subsidiaries.

Highlights

We were able to benchmark CRISIL's employee engagement levels globally (through the adoption of VIBE - S&P Global's annual employee satisfaction survey), allowing us to share best practices. Adoption of technology enabled platform, has helped us engaged with employees. With a focus on improving employee benefits, a number of programmes were rolled out to be able to stay ahead of the market.

Our talent development programme was well implemented, with more than 300 employees undergoing diverse training modules. Leadership development, succession planning and other organisational development programmes progressed in line with CRISIL's long-term strategy, with specific development focused modules for the leadership team. Our job rotation programme got a relook this year to encourage more participation from employees and facilitate their career aspirations. We imparted 6,538 person-days of diverse training to employees during the year, complementing our focus on continued learning.

Directors

The members of the Board of Directors of the Company are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company, thus bringing in diversity to Board perspectives. The brief profiles of Directors forming part of this Annual Report gives an insight into the arenas where the Directors have qualification and experience, thus enhancing the diversity of the Board.

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as Annexure I to this Report. The Policy includes

the scope and terms of reference of the Nomination & Remuneration Committee and the roles, responsibilities, criteria and procedures towards key aspects of Board governance including the size and composition, criteria for Directorship, terms & removal, succession planning, evaluation framework and on-going training and education of Board members. The Policy lays down detailed guidelines for remuneration of the Board, Managing Director and employees, covering fixed and variable components and long term reward options, including employee stock option plans.

Directorship changes

Retirement and resignations

Mr. Douglas L. Peterson, Chairman, resigned from the Company with effect from October 17, 2017, owing to his other commitments in his role as Chief Executive Officer of S&P Global Inc. Your Directors place on record their sincere appreciation for Mr Peterson's encouraging stewardship, constructive inputs and continuous guidance to the Company and the Board, that helped set the strategy of the Company and chart its roadmap for future growth.

Mr. H. N. Sinor's tenure as an Independent Director of the Company ended on October 25, 2017. Mr. H. N. Sinor had taken office as a Non-Executive, Independent Director of CRISIL in October 2007 and demitted office after completion of 10 years. Your Directors place on record their sincere appreciation for the strong support, advice and guidance provided by Mr. Sinor to the Company and its Management, which was immensely valuable to drive the growth and performance of the Company.

Appointment

Mr. John L. Berisford, Non-Executive Director on the Board, was appointed as Chairman of the Board with effect from October 17, 2017.

Jointly hosted the annual flagship event 'India Credit Spotlight, in Mumbai, Hong Kong and Singapore with S&P Global



Directors' Report

Mr. Ewout Steenbergen was appointed as a director in casual vacancy caused by the cessation of directorship of Mr. Douglas L. Peterson and Mr. Girish Paranjpe was appointed as Additional Director (Independent) with effect from October 17, 2017. The Company has received notices under Section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of Mr. Ewout Steenbergen and Mr. Girish Paranjpe for the office of Directors.

Mr. Ravinder Singhania was appointed as alternate director to Mr. John L. Berisford with effect from October 18, 2017.

Re-appointment

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Ms. Martina Cheung retires by rotation and being eligible, seeks re-appointment.

Brief profiles of Mr. Ewout Steenbergen, Mr. Girish Paranjpe and Ms. Martina Cheung have been given in the Notice convening the Annual General Meeting.

Board independence

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

- a) Dr. Nachiket Mor
- b) Mr. M. Damodaran
- c) Ms. Vinita Bali
- d) Mr. Girish Paranjpe

Committees of the Board

There are currently five Committees of the Board, as under:

- Audit Committee
- Corporate Social Responsibility Committee
- Investment Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

Number of meetings of the Board

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with

regular presentations by business heads to the Board. An annual planner of topics to be discussed at the Board through its quarterly meetings is pre-discussed with the Board. The Board / committee meetings are pre-scheduled and a tentative annual calendar of the Board and committee meetings is circulated to the Directors well in advance to help them plan their schedule and to ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The agenda of the Board / committee meetings is circulated at least seven days before the date of the meeting. The agenda for the Board and committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. Since the last two years, the Company has moved to a two-day schedule for its quarterly committee and Board meetings, which allows for greater discussion time for Board matters.

The Board met seven times in financial year 2017 viz., on February 11, April 20, June 23, June 28, July 18, September 29 and October 17. The maximum interval between any two meetings did not exceed 120 days.

Compliance with secretarial standards on Board and Annual General Meetings

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Annual evaluation by the Board

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committees, Chairman and individual Directors. The performance evaluation of the Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors. The questionnaire and evaluation process was reviewed in the context of SEBI Guidance Note on Board evaluation dated January 5, 2017, and necessary alignment was made with the requirements.

The questionnaire for Board evaluation is prepared taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, Board meeting and reporting process, time

devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

Committee performance is evaluated on the basis of their effectiveness in carrying out their respective mandates.

Peer assessment of Directors, based on parameters such as participation and contribution to Board deliberations, ability to guide the Company in key matters and, knowledge and understanding of relevant areas were received by the Board for individual feedback.

The Board acknowledged key improvement areas emerging through this exercise and action plans to address these are in progress.

During 2017, the Company also actioned the feedback from the Board evaluation process conducted in the previous year, i.e. 2016. Suggestions were incorporated in strengthening the Board review calendar plan for 2017 with thematic additions on technology road-map and business continuity review, increasing the focus on internal controls through additional Audit Committee meetings, discussion on key executive succession planning and improved Board scheduling and time management. Opportunities to increase awareness on industry trends and peers were provided to the Board through sessions by internal and external speakers, including some industry experts; these helped contextualising the budgeting and strategy exercises of the Company. During the year, the Board competencies were diversified with the addition of a Director with technology background.

Risk Management Policy, Compliance framework and Internal Control Adequacy

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by statutory as well as internal auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee. For ensuring independence of audits, the internal auditors report directly to the Audit Committee. Both the internal and statutory auditors have exclusive executive sessions with the Audit

Committee on a regular basis. In addition, during the year, the Management performed a review of key controls impacting financial reporting, at entity as well as operating levels, and submitted its report to the Audit Committee and the Board.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives, which has been enhanced during this year. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. These have also been reported and discussed in detail in the Management's Discussion and Analysis Report, annexed to this report.

Information security has emerged as a major risk in recent times to the financial services industry. The Company continuously evaluates exposure from this perspective. During the year, we implemented actions to enhance security by enhancing intrusion detection systems, next generation firewall, a new cybersecurity solution, and upgraded data loss prevention systems, among many measures to manage and mitigate cyber risks. Additionally, an organisation-wide Business Continuity Project was initiated to align the Company's Business Continuity Programme to ISO 22301:2012 Societal security -- Business Continuity Management System (BCMS). This initiative intended strengthening the resilience of the organisation. BCMS enables an acceptable level of service during disaster, protects & supports employees, asset and business, reduces risk and enables the Company to meet statutory, regulatory and contractual obligations.

The Company has a robust framework for monitoring compliance with applicable laws. Adequately empowered functional teams operate as the first line of defence. Their procedures and actions are routinely subject to audit and test procedures ensuring robustness of the system. During the year, the Company introduced an additional IT-enabled tool to monitor compliances and support the compliance assessment process. A quarterly certification on compliance with laws is provided by senior management to the Board.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls with reference to financial statements were adequate and effective during financial year 2017.

Directors' Report

Directors' responsibility statement

Your Directors hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as 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 profits of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Particulars regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo

The particulars regarding foreign exchange earnings and outgo appear as separate items in the notes to the accounts. As such, the Company does not own any manufacturing facility and hence our processes are not energy intensive. Hence particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014, are not applicable.

However we endeavour to support the environment by adopting environment friendly practices in our office premises. CRISIL House, Mumbai, our corporate headquarters, is a Platinum-rated Green Building. During 2017, one more of our offices, CRISIL House, Gurgaon earned the IGBC Green Existing Buildings certification in the Gold category. These certifications recognise the efforts of the Company on waste segregation and recycling, usage of eco-friendly refrigerants for air conditioning requirements, reducing heat island effect in the design of the building and parking, using eco-friendly materials in gardening, housekeeping, rain water harvesting and other measures at water efficiency. CRISIL House was recently featured in the book 'Pathways to Green India: Innovative Ideas for Public Spaces, Vol II', published by Earth Day Network, an international NGO, which operates in the sustainable environment space.

We have rolled out a policy which aims at improving environmental performance of CRISIL. The policy is our commitment to be environmentally responsible and encourages our employees and members of the wider community to work for the environment by setting and monitoring environmental objectives, making efficient use of natural resources, elimination of waste and promoting recycling of resources.

During 2017, we commenced an important initiative to convert wet garbage generated in CRISIL House into compost instead of giving it off for municipal collection. Organic manure thus generated from wet waste is being used for in-house garden landscaping requirement. Separate wet and dry garbage rooms have been created for storing garbage.

In addition, under the CRISIL RE employee volunteering program, CRISIL leverages its workforce as agents of change to drive environment conservation actions. Details of the outcomes from these initiatives during 2017 are given in the Corporate Social Responsibility Report published elsewhere in the Annual Report.

Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The role of the committee is to review the CSR Policy, indicate activities to be undertaken by the Company towards CSR and formulate a transparent monitoring mechanism to ensure implementation of projects and activities undertaken by the Company towards CSR.

The CSR Policy of the Company and further details about the initiatives taken by the Company on Corporate Social Responsibility during the year under review have been appended as Annexure II to this Report.

Vigil mechanism

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

Subsidiary companies

As on December 31, 2017, the Company had one Indian and seven overseas wholly owned subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary companies is also included in the Annual Report.

On November 15, 2017, CRISIL entered into a definitive agreement to acquire 100% of the equity shares of Pragmatix Services Private Limited ('Pragmatix'). Pragmatix is a data analytics company focused on delivering cutting-edge solutions in the 'data to intelligence' lifecycle to the banking, financial services & insurance (BFSI) vertical. Its Big Data capabilities and advanced data models provide descriptive, prescriptive and predictive analytics delivered through its proprietary Enterprise Data Analytics Platform. In its short history post incorporation in 2010, Pragmatix has successfully built and deployed solutions across the risk, sales, and finance domains in India, Middle East and North America. The transaction was valued at a total consideration of Rs. 56 crore. Pragmatix will strengthen CRISIL's position as an agile, innovative and global analytics company. It will enable CRISIL to leverage its technology platform and deep domain expertise to enhance its business intelligence, analytics and risk management offerings for financial sector clients in India and globally. As on December 31, 2017, Pragmatix was not a subsidiary of CRISIL, but it became a wholly owned subsidiary of the Company w.e.f. January 24, 2018.

The Company has no associate companies within the meaning of Section 2(6) of the Companies Act, 2013.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.crisil.com. Further, as per fourth proviso of the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company, www.crisil.com. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary at the Company's registered office.

The Company has obtained a certificate from the Statutory Auditors certifying that the Company is in compliance with the FEMA Regulations with respect to downstream investments made in its subsidiary companies as operating during the year.

Particulars of contracts or arrangements with related parties referred to in Section 188(1)

A significant quantum of related party transactions undertaken by the Company is with its subsidiary companies engaged in product delivery of CRISIL businesses and business development activities. The Company has also been providing analytical support to S&P Global entities as a part of a Master Services Agreement, which transaction has been approved by

the shareholders through a resolution passed by postal ballot on December 15, 2014.

The Audit Committee pre-approves all related party transactions. The details of the related party transactions undertaken during a particular quarter are placed at the meeting of the Audit Committee held in the succeeding quarter.

All contracts / arrangements / transactions with related parties that were executed in 2017 were in the ordinary course of business and at an arm's length. During the year, there were no related party transactions which were materially significant and that could have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts. The particulars of material contracts or arrangements with related parties referred to in Section 188(1), is given in prescribed Form AOC - 2 as Annexure III.

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy, which has been put up on the website of the Company at <https://www.crisil.com/en/home/investors/corporate-governance.html>. The Company has developed an operating procedures manual for identification and monitoring of related party transactions.

Particulars of loans, guarantees or investments under Section 186

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes to Financial Statements.

In June 2017, CRISIL has purchased 26,22,430 equity shares of CARE Ratings Limited (CARE) representing 8.9% of its equity share capital. CARE is a SEBI registered credit rating agency and is listed on BSE and NSE. The investment has been made pursuant to a bid process conducted by Canara Bank, subsequent to their request for quotation. This stake purchase is an investment in the excellent long-term prospects of the credit rating sector in the country. This investment in the equity of CARE has no special rights.

Auditors' Report

M/s. Walker Chandiok & Co LLP (an affiliate of Grant Thornton network) are the Statutory Auditors of the Company. Their report is a part of the Annual Report.

Secretarial Audit Report

The Board of Directors of the Company has appointed Dr. K. R. Chandratre, Practising Company Secretary, to conduct the

Directors' Report

Secretarial Audit and his Report on Company's Secretarial Audit is appended to this Report as Annexure IV.

Comments on Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by Walker Chandio & Co LLP, Statutory Auditors, in their report and by Dr. K. R. Chandratre, Company Secretary in Practice, in his secretarial audit report.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.

Corporate governance

The Company is committed to maintaining the highest standards of corporate governance and adhering to the corporate governance requirements as set out by the Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. A certificate from the auditors of the company confirming compliance with the conditions of corporate governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also published elsewhere in this Annual Report.

Particulars of remuneration

Disclosures with respect to the remuneration of Directors and Employees as required under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been appended as Annexure V to this Report.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of every employee covered under the said rule are available at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting and shall be made available to any shareholder upon request.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 13, 2018 that the remuneration is as per the remuneration policy of the Company.

Employee Stock Option Schemes

The Company has three employee stock option schemes. The Employee Stock Option Scheme - 2011 (ESOS 2011) was approved by the shareholders vide a special resolution passed through postal ballot on February 4, 2011. The Employee Stock Option Scheme - 2012 (ESOS 2012) was approved by the shareholders vide a special resolution passed through postal ballot on April 10, 2012. The Employee Stock Option Scheme - 2014 (ESOS 2014) was approved by the shareholders vide a special resolution passed through postal ballot on April 3, 2014, and amended by special resolution of shareholders at the 30th Annual General Meeting held on April 20, 2017.

During 2017, there were no material changes in the Employee Stock Option Plans of the Company except the amendment made to ESOS 2014 as specified above. The Schemes are in compliance with the SEBI Regulations on ESOS. As per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular dated June 16, 2015 the details of the ESOS are uploaded on the Company's website <https://www.crisil.com/en/home/investors/financial-information/annual-report.html> in terms of Circular No CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by Securities and Exchange Board of India.

The Company has received a certificate from M/s. Walker Chandio & Co LLP that ESOS 2011, ESOS 2012 and ESOS 2014 have been implemented in accordance with the SEBI Regulations and the resolution passed by the members in their general meeting. The certificate would be placed at the ensuing Annual General Meeting for inspection by the members.

Extract of Annual Return

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the rules prescribed under Chapter VII relating to Management and Administration under the Companies Act, 2013 is appended as Annexure VI.

Financial year

The Company and all its subsidiary companies, in India and across the world, except Pragmatix Services Private Limited which has been recently acquired, follow the calendar year as the financial year in terms of a special approval obtained from the Company Law Board in 2015.

CEO and CFO Certification

Certificate from Ms. Ashu Suyash, Managing Director & CEO and Mr. Amish Mehta, Chief Financial Officer, pursuant to provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

for the year under review was placed before the Board of Directors of the Company at its meeting held on February 13, 2018.

Statutory disclosures

Your Directors state that there being no transactions with respect to following items during the financial year under review, no disclosure or reporting is required in respect of the same:

1. Deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Receipt of any remuneration or commission by the Managing Director/Whole-time Director of your Company from any of its subsidiaries.
4. Significant or material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operation in future.
5. Buy back of shares.
6. Material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report unless otherwise stated in the report.

Acknowledgements

The Board of Directors wishes to thank the employees of CRISIL for their exemplary dedication and the excellence they have displayed in conducting the operations of CRISIL. The Board also wishes to place on record its sincere appreciation of the faith reposed in the professional integrity of CRISIL by customers and investors who have patronised its services. The Board acknowledges the splendid support provided by market intermediaries. The affiliation with S&P Global has been a source of great strength. The Board of Directors also wishes to place on record its gratitude for the faith reposed in CRISIL by the shareholders, the Securities and Exchange Board of India, the Reserve Bank of India, the Government of India and the State Governments. The role played by the media in highlighting the good work done by CRISIL is deeply appreciated.

For and on behalf of the Board of Directors of CRISIL Limited

John L. Berisford

Chairman

(DIN: 07554902)

Mumbai, February 13, 2018

Annexure I to the Directors' Report

Nomination and Remuneration Policy

1. Introduction:

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

2. Objective and Purpose of the Policy:

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, key managerial personnel and other employees;
- 2.2 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.3 To devise a policy on Board diversity; and
- 2.4 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. Constitution of the Nomination and Remuneration Committee:

The Board has constituted the "Nomination and Remuneration Committee" of the Board on February 14, 2014. This is in line with the requirements under the New Act.

The Board has authority to reconstitute this Committee from time to time.

Definitions:

- "Board" means Board of Directors of the Company.
- "Directors" means Directors of the Company.
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- "Company" means CRISIL Limited.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and rules.
- "Key Managerial Personnel" (KMP) means -
 - i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
 - ii) the Company Secretary; and
 - iii) the Chief Financial Officer
- "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of

management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

General:

- This Policy is divided in three parts:
Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
Part – B covers the appointment and nomination; and
Part – C covers remuneration and perquisites etc.
- This policy shall be included in the Report of the Board of Directors.

PART – A

Matters to be Dealt With, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

(a) Size and composition of the Board:

- Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

- Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new director, having regard to the range of skills, experience and expertise, on the Board and who will be best complement the Board;

(c) Succession plans:

- Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

- Make recommendations to the Board on appropriate performance criteria, for the Directors.
- Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

- Identify ongoing training and education programs for the Board to ensure that Non- Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to
 - attract and motivate talent to pursue the Company's long term growth;
 - demonstrate a clear relationship between executive compensation and performance; and
 - be reasonable and fair, having regard to best governance practices and legal requirements.
- the Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
- the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- the Company's remuneration reporting in the financial statements and remuneration report.

- A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to CRISIL, ability to contribute to CRISIL's growth, complementary skills in relation to the other Board members.
- The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of sixty years. Provided that the term of the person holding this position may be extended beyond the age of sixty years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond sixty years.
- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of CRISIL.

Term / Tenure:

- Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as

Part – B

Policy for Appointment And Removal Of Director, KMPs and Senior Management

Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.

Annexure I to the Directors' Report

an Independent Director for 5 years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Part – C

Policy Relating to the Remuneration For Directors, KMPs and Other Employees

General:

- The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
- The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
- Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided

that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to KMPs and other employees:

The policy on remuneration for KMPs and other employees is as below:-

1. Fixed Pay:

The remuneration and reward structure for employees comprises two broad components — annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

a) Annual remuneration:

Annual remuneration refers to the annual compensation payable to the employees of the Company. This comprises two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market. The total remuneration level is to be reset annually based on a comparison with the relevant peer group in the Indian market, established through an independent compensation surveys from time to time.

b) Long-term rewards:

Long-term rewards may include a Long-Term Incentive Plans (LTIP) or under which incentives would be granted to eligible key employees based on their contribution to the profitability of the Company, relative position in the organisation, and length of service under the supervision and approval of the Committee. The company could implement various long term awards schemes that could include Long Term Incentive Programme (LTIP) spread over several years with payouts in multiple tranches linked to Company's performance. Another form of long term awards could be in the nature of stock options of the

company. Stock Options may be granted to key employees and high performers in the organisation who would be selected by the Committee based on their criticality, past performance and potential. The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

2. Minimum remuneration to Managing Director:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Short-term loans:

The Company shall provide interest-free short-term loans to the KMPs and employees of the Company, repayment for which is deducted from the monthly salary of the concerned employee in twelve equated monthly instalments.

Remuneration to Non-Executive / Independent Directors:

1. Commission:

The commission payable to each Non-Executive Director is limited to a fixed sum per year as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder. The commission payable to Non-Executive Directors nominated by Standard & Poors' (S&P), is paid to 'Standard & Poors' International LLC'.

The overall Commission to the Non-Executive Directors (including Independent Directors) may be paid within

the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

2. Sitting fees:

The Non-Executive Directors (including Independent Directors) will receive remuneration by way of fees for attending meetings of Board or Committee thereof, as decided by the Committee from time to time subject to the limit defined under the Companies Act, 2013 and rules.

3. Stock options:

The Independent Directors shall not be entitled to any stock option of the Company.

Policy Review:

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 49 of the Equity Listing agreement with the stock exchanges as on December 31, 2014.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

This Policy is updated on February 9, 2016.

Annexure II to the Directors' Report

Corporate Social Responsibility Policy

Introduction:

CRISIL (the "Company" or "CRISIL") has identified Corporate Social Responsibility (CSR) as a strategic tool for sustainable growth. For CRISIL, CSR means not only investment of funds for Social Activity but also includes a continuous Integration of Business processes with Social processes.

In March 2013, CRISIL set up the CRISIL Foundation to steer our CSR agenda and guiding principles by taking into consideration the position of our stakeholders, the spirit of trusteeship and the intention of enhancing social capital. CRISIL believes in equitable societies and efficient markets and has always endeavoured to follow these lodestars.

The CSR Policy:

CRISIL would carry out the following activities:-

- Strengthen the financial capabilities of socially and economically underprivileged communities
- Conservation of the environment by focusing on relevant programs in the vicinity of CRISIL offices so that employees get directly involved in CSR initiatives
- Employee participation in financial literacy / promoting education and environment conservation as well as, allowing employees to undertake projects of their choice, with small budget allocations reviewed by a Management Committee, provided that the projects were also covered under the Schedule VII to the Companies Act, 2013, as amended, from time to time.
- Participation in and conducting of awareness programme for Disaster Management; relief to victims of Natural calamities like earthquake, cyclone, drought & flood situation in India and; to organise and contribute, directly or indirectly i.e. through various agencies, whether government or semi-government or private agencies like Non-Government organisations, for rehabilitation work in disaster affected areas.

To enhance reach and to accelerate the implementation of the CSR Programme to a larger set of target population, CRISIL may also partner or work with other Foundations, implementation agencies, NGOs or other intermediaries for deploying the CSR Programme.

CSR funding and allocation:

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes. CRISIL will annually contribute up to 2% of average profits for the last three years towards CSR activities.

CSR contribution for the year will be determined by CRISIL management at the beginning of each calendar year based on audited financial statements for the last three years.

Any unspent CSR allocation of a particular year, will be reviewed by the CSR Committee and decision would be taken whether the unspent amount should be carried over to the subsequent year/s. The CSR Committee, while determining the requirement for carry over to next year, will consider various factors like availability of desired projects, utilisation trend, practical aspects of spending the required amount in a particular timeframe and best interests of all the stakeholders.

Applicability:

CRISIL CSR policy has been prepared in accordance with Section 135 of the Companies Act 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.

Implementation:

CRISIL CSR initiatives will be implemented by the CRISIL management and CRISIL Foundation under the guidance of Corporate Social Responsibility Committee (the "Committee") of the Board of Directors (the "Board") of CRISIL.

Constitution of the CSR Committee:

The Board has constituted the "CSR Committee" of the Board on February 14, 2014. The Committee shall consist of minimum of three members with at least one being an independent director.

The Board has authority to reconstitute this Committee from time to time.

Meetings and quorum:

The Committee shall meet at least twice a year. Two members present shall form the quorum for the meeting of the Committee.

Roles and responsibilities of the Committee:

The roles and responsibilities of the Committee shall be the following:-

- Formulate, monitor and recommend to the Board the CSR Policy
- Recommend to the Board, modifications to the CSR policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR Activities
- Review the Company's disclosure of CSR matters
- Recommend the deployment strategy for CSR Activities, through partnerships with various agencies, intermediaries and foundations and determine outreach channels, including social media and IT interfaces

- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013.

Policy Review:

This policy is framed based on the provisions of the Companies Act 2013 and rules thereunder.

In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations

would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Corporate Social Responsibility Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

This policy is updated on February 9, 2016.

Annual Report on Corporate Social Responsibility Activities

as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

- A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:** Kindly refer the Corporate Social Responsibility Report published elsewhere in this Annual Report and the Company's website, www.crisil.com
- The Composition of the CSR Committee:** Ms. Vinita Bali (Chairperson), Mr. Girish Paranjpe and Ms. Ashu Suyash
- Average net profit of the company for last three financial years (2014-2016):** Rs. 341.99 crore.
- Prescribed CSR Expenditure (2% of the amount as in item 3 above) (2014 - 2016):** Rs. 6.84 crore.
- Details of CSR spend during the financial year:**
 - Total amount spent for the financial year: Rs. 7.27 crore. This is higher than the prescribed limit
 - Amount unspent, if any: no unspent amount
 - Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rs. crore)	Direct expenditure on programmes or projects (Rs. crore)	Overheads (Rs. crore)	Cumulative expenditure up to the reporting period (Rs. crore)	Amount spent: Directly or Through Implementing Agency
1	Mein Pragati - Assam	Education & Women Empowerment – Financial Capability Building	Assam	2.33	2.21	0.12	2.33	Rashtriya Grameen Vikas Nidhi
2	CRISIL RE	Environmental Conservation - through volunteerism	Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai, Pune	1.20	1.15	0.06	1.20	United Way Mumbai, Green Yatra
3	Mein Pragati - Rajasthan	Women Empowerment – Financial Capability Building	Rajasthan	2.69	2.56	0.13	2.69	Humana People to People India
4	Centre for Financial Literacy	Centre for Financial Literacy	Maharashtra / Haryana	0.35	0.33	0.02	0.35	
5	Other Projects	Education, Flood Relief, Community Radio & Women Empowerment – Financial Capability Building	Maharashtra, Rajasthan and Uttarakhand	0.69	0.65	0.03	0.69	ITC Limited, Mahila Arthik Vikas Mahamandal, Madhya Pradesh State Rural Livelihood Mission, People's, Power Collective, Radio Mewat, and Radio Vatsagulm
TOTAL				7.27	6.90	0.36	7.27	

NGO Partners:**A. Financial capability building:****Humana People to People India (HPPI)**

HPPI is a development organisation registered as a not-for-profit company under section 25 of the Companies Act, 1956 as of 21st May 1998. The Organisation comprises five main thematic areas – Livelihood & Community Development, Environmental Sustainability, Micro Finance, Education and Health. Humana People to People India is a member of The Federation for Associations connected to the International Humana People to People Movement.

ITC Limited

ITC's Corporate Social Responsibility activities comprise a Social Investments Programme focusing on afforestation, watershed management, animal husbandry, women's empowerment and primary education. The programme works with rural communities and communities residing in close proximity to production units.

Rashtriya Gramin Vikas Nidhi (RGVN)

RGVN was founded in April 1990 as a development support organisation and is registered under the Society's Registration Act of 1860. RGVN has its headquarters at Guwahati, Assam and operates in the North Eastern and Eastern states of India primarily focusing on rural livelihood, capacity building and institution building programmes.

B. Community Radio partners**People's Power Collective**

Peoples Power Collective is a registered public trust in India and its vision is to support not for profit, participatory, community owned and managed radio i.e. community radio for empowerment and positive social change.

Radio Mewat

Radio Mewat is a community radio station located in Mewat, Haryana. Launched on September 1, 2010, the radio station broadcasts 14 hours a day, covering a range of local issues in its programming.

Radio Vatsagulm

Based in Washim, Maharashtra, Radio Vatsagulm was set up in 2015. The radio programmes focus on education, vocations, agriculture, women's empowerment and social issues.

C. Environment conservation**Green Yatra**

Green Yatra, headquartered in Mumbai, was founded in 2009. A non-profit organisation, Green Yatra is dedicated to the protection, conservation and improvement of the environment.

United Way Mumbai (UWM)

UWM is a non-profit organisation working closely with several NGOs and corporates for their CSR programmes, workplace giving campaigns and other events. This includes designing of CSR policy and strategies, due diligence of NGO partners, programme implementation, employee volunteering, impact assessments and financial and programmatic reporting. UWM is a chapter of United Way Worldwide, a prominent global charity.

CRISIL Foundation has also collaborated with Hope Foundation, Sakaar Outreach, SEED, Environment Foundation of India, and I am Gurgaon for environment conservation.

United Way India

United Way India is United Way Worldwide's national body in India. The organisation, based in Mumbai, supports seven local chapters to maximise their social impact in education, health, livelihood and the environment.

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: Not Applicable as the Company has met the target

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For CRISIL Limited

For and on behalf of the Corporate Social Responsibility Committee of CRISIL Limited

Ashu Suyash

Managing Director
& Chief Executive Officer
(DIN: 00494515)

Vinita Bali

Chairperson
Corporate Social Responsibility Committee
(DIN: 00032940)

Mumbai, February 12, 2018

Annexure III to the Directors' Report

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 the related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1.	S&P Global Inc (Formerly known as McGraw-Hill Financial, Inc.) and its subsidiaries (SPGI) (Fellow Subsidiaries)	Global Analytical Center	Ongoing subject to renewal as per contractual terms	Support SPGI and its group in their global operations, consideration of around Rs. 173.38 crore in 2017.	Services rendered by CRISIL are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with SPGI and its group Companies.	February 10, 2017	Nil	December 15, 2014
2.	CRISIL Irevna UK Limited (100% Subsidiary)	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna UK for GR&A services which Irevna UK has recovered from external clients. The pricing is after considering appropriate remuneration to Irevna UK to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna UK Limited is Rs. 201.53 crore in 2017).	Services rendered by CRISIL Irevna UK are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna UK.	February 10, 2017	Nil	Not applicable
3	CRISIL Irevna US LLC (100 % Subsidiary)	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna US for GR&A services which CRISIL Irevna US has recovered from external clients. The pricing is after considering appropriate remuneration to CRISIL Irevna US to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna US Rs. 235.67 crore in 2017)	Services rendered by CRISIL Irevna US are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna US.	February 10, 2017	Nil	Not applicable

4	CRISIL Irevna Argentina S.A.	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL Irevna Argentina S.A. is a research centre and provides research services to CRISIL GR&A clients. (Amount invoiced by CRISIL Irevna Argentina to CRISIL Ltd. is Rs. 60.79 crore in 2017)	Services rendered by CRISIL Irevna Argentina S.A. are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna Argentina S.A.	February 10, 2017	Nil	Not applicable
5	CRISIL Irevna UK Limited	Loan given by CRISIL	10 years	Loan outstanding Rs. 83.33 crore from CRISIL Irevna UK Limited. Tenure of loan is ten years and interest rates are based on appropriate benchmarking	Loan given by CRISIL India to CRISIL Irevna UK for financing acquisitions.	July 17, 2014	Nil	Not applicable

For and on behalf of the Board of Directors of CRISIL Limited

John Berisford

Chairman

(DIN: 07554902)

Mumbai, February 13, 2018

Annexure IV to the Directors' Report

Secretarial Audit Report

For The Financial Year ended 31 December, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:

The Members,
CRISIL Limited,
CRISIL HOUSE, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai – 400 076.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CRISIL Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 December, 2017 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December, 2017 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 (Not applicable to the Company during the Audit Period);

(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;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

(vi) **I further report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999; and
- The Securities and Exchange Board of India (Research Analysts) Regulations, 2014.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I 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 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I 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.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Dr. K R Chandratre

FCS No. 1370, C P No: 5144

Place: Pune

Date: 13th February, 2018

Annexure V to the Directors' Report

Disclosures pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Note: The information provided below is on standalone basis for Indian Listed entity

- 1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Sl No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees	2017 Remuneration Rs.®	Percentage increase in remuneration
a.	Mr. John L. Berisford – Chairman, Non-Executive Director	NA*	NA	NA
b.	Mr. Douglas L. Peterson – Non-executive Director#	NA*	NA	NA
c.	Mr. H. N. Sinor – Independent Director##	4.13	34,35,000	6.84%
d.	Dr. Nachiket Mor – Independent Director	3.97	33,00,000	9.45%
e.	Mr. M. Damodaran – Independent Director	4.73	39,40,000	16.91%
f.	Ms. Vinita Bali – Independent Director	4.72	39,25,000	19.48%
g.	Mr. Girish Paranjpe – Independent Director^	0.88	7,30,000	NA
h.	Ms. Martina Cheung – Non-Executive Director	NA*	NA	NA
i.	Mr. Ewout Steenbergen – Non-Executive Director^	NA*	NA	NA
j.	Mr. Ravinder Singhanian – Alternate Director to Mr. John L. Berisford	NA	NA	NA
k.	Ms. Ashu Suyash – Managing Director & Chief Executive Officer	71.64	5,96,22,234	15.92%
l.	Mr. Amish Mehta – Chief Financial Officer	NA	3,24,59,308	9.27%
m.	Ms. Minal Bhosale – Company Secretary	NA	86,13,234	-0.46%

* Since April 2015, S&P Global has waived the sitting fees and commission payable to its nominees.

Resigned with effect from October 17, 2017

Tenure of directorship ended w.e.f. October 25, 2017

^ Appointed with effect from October 17, 2017

@ Includes sitting fees relative to meeting attendance for Non-Executive Directors.

- 2. The percentage increase in the median remuneration of employees in the financial year:** Median pay has increased by 9% in 2017 as compared with 2016.
- 3. The number of permanent employees on the rolls of Company:** 3,904
- 4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average increase in remuneration for 2017 over 2016 was 7.39%. The percentile increase in the managerial remuneration for 2017 over 2016 was 12.14%. The difference is on account of pay adjustment for managerial personnel in line with external market benchmarks.
- 5. Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes

Annexure VI to the Directors' Report

Form No. MGT-9

Extract of annual return as on the financial year ended on December 31, 2017
 [Pursuant to section 92(3) and Rule 12(1) of the
 Companies (Management and Administration) Rules, 2014]

I. Registration and other details

i. CIN	L67120MH1987PLC042363
ii. Registration date	29/01/1987
iii. Name of the company	CRISIL Limited
iv. Category / Sub-Category of the Company	Public Limited Company
v. Address of the Registered office and contact details	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076 Tel.: 022-33423000 Fax: 022-33423001 Website : www.crisil.com e-mail: investors@crisil.com
vi. Whether listed company Yes / No	Yes
vii. Name, Address and Contact details of Registrar and Transfer agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032 Email : einward.ris@karvy.com Phone : +91 40 6716 1500 Toll Free No. : 1-800-34-54-001 Fax : +91 40 6716 1567

II. Principal business activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl No.	Name and description of main products / services	NIC code of the product/ service	% to total turnover of the Company
1.	Ratings : Providing credit ratings including Bond Ratings, Bank Loan Ratings, SME Ratings, other grading services	66190	41%
2.	Research : Research services include Global Research & Analytics activities divided into Financial Research, Risk & Analytics and Corporate Research, and India Research activities comprising Economy & Industry Research, Funds & Fixed Income Research and Equity & Company Research	66190	59%

III. Particulars of Holding, Subsidiary and Associate Companies as on December 31, 2017

Sl no	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
i.	S&P India LLC, 2711, Centreville Road, Suite 400, Wilmington, Delaware 19808, USA	Not Applicable	Holding Company	43.52	2(46)
ii.	S&P Global Asian Holdings Pte Limited, 12 Marina Boulevard, #23-01, Marina Bay Financial Centre, Tower 3, Singapore 018982	Not Applicable	Holding Company	14.81	2(46)
iii.	Standard & Poors' International LLC, 2711, Centreville Road, Suite 400, Wilmington, Delaware 19808, USA	Not Applicable	Holding Company	8.37	2(46)

Annexure VI to the Directors' Report

iv.	CRISIL Risk and Infrastructure Solutions Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U72100MH- 2000PLC128108	Subsidiary Company	100%	2(87)
v.	CRISIL Irevna UK Limited, C/o. Penningtons Manches LLP 125 Wood Street, London EC2V 7AN	Not Applicable	Subsidiary Company	100%	2(87)
vi.	CRISIL Irevna US LLC, C/o. Global Corporate Services Inc., 704 N. Kind St., #500, Wilmington, Delaware 19899, USA	Not Applicable	Subsidiary Company	100%	2(87)
vii.	CRISIL Irevna Argentina S.A., Reconquista 1088, 9th floor, Provincia de Buenos Aires, Argentina	Not Applicable	Subsidiary Company	100%	2(87)
viii.	CRISIL Irevna Poland Sp. Z.oo., Renaissance Business Centre, 6th Floor, ul. Świętego Mikołaja 7, 50 - 125 Wrocław	Not Applicable	Subsidiary Company	100%	2(87)
ix.	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd., Room 1606, 16th floor, Hengxin Mansion, Jiangnan Avenue 588, Hangzhou, China	Not Applicable	Subsidiary Company	100%	2(87)
x.	Coalition Development Limited, C/o. Penningtons Manches LLP, 125 Wood Street, London EC2V 7AN	Not Applicable	Subsidiary Company	100%	2(87)
xi.	Coalition Development Singapore Pte. Ltd., 60 Robinson Road, # 11-01, BEA Building, Singapore 068892	Not Applicable	Subsidiary Company	100%	2(87)

Pragmatix Services Private Limited has become a wholly owned subsidiary of the Company with effect from January 24, 2018 as a result of acquisition of 100% of the equity share capital of Pragmatix Services Pvt. Ltd. by the Company.

IV. Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding

Category of share-holders	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year*	
	Demat	Physical	Total	Percentage of total shares	Demat	Physical	Total	% of total shares		
A. Promoters										
(1) Indian										
Individual/HUF	-	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	-	-	-	-	-	-	-	-	-
(2) Foreign										
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-	-
Bodies Corp.	4,78,32,539	-	4,78,32,539	67.05	4,78,32,539	-	4,78,32,539	66.71	(0.34)*	

Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	4,78,32,539	-	4,78,32,539	67.05	4,78,32,539	-	4,78,32,539	66.71	(0.34)*
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4,78,32,539	-	4,78,32,539	67.05	4,78,32,539	-	4,78,32,539	66.71	(0.34)*
B. Public Shareholding									
1. INSTITUTIONS									
a) Mutual Funds	33,86,482	-	33,86,482	4.75	16,49,836	-	16,49,836	2.30	(2.45)*
b) Banks / FI	1,79,996	2,000	1,81,996	0.26	2,20,148	2,000	2,22,148	0.31	0.05*
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	39,24,515	-	39,24,515	5.50	67,08,346	-	67,08,346	9.36	3.86*
g) FIs	53,48,068	3,000	53,51,068	7.50	41,75,818	3,000	41,78,818	5.83	(1.67)*
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	1,28,39,061	5,000	1,28,44,061	18.01	1,27,54,148	5,000	1,27,59,148	17.79	(0.22)*
2. NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	10,42,927	4,000	10,46,927	1.47	13,39,993	3,000	13,42,993	1.88	0.41*
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	44,14,276	1,36,136	45,50,412	6.39	45,62,539	1,19,136	46,81,675	6.53	0.14*
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	48,59,609	-	48,59,609	6.81	47,89,369	-	47,89,369	6.68	(0.13)*
c) Others (specify)									
Non-Resident Individuals	1,99,675	-	1,99,675	0.28	2,60,599	-	2,60,599	0.36	0.08*
Clearing Members	1,724	-	1,724	0.00	4,988	-	4,988	0.01	0.01*
Trusts	411	-	411	0.00	659	-	659	0.00	0.00*
IEPF	-	-	-	-	32,040	-	32,040	0.04	0.04
Sub-total (B)(2)	1,05,18,622	1,40,136	1,06,58,758	14.94	1,09,91,105	1,22,136	1,11,13,241	15.50	0.56
Total Public Shareholding (B) = (B)(1)+(B)(2)	2,33,57,683	1,45,136	2,35,02,819	32.95	2,37,45,253	1,27,136	2,38,72,389	33.29	0.34
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	7,11,90,222	1,45,136	7,13,35,358	100	7,15,77,792	1,27,136	7,17,04,928	100	-

* In addition to changes on account of purchase/sale of shares, evident from the different shareholding positions beginning and end of the year, the change in % of shareholding during the year is consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

Annexure VI to the Directors' Report

(ii) Shareholding of Promoters

SI no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year*
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	S & P India LLC	3,12,09,480	43.75	Nil	3,12,09,480	43.52	Nil	-0.23
2.	S&P Global Asian Holdings (Singapore) Pte Limited	1,06,23,059	14.89	Nil	1,06,23,059	14.81	Nil	-0.08
3.	Standard & Poor's International LLC	60,00,000	8.41	Nil	60,00,000	8.37	Nil	-0.04
	TOTAL	4,78,32,539	67.05	Nil	4,78,32,539	66.71	Nil	-0.34

* The change in % of shareholding during the year is consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

(iii) Change in Promoters' shareholding

There are no changes in the Promoter's shareholding during the Financial Year. The percentage change in the Promoters' holding is due to increase in the paid – up share capital of the Company in consequence of allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

NOTE: The dates mentioned below are the dates of receipt of statement of beneficial positions from the Depositories

SI no.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
1.	Jhunjhunwala Rakesh and Rekha				
	January 01, 2017	40,00,000	5.61*	-	-
	November 03, 2017 - Sale	-7,000	-0.01	39,93,000	5.57
	November 10, 2017 - Sale	-17,500	-0.02	39,75,500	5.54
	November 17, 2017 - Sale	-10,500	-0.01	39,65,000	5.53
	December 31, 2017	39,65,000	5.53*	-	-
2.	Life Insurance Corporation of India				
	We combine the folios of Life Insurance Corporation of India to give a fair representation of the total holding.				
	January 01, 2017	12,13,086	1.70*	-	-
	March 17, 2017 - Purchase	40,000	0.06	12,53,086	1.76
	March 21, 2017 - Purchase	70,000	0.10	13,23,086	1.86
	March 22, 2017 - Purchase	43,700	0.06	13,66,786	1.92
	March 24, 2017 - Purchase	40,835	0.06	14,07,621	1.97
	March 31, 2017 - Purchase	67,500	0.09	14,75,121	2.07
	April 07, 2017 - Purchase	35,111	0.05	15,10,232	2.12
	April 13, 2017 - Purchase	67,833	0.10	15,78,065	2.21
	April 21, 2017 - Purchase	70,725	0.10	16,48,790	2.31
	May 05, 2017 - Purchase	67,115	0.09	17,15,905	2.40
	May 12, 2017 - Purchase	1,50,000	0.21	18,65,905	2.61
	May 19, 2017 - Purchase	1,25,030	0.18	19,90,935	2.79
	May 26, 2017 - Purchase	1,38,802	0.19	21,29,737	2.98
	June 02, 2017 - Purchase	3,14,362	0.44	24,44,099	3.43

Sl no.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	June 09, 2017 - Purchase	1,08,650	0.15	25,52,749	3.58
	June 16, 2017 - Purchase	2,96,404	0.42	28,49,153	3.99
	June 30, 2017 - Purchase	49,217	0.07	28,98,370	4.06
	June 23, 2017 - Purchase	21,099	0.03	29,19,469	4.09
	July 21, 2017 - Purchase	13,106	0.02	29,32,575	4.09
	July 28, 2017 - Purchase	60,000	0.08	29,92,575	4.18
	August 04, 2017 - Purchase	45,214	0.06	30,37,789	4.24
	August 11, 2017 - Purchase	53,071	0.07	30,90,860	4.32
	August 18, 2017 - Purchase	9,418	0.01	31,00,278	4.33
	August 25, 2017 - Purchase	11,665	0.02	31,11,943	4.34
	September 01, 2017 - Purchase	57,329	0.08	31,69,272	4.42
	September 08, 2017 - Purchase	9,527	0.01	31,78,799	4.44
	September 15, 2017 - Purchase	20,888	0.03	31,99,687	4.47
	September 22, 2017 - Purchase	30,125	0.04	32,29,812	4.51
	September 29, 2017 - Purchase	1,19,875	0.17	33,49,687	4.68
	October 13, 2017 - Purchase	78,765	0.11	34,28,452	4.79
	October 20, 2017 - Purchase	27,812	0.04	34,56,264	4.82
	October 27, 2017 - Purchase	50,818	0.07	35,07,082	4.89
	October 31, 2017 - Purchase	6,457	0.01	35,13,539	4.90
	November 03, 2017 - Purchase	32,231	0.04	35,45,770	4.94
	November 10, 2017 - Purchase	41,825	0.06	35,87,595	5.00
	November 17, 2017 - Purchase	36,662	0.05	36,24,257	5.05
	November 24, 2017 - Purchase	27,338	0.04	36,51,595	5.09
	December 01, 2017 - Purchase	27,143	0.04	36,78,738	5.13
	December 08, 2017 - Purchase	37,082	0.05	37,15,820	5.18
	December 15, 2017 - Purchase	1,14,879	0.16	38,30,699	5.34
	December 22, 2017 - Purchase	49,409	0.07	38,80,108	5.41
	December 29, 2017 - Purchase	28,153	0.04	39,08,261	5.45
	December 31, 2017	39,08,261	5.45*	-	-
3.	General Insurance Corporation of India				
	January 01, 2017	27,00,000	3.78*	-	-
	April 7, 2017 - Sale	-30,000	-0.04	26,70,000	3.74
	December 31, 2017	26,70,000	3.74*	-	-
4.	Matthews Funds – Various Funds				
	We combine the folios of all schemes of Matthews Funds under the Foreign Institutional Investors category to give a fair representation of the total holding.				
	January 01, 2017	17,90,341	2.51*	-	-
	January 06, 2017 - Sale	-1,032	0.00	17,89,309	2.51
	January 27, 2017 - Sale	-3,142	0.00	17,86,167	2.50
	March 31, 2017 - Sale	-17,304	-0.02	17,68,863	2.48
	May 12, 2017 - Sale	-10,546	-0.01	17,58,317	2.46
	May 19, 2017 - Sale	-7,618	-0.01	17,50,699	2.45
	June 16, 2017 – Sale	-1,48,047	-0.21	16,02,652	2.25
	September 15, 2017 – Sale	-39,845	-0.06	15,62,807	2.18

Annexure VI to the Directors' Report

Sl no.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	September 22, 2017 – Sale	-31,130	-0.04	15,31,677	2.14
	September 29, 2017 – Sale	-74,931	-0.10	14,56,746	2.03
	October 06, 2017 – Sale	-5,629	-0.01	14,51,117	2.03
	October 13, 2017 – Sale	-9,973	-0.01	14,41,144	2.01
	October 27, 2017 – Sale	-77,935	-0.11	13,63,209	1.90
	October 31, 2017 – Sale	-15,099	-0.02	13,48,110	1.88
	December 31, 2017	13,48,110	1.88*	-	-
5.	ICICI Prudential - Various Funds				
	We combine the folios of all schemes of ICICI Prudential to give a fair representation of the total holding.				
	January 01, 2017	1,79,296	0.25*	-	-
	February 10, 2017 - Purchase	5,505	0.01	1,84,801	0.26
	March 31, 2017 - Purchase	1,07,818	0.15	2,92,619	0.41
	April 07, 2017 - Purchase	52,282	0.07	3,44,901	0.48
	May 19, 2017 - Purchase	59,935	0.08	4,04,836	0.57
	October 31, 2017 - Purchase	4,666	0.01	4,09,502	0.57
	December 31, 2017	4,09,502	0.57*	-	-
6.	Sundaram – Various Funds				
	We combine the folios of all schemes of Sundaram Mutual Fund to give a fair representation of the total holding.				
	January 01, 2017	1,32,872	0.18*	-	-
	January 20, 2017 – Purchase	20,095	0.03	1,52,967	0.21
	January 27, 2017 – Purchase	4,905	0.01	1,57,872	0.22
	February 10, 2017 – Purchase	2,36,792	0.33	3,94,664	0.55
	March 31, 2017 – Purchase	11,201	0.02	4,05,865	0.57
	April 07, 2017 – Purchase	9,729	0.01	4,15,594	0.58
	April 13, 2017 – Purchase	10,700	0.01	4,26,294	0.60
	April 21, 2017 – Purchase	5,300	0.01	4,31,594	0.60
	April 28, 2017 – Purchase	1,000	0.00	4,32,594	0.61
	May 05, 2017 – Purchase	1,000	0.00	4,33,594	0.61
	May 12, 2017 – Purchase	1,500	0.00	4,35,094	0.61
	May 19, 2017 – Purchase	1000	0.00	4,36,094	0.61
	June 02, 2017 – Purchase	1000	0.00	4,37,094	0.61
	June 09, 2017 – Purchase	1000	0.00	4,38,094	0.61
	June 16, 2017 – Purchase	1,500	0.00	4,39,594	0.62
	June 26, 2017 – Purchase	500	0.00	4,40,094	0.62
	July 14, 2017 – Purchase	7,507	0.01	4,47,601	0.63
	July 21, 2017 – Purchase	3,858	0.01	4,51,459	0.63
	July 28, 2017 – Purchase	2,000	0.00	4,53,459	0.63
	August 04, 2017 – Purchase	1,000	0.00	4,54,459	0.63
	August 18, 2017 – Purchase	2,000	0.00	4,56,459	0.64
	August 25, 2017 – Purchase	613	0.00	4,57,072	0.64
	October 06, 2017 – Purchase	2,000	0.00	4,59,072	0.64
	November 03, 2017 – Purchase	2,546	0.00	4,61,618	0.64
	November 17, 2017 – Purchase	1,45,000	0.20	6,06,618	0.85
	December 01, 2017 – Purchase	5,000	0.01	6,11,618	0.85

Sl no.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	December 22, 2017 – Purchase	2,500	0.00	6,14,118	0.86
	December 31, 2017	6,14,118	0.86*		
7.	HDFC Standard Life Insurance Company Limited / HDFCL Shareholders Solvency Margin Account				
	January 01, 2017	4,19,314	0.59*	-	-
	January 13, 2017 – Sale	-5,000	-0.01	4,14,314	0.58
	January 20, 2017 – Sale	-163	0.00	4,14,151	0.58
	February 03, 2017 – Sale	-10,000	-0.01	4,04,151	0.57
	February 10, 2017 – Sale	-4,427	-0.01	3,99,724	0.56
	March 21, 2017 - Purchase	25,000	0.04	4,24,724	0.60
	March 22, 2017 - Purchase	300	0.00	4,25,024	0.60
	March 31, 2017 - Sale	-2,439	0.00	4,22,585	0.59
	April 07, 2017 - Purchase	400	0.00	4,22,985	0.59
	April 13, 2017 - Sale	-472	0.00	4,22,513	0.59
	April 21, 2017 - Sale	-50	0.00	4,22,463	0.59
	April 28, 2017 - Sale	-256	0.00	4,22,207	0.59
	May 05, 2017 - Sale	-400	0.00	4,21,807	0.59
	May 12, 2017 - Purchase	50	0.00	4,21,857	0.59
	May 19, 2017 - Sale	-100	0.00	4,21,757	0.59
	June 30, 2017 - Sale	-34	0.00	4,21,723	0.59
	July 21, 2017 - Purchase	62	0.00	4,21,785	0.59
	July 28, 2017 - Sale	-570	0.00	4,21,215	0.59
	August 04, 2017 - Sale	-50	0.00	4,21,165	0.59
	September 01, 2017 - Sale	-50	0.00	4,21,115	0.59
	September 08, 2017 - Purchase	50	0.00	4,21,165	0.59
	September 15, 2017 - Sale	-50	0.00	4,21,115	0.59
	September 22, 2017 - Sale	-1,101	0.00	4,20,014	0.59
	September 29, 2017 - Purchase	19,950	0.03	4,39,964	0.61
	October 02, 2017 - Purchase	10,000	0.01	4,49,964	0.63
	November 03, 2017 - Sale	-165	0.00	4,49,799	0.63
	November 10, 2017 - Purchase	19,900	0.03	4,69,699	0.66
	December 31, 2017	4,69,699	0.66*	-	-
8.	Unit Trust of India – Various Funds				
	We combine the folios of all schemes of UTI Mutual Fund to give a fair representation of the total holding.				
	January 01, 2017	11,95,088	1.68*	-	-
	February 17, 2017 – Purchase	5,000	0.00	12,00,088	1.68
	March 03, 2017 – Sale	-214	0.00	11,99,874	1.68
	March 21, 2017 – Sale	-4,273	0.00	11,95,601	1.68
	March 24, 2017 – Sale	-2,428	0.00	11,93,173	1.67
	March 31, 2017 – Sale	-23,505	0.00	11,69,668	1.64
	April 28, 2017 – Sale	-52,818	-0.07	11,16,850	1.57
	May 05, 2017 – Sale	-33,070	-0.05	10,83,780	1.52
	May 12, 2017 – Sale	-1,03,899	-0.15	9,79,881	1.37
	May 19, 2017 – Sale	-67,533	-0.09	9,12,348	1.28
	May 26, 2017 – Sale	-1,00,000	-0.14	8,12,348	1.14

Annexure VI to the Directors' Report

SI no.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	June 02, 2017 – Sale	-2,48,399	-0.35	5,63,949	0.79
	June 09, 2017 – Sale	-57,000	-0.08	5,06,949	0.71
	June 16, 2017 – Sale	-34,212	-0.05	4,72,737	0.66
	June 23, 2017 – Sale	-95,701	-0.13	3,77,036	0.53
	July 7, 2017 – Sale	-26,064	-0.04	3,50,972	0.49
	July 21, 2017 – Sale	-13,827	-0.02	3,37,145	0.47
	September 01, 2017 – Sale	-124	0.00	3,37,021	0.47
	September 02, 2017 – Sale	-210	0.00	3,36,811	0.47
	October 27, 2017 – Sale	-13,266	-0.02	3,23,545	0.45
	October 31, 2017 – Sale	-103	0.00	3,23,442	0.45
	November 03, 2017 – Sale	-9,000	-0.01	3,14,442	0.44
	December 08, 2017 – Sale	-10,000	-0.01	3,04,442	0.42
	December 15, 2017 – Sale	-89,744	-0.13	2,14,698	0.30
	December 31, 2017	2,14,698	0.30*	-	-

9. Mondrian Emerging Market / Investments

We combine the folios of all schemes of Mondrian under the Foreign Institutional Investors category to give a fair representation of the total holding.

January 01, 2017	5,49,422	0.77*	-	-
January 13, 2017 –Sale	-6,123	-0.01	5,43,299	0.76
January 20, 2017 –Sale	-10,832	-0.02	5,32,467	0.75
January 27, 2017 –Sale	-6,970	-0.01	5,25,497	0.74
February 03, 2017 –Sale	-13,973	-0.02	5,11,524	0.72
February 10, 2017 –Sale	-32	0.00	5,11,492	0.72
February 17, 2017 –Sale	-151	0.00	5,11,341	0.72
March 21, 2017 –Sale	-11,043	-0.02	5,00,298	0.70
March 22, 2017 –Sale	-5,500	-0.01	4,94,798	0.69
March 24, 2017 –Sale	-18,900	-0.03	4,75,898	0.67
April 21, 2017 –Sale	-46,750	-0.07	4,29,148	0.60
April 28, 2017 –Sale	-7,715	-0.01	4,21,433	0.59
June 09, 2017 –Sale	-23,866	-0.03	3,97,567	0.56
June 16, 2017 –Sale	-22,554	-0.03	3,75,013	0.53
July 07, 2017 –Sale	-26,801	-0.04	3,48,212	0.49
July 21, 2017 –Sale	-12,900	-0.02	3,35,312	0.47
July 28, 2017 –Sale	-29,597	-0.04	3,05,715	0.43
August 04, 2017 –Sale	-18,000	-0.03	2,87,715	0.40
August 11, 2017 –Sale	-25,425	-0.04	2,62,290	0.37
December 01, 2017 -Sale	-3,346	0.00	2,58,944	0.36
December 08, 2017 -Sale	-11,710	0.00	2,47,234	0.34
December 31, 2017	2,47,234	0.34*	-	-

10. SBI Magnum Global Fund/SBI Magnum Taxgain Scheme

January 01, 2017	4,40,000	0.62*	-	-
March 21, 2017 - Purchase	1,50,000	0.21	5,90,000	0.83
March 31, 2017 - Sale	-1,10,000	-0.15	4,80,000	0.67
May 05, 2017 - Sale	-1,47,702	-0.21	3,32,298	0.47

Sl no.	For Each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
	May 12, 2017 - Sale	-90,383	-0.13	2,41,915	0.34
	May 26, 2017 - Sale	-44,903	-0.06	1,97,012	0.28
	June 02, 2017 - Sale	-47,012	-0.07	1,50,000	0.21
	December 31, 2017	1,50,000	0.21*	-	-

*Other than the change in shareholding due to purchase or sale of shares done by each of the aforementioned shareholders, the change in % of shareholding during the year is also consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company.

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

None of the directors or Key Managerial Personnel hold shares in the Company.

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition	Nil	58.56	Nil	58.56
Reduction	Nil	58.56	Nil	58.56
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

Annexure VI to the Directors' Report

VI. Remuneration of Directors and Key Managerial Personnel :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Name of MD/WTM/Manager: Ms. Ashu Suyash, Managing Director & CEO

SI No.	Particulars of remuneration	Name of MD/WTM/Manager Ms. Ashu Suyash Managing Director & CEO	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	3,28,82,634	3,28,82,634
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961 (Variable Pay)	0	0
2.	Stock Options (Perquisite value)	Nil	Nil
3.	Sweat equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others (Variable Pay)	2,67,00,000	2,67,00,000
5.	Others, please specify	Nil	Nil
	Total	5,96,22,234	5,96,22,234
	Ceiling as per the Act	Rs. 17.38 crore (being 5% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)	

* As the future liability for gratuity and leave encashment is provided on an accrual basis for the group as a whole, the amount pertaining to the same is not included above.

B. Remuneration to other Directors:

Sl. no.	Name of Directors	Particulars of remuneration			
		Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Independent Directors					
1	Mr. H. N. Sinor**	10,35,000	24,00,000	Nil	34,35,000
2	Dr. Nachiket Mor	4,00,000	29,00,000	Nil	33,00,000
3	Mr. M. Damodaran	10,40,000	29,00,000	Nil	39,40,000
4	Ms. Vinita Bali	10,25,000	29,00,000	Nil	39,25,000
5.	Mr. Girish Paranjpe [§]	1,30,000	6,00,000	Nil	7,30,000
Non-Executive Directors					
6.	Mr. Douglas Peterson [#]	Nil*	Nil*	Nil	Nil
7.	Ms. Martina Cheung	Nil*	Nil*	Nil	Nil
8.	Mr. John L. Berisford	Nil*	Nil*	Nil	Nil
9.	Mr. Ewout Steenbergen [§]	Nil*	Nil*	Nil	Nil
10.	Mr. Ravinder Singhania (Alternate to Mr. John L. Berisford)	Nil	Nil	Nil	Nil

* Since April 2015, S&P Global has waived the sitting fees and commission paid to its nominees.

** Ceased to be Director with effect from October 25, 2017.

Resigned with effect from October 17, 2017.

\$ Appointed as Directors on October 17, 2017.

Total Managerial Remuneration :

Sl No.	Particulars	Amount (Rs.)
1.	Remuneration to Managing Director, Whole-time Directors and/or Manager (as per A above)	5,96,22,234
2.	Remuneration to other Directors (as per B above)	1,53,30,000
	TOTAL	7,49,52,234
	Overall Ceiling as per the Act (%)	Rs. 20.86 crore (being 6% of Net Profits of the Company as calculated as per Section 198 of the Companies Act, 2013)

C. Remuneration to Key Managerial Personnel Other than MD / Whole-time Director/ Manager:

Sl. no.	Particulars of remuneration	Key Managerial Personnel*		Total amount
		Chief Financial Officer (Mr. Amish Mehta)	Company Secretary (Ms. Minal Bhosale)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	2,29,39,578	66,40,074	2,95,79,652
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (Variable Pay)	NIL	NIL	NIL
2.	Stock option (Perquisite value)	NIL	NIL	NIL
3.	Sweat equity	NIL	NIL	NIL
4.	Commission			
	- as % of profit	NIL	NIL	NIL
	- others, (Variable Pay)	95,19,730	19,73,160	1,14,92,890
5.	Others, please specify	NIL	NIL	NIL
	Total (A)	3,24,59,308	86,13,234	4,10,72,542

* As future liability for gratuity and leave encashment is provided on an actuarial basis for the Group as a whole, the amount pertaining to key managerial personnel is not included above.

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief description	Details of penalty / punishment/ compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. Company					
Penalty			Not Applicable		
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of CRISIL Limited

Mumbai, February 13, 2018

John L. Berisford
 Chairman
 (DIN: 07554902)

Annexure to the Directors' Report

Management Discussion and Analysis Report

CRISIL Businesses

CRISIL is a leading, agile and innovative, global analytics company driven by its mission of making markets function better.

We are India's foremost provider of ratings, data, research, analytics and solutions, with a strong track record of growth and innovation. CRISIL delivers independent opinions, actionable insights, and efficient solutions to over 100,000 customers. CRISIL's businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

CRISIL is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide (NYSE:SPGI).

CRISIL Ratings

India's business environment for the credit rating business overall was positive mainly due to improving credit quality of corporate India, higher share of capital market borrowings due to falling interest rates and continued growth of the retail financing industry. However, the industry was impacted by weak investment climate, elevated level of non-performing assets in the banking sector, the implementation of the Goods and Services Tax (GST), and the transient effect of demonetisation.

CRISIL Ratings maintained its market leadership position in 2017, driven by strong performance in bond ratings and new client acquisitions. It launched India's first expected loss rating scale for infrastructure projects (EL Infra) and was the first to assign rating to a hybrid annuity model-based road project. CRISIL announced 2,982 new Bank Loan Ratings and 15,000 Small and Medium Enterprises (SME) ratings during the year. CRISIL has rated more than 25,000 large and mid-scale corporates. CRISIL has also rated or assessed about 125,000 SMEs in India. CRISIL has enhanced engagement with S&P Global Ratings in surveillance and risk and regulatory support. Through Global Analytical Centre (GAC), CRISIL provides analytical, research and data services to S&P Global Inc. globally.

CRISIL Research

(Includes Global Research Analytics, India Research and CRISIL Coalition)

CRISIL Global Research & Analytics (CRISIL GR&A)

Regulatory developments across the globe have been a major driver for the banking industry in 2017. In response to persistent cost pressures and squeezed margins, banks have continued to monitor closely and to transform their front, middle, and

back-office operations in order to realize cost efficiencies and to differentiate their services. The upcoming implementation of the Markets in Financial Instruments Directive II (MiFID II) regulations are expected to cause material decline within the sell-side securities research. Global Model Risk Management guidelines have started to converge, with the US supervisors' SR 11-7 guidelines serving as the benchmark. 2017 also witnessed continued regulatory scrutiny of banking institutions and fines for non-compliance with regulatory mandates, further exacerbating cost pressures.

CRISIL GR&A are market leaders providing cutting edge financial research and risk & analytics support to our client base of more than 75 global banks, 50+ buy side firms, insurance companies, corporations, consulting firms, private equity and asset management firms, supporting 15 of the top 20 global investment banks and provide coverage of over 3,300 stocks and 3,400 credits globally. CRISIL Research launched automation platform (SMART) in New York this year. It has gained a lot of interest in the market and we have managed to complete several successful pilots and demos to our existing and prospective clients.

Market appetite for GR&A's stress testing, model validation, regulatory change management, and financial crime and compliance (FCC) analytics continues to be strong. In addition, the industry is increasingly adopting advanced automation and analytics solutions like Machine Learning (ML), Artificial Intelligence (AI), and Big Data, and streamlining data analysis practice.

In the Financial Research business, CRISIL has managed to make inroads in regional and mid-tier bank segments in US and UK despite challenging business environment and uncertainties surrounding upcoming MiFID II implementation. Buy-side continues to be a growth vertical – CRISIL has added multiple new logos in this segment and has significantly increased its market outreach across the various geographies. Risk & Analytics business has started to reap meaningful returns from investments made in previous years. 2017 was a year of substantial growth for FCC analytics and change management offerings, specifically for FRTB and risk data aggregation guidelines. Knowledge management and process optimisation through various initiatives have started to produce incisive outputs, making the business processes more efficient and streamlined.

India Research

India Research works with nearly 1000 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation, all Indian mutual fund (MF) and life insurance companies and 4 of the

world's leading consulting firms. CRISIL's India Research is India's most credible provider of economy and industry research, with coverage across 86 sectors and is the largest provider of valuation of fixed-income securities to mutual funds, insurance and banking industries, valuing over \$1.57 trillion of Indian debt securities. CRISIL India Research maintains over 45 standard indices and 100+ customised indices and provides due-diligence and ranking services to mutual funds and insurers. CRISIL India Research successfully launched our new product Quantix, a cross-segment analytics tool – our big bet to drive growth in the Research business. We also entered the eLearning space with a bouquet of credit & risk management course modules. During the year, Customised and Fixed Income Research business witnessed healthy revenue growth by winning mandates from Automobiles, BFSI, Logistics, General Insurers and Corporates.

CRISIL Coalition

CRISIL Coalition embarked on several initiatives to enhance its market relevance and connect with customers. These initiatives included reaching out to prospective clients, including regional players. In 2017, CRISIL Coalition added 7 new customers to its impressive list of global investment banks. Coalition also enhanced its analytics to provide a comprehensive set of analytics to the customers.

CRISIL Coalition commercialised its services in transaction banking during the year and also launched new analytics for treasury and lending. These services have received good traction with customers. Coalition also extended its outreach to senior levels at banks and established deeper connects with heads of Corporate and Investment Banks. More than 90+ publications globally carried Coalition's views and quoted it during the year. Coalition was referenced by 15 leading banks in 20+ investor relations presentations.

CRISIL Infrastructure Advisory and Risk Solution (CRIS)

(Includes Infrastructure Advisory and Risk Solutions)

CRISIL Infrastructure Advisory hosted the first 'CRISIL India Infrastructure Conclave', which launched the inaugural edition of CRISIL India Infrastructure Yearbook and 'CRISIL Infralnvex' – the country's first investability index. Infrastructure sector remains one of the top-most priorities for the country, and it was heartening to see the government of India giving it the right impetus by launching new programmes and schemes like Bharatmala, Sagarmala, UDAN and Saubhagya. The Smart City mission also picked up momentum with a total of 90+ cities being selected under the challenge mechanism till the end of the year. The roads sector showed appreciable progress with significant improvement in the risk profile of ongoing highway projects.

CRISIL Infrastructure Advisory business momentum continued throughout the year, and had a record year in terms of new business booked. Some key wins in the urban reforms and municipal finance area – mainly in the area of implementation support for smart cities, and Value Capture Finance (VCF) potential assessment for 50 cities in India – helped the business in strengthening its leadership position in the area of urban infrastructure advisory.

CRISIL Risk Solutions (CRS) provides a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks and corporates in India, the Middle East, Africa, south Asia and south-east Asia. CRS has helped over 80 banks and financial institutions adopt best practices in risk management including providing solutions to 9 out of top 10 banks in India, and undertaken risk management assignments across 15 countries.

CRS's risk advisory service business has shown good momentum and continues to be an opportunity to show its deep domain expertise especially in the credit domain and analytics. The business continued to focus on product initiatives and expanding risk advisory offerings for NBFCs and increased collaboration with S&P Global Inc. The international market has witnessed good momentum for its new offering around Expected Credit Loss (ECL) computations catering to IFRS9 regulations.

Analysis of Consolidated Financial Condition and Result of Operations

The Consolidated financial statements include the financial statements of CRISIL Limited consolidated with the financial statements of its wholly owned subsidiaries ('Group'). Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. The financial statements of the Group 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 duly eliminating intra-group balances and intra-group transactions and resulting gains/ losses. These Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The financial statements have been prepared under historical cost convention on an accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period. The management accepts responsibility for the integrity and objectivity of the financial statements, as well as for the various estimates and judgment used therein.

Management Discussion and Analysis Report

The Consolidated financial condition and result of operations are more relevant for understanding the performance of CRISIL.

A. Financial condition

1. Property, plant and equipment and intangible assets

The Company's investments in property, plant and equipment represent cost of buildings, leasehold improvements, computers, office equipment, furniture, fixtures and vehicles. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

The Company's intangible assets are stated at cost accumulated amortisation and impairment losses, if any.

During the year, the Company capitalised Rs. 33.87 crore to its gross block and deducted Rs. 1.45 crore from the gross block on disposal of various assets. Assets capitalised during the year includes office equipment, computers, software and leasehold improvements to support expansion of business and to provide for replacement of existing assets.

Depreciation as a percentage of total income remained constant at 3% for the current year. The Company expects to fund its investments in property, plant and equipment and intangible assets from internal accrual and liquid assets. It may, however, borrow to fund capital expenditure, if considered necessary.

At the end of the year, the Company's investments in property, plant and equipment and intangible assets were as follows:

Rs. in crore

Details	As at December 31,		Growth %
	2017	2016	
Carrying Value			
Property, plant & equipment and intangible assets	161.12	137.18	17
Less : Accumulated depreciation	99.69	52.69	89
Net Block	61.43	84.49	(27)
Depreciation as a % of total income	3%	3%	
Accumulated depreciation as % of gross block	62%	38%	

2. Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Goodwill is tested for impairment annually or more frequently, if there are indications of impairment.

3. Financial assets

A. Investments and treasury:

The Company's investments and treasury comprises of non-current equity investments, current investments, cash and bank balances and fixed deposits.

- Equity investments - All equity investments (quoted and unquoted) are measured at fair value through other comprehensive income (FVTOCI).
- Current investments and treasury - The Company's investments in mutual funds are measured at as fair value through profit or loss (FVTPL). The Company's treasury as at December 31, 2017, was Rs. 271.44 crore as against Rs. 606.20 crore in the previous year. Cash and cash equivalents constituted 25% of total treasury as at December 31, 2017, as against 26% in the previous year.

Rs. in crore

Category	As at December 31,				Growth %
	2017	%	2016	%	
Cash and bank balance	67.19	25	157.22	26	(57)
Fixed deposit	64.92	24	19.46	3	234
Mutual funds	139.33	51	429.52	71	(68)
Total	271.44	100	606.20	100	(55)

Cash and bank balance includes both Indian and overseas bank accounts balances. Bank balances in overseas account are maintained to meet the expenditure of the overseas operations. The Company's treasury policy calls for investing surplus in combination of fixed deposits with scheduled banks and debt mutual funds. The Company's treasury position continues to be healthy. Decline in treasury is mainly on account of equity investments during the year.

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. Appropriate limits and controls are in place to ensure that investments are made as per policy.

B. Trade receivables

Trade receivables at gross levels were Rs. 284.56 crore as at December 31, 2017, compared to Rs. 227.03 crore in the previous year. Trade receivables constituted 17% of operating revenue, compared with 15% of operating revenue during the previous year.

The break-up of trade receivables relating to segment is given below:

					Rs. in crore
Category	As at December 31,				Growth %
	2017		2016		
	Amount	%	Amount	%	
Rating	67.70	24	32.13	14	111
Research	181.74	64	175.89	78	3
Advisory	35.12	12	19.01	8	85
Total	284.56	100	227.03	100	25

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debt. Provision for doubtful debt balance as of December 31, 2017, was Rs. 24.14 crore as against Rs. 19.73 crore in the previous year. Provision for bad debt as a percentage of revenue remained constant at 1% for the year ended December 31, 2017.

C. Loans

Loans comprise of loans to staff. As on December 31, 2017, loans were Rs. 3.92 crore.

D. Other financial assets

Other financial assets comprise of advances recoverable in cash/kind, accrued revenue, accrued interest, sundry deposits and forward contract receivable. Advances recoverable in cash or kind, or for value to be received, are mainly towards amounts paid in advance for value and services to be received in future. Sundry deposits represent deposits for premises taken on lease, electricity and others. Other financial assets for the year ended December 31, 2017 was Rs. 152.75 crore as compared with Rs. 144.97 crore as on December 31, 2016.

4. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant & equipment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, business combination, provision for bad debt and deferred initial rating fees. The Company's net deferred tax assets as at December 31, 2017 was Rs. 34.75 crore as against Rs. 17.18 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The net advance income tax paid was Rs. 31.93 crore as at December 31, 2017 and Rs. 10.78 crore as at December 31, 2016.

5. Other assets

Other assets mainly comprise of prepaid expenses, asset held for sale and tax credit receivable.

6. Equity share capital

The authorised capital of the Company is Rs.10 crore, comprising 100,000,000 equity shares of Re.1 per share. During the year, the Company issued and allotted 369,570 equity shares of the Company to eligible employees on exercise of options granted under Employee Stock Option Scheme 2011, 2012 and 2014. Consequently, the issued, subscribed and paid up capital of the Company increased from 71,335,358 equity shares of Re.1 each to 71,704,928 equity shares of Re.1 each.

Management Discussion and Analysis Report

7. Other equity

Other equity, as at December 31, 2017, stood at Rs. 1,041.40 crore as against Rs. 978.24 crore, a growth of 6% over the corresponding previous period. Other equity comprises of reserves & surplus and other comprehensive income (OCI). The growth in reserves was achieved through strong profitability despite a challenging business environment. The growth in reserves is after recording an appropriation for dividend and dividend distribution tax of Rs. 230.75 crore.

Details	As at December 31,	
	2017	2016
Reserves & Surplus		
Securities premium	100.78	43.54
Capital redemption reserve	0.27	0.27
General reserve	141.15	141.15
Share-based payment reserve	67.22	62.68
Surplus in the statement of profit and loss	795.58	724.9
Foreign currency monetary items translation	(1.87)	(6.99)
Special economic zone reinvestment reserve	3.00	-
Other comprehensive income (OCI)	(64.73)	12.69
Total	1,041.40	978.24

Rs. in crore

8. Financial liabilities

A. Trade payables

Trade payables as at December 31, 2017, were Rs. 56.71 crore as against Rs. 42.86 crore in the previous year. Trade payables include amounts payable to vendors for supply of goods and services.

B. Other financial liabilities

Other financial liabilities which include dues to employees and miscellaneous liabilities were Rs. 152.00 crore as at December 31, 2017 as against Rs. 143.61 crore in the preceding year.

9. Provisions and other liabilities

A. Provisions

a. Provision for employee benefits- The overall liability was Rs. 75.08 crore as at December 31, 2017, compared with Rs. 67.39 crore in the previous year. The growth in the current year is in line with headcount and merit increase.

b. Final dividend- The final dividend represents the dividend recommended to the shareholders by the Board of Directors, which will be paid after the Annual General Meeting upon approval by the shareholders. As per the recent amendment final dividend need to be accounted in the year in which it's been declared.

B. Others

Other non-financial liabilities include unearned revenue and statutory liabilities. Unearned revenue represents fee received in advance for which services have not been rendered. Other liabilities were Rs. 152.34 crore as at December 31, 2017 as against Rs. 137.35 crore in the previous year.

B. Results of operations

The summary of the operating performance for the year is given below:-

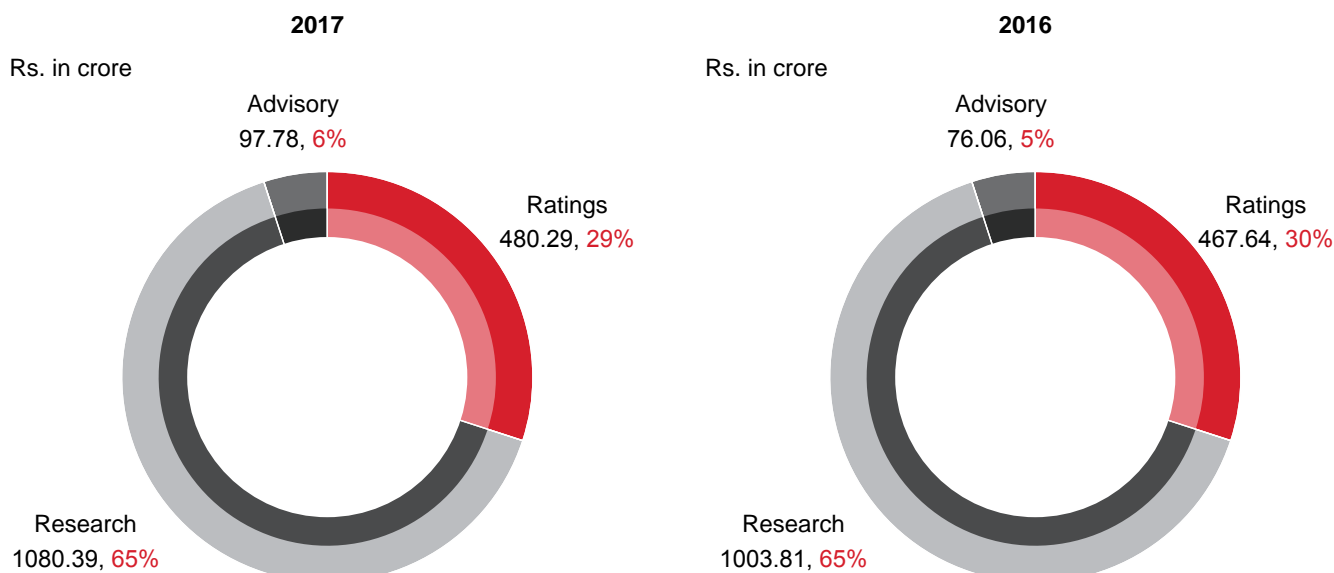
Particulars	Year ended December 31,			
	2017	% of revenue	2016	% of revenue
Income from operations	1,658.46	98	1,547.51	97
Other income	25.38	2	49.67	3
Total income	1,683.84	100	1,597.18	100
Expenses				
Personnel expenses	845.93	50	787.74	50
Finance cost	0.41	0	-	-
Depreciation	46.64	3	54.52	3

Rs. in crore

Particulars	Year ended December 31,			
	2017	% of revenue	2016	% of revenue
Other expenses	357.25	21	316.44	20
Total expenses	1,250.23	74	1,158.70	73
Profit before tax	433.61	26	438.48	27
Tax expense	129.18	8	144.15	9
Profit after tax	304.43	18	294.33	18

Income from operations grew by 7% in 2017 driven mainly by growth in the research segment. Operating expenses grew by 8% mainly on account of growth in personnel expenses.

Segmental revenue analysis



Segmental results

Segmental details	As at December 31,	
	2017	2016
Revenues :		
Ratings	480.29	467.64
Research	1,080.39	1,003.81
Advisory	97.78	76.06
Total	1,658.46	1,547.51
Segmental profit :		
Ratings	151.20	142.68
Research	308.46	326.33
Advisory	9.24	(0.69)
Total	468.90	468.32

CRISIL Ratings maintained its market leadership position in 2017, driven by strong performance in bond ratings and focused new client acquisitions. CRISIL Ratings launched India's first expected loss, rating scale for infrastructure projects and was the first to assign rating to a hybrid annuity model-based road project. CRISIL announced 2,982 new Bank Loan Ratings and

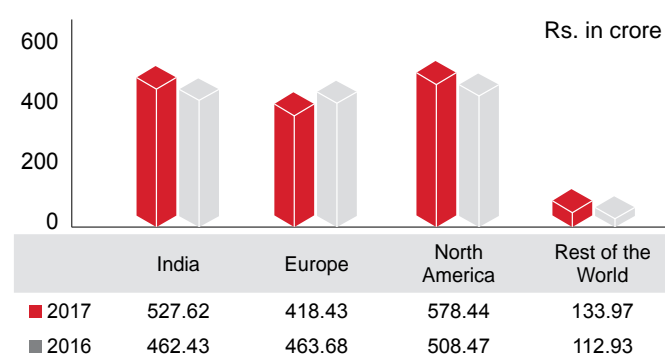
15,000 Micro, Small and Medium Enterprises (MSME) ratings during the year.

CRISIL Research revenue growth was driven by CRISIL GR&A vertical on account of continued strong demand in the areas of stress testing, model validation, regulatory

Management Discussion and Analysis Report

change management, and financial crime and compliance analytics. CRISIL Coalition delivered a strong performance, driven by its core Competitor and Client Analytics. India Research witnessed healthy revenue growth on the back of significant traction in the core sectors- Automobiles, BFSI and Logistics sectors. The Fixed Income Research business consolidated its strong position in the valuation space further by winning mandates from general insurers and corporates. CRISIL Research launched 11 new indices during the year. Addressing our increasing client needs, the business has set up Analytical Quality Boards and Alpha labs to provide differentiated ahead of the curve analysis and frequent timely updates.

The Advisory segment comprising infrastructure and risk solutions business grew by 29%. The infrastructure advisory vertical witnessed growth in revenue driven by large multi year program management mandates. For the Risk Solutions business, business is also showing good momentum.



Of the total revenue for the year ended December 31, 2017, 68% was on account of export of and 32% were from the domestic services.

Other income (net)

Other income was Rs. 25.38 crore as at December 31, 2017, compared with Rs. 49.67 crore in the previous year. Decline is mainly on account of adverse foreign exchange rate during the year.

Expense analysis

Total expense for the year was Rs. 1,250.23 crore as against Rs. 1,158.70 crore in the previous year. The composition and growth in expenses as a percentage to total operating expenses is given below:

Particulars	Rs. in crore		
	Year ended		Growth
	December 31, 2017	2016	
Personnel expenses	845.93	787.74	7
Finance cost	0.41	-	-
Depreciation	46.64	54.52	(14)
Other expenses	357.25	316.44	13
Total operating expenses	1,250.23	1,158.70	8

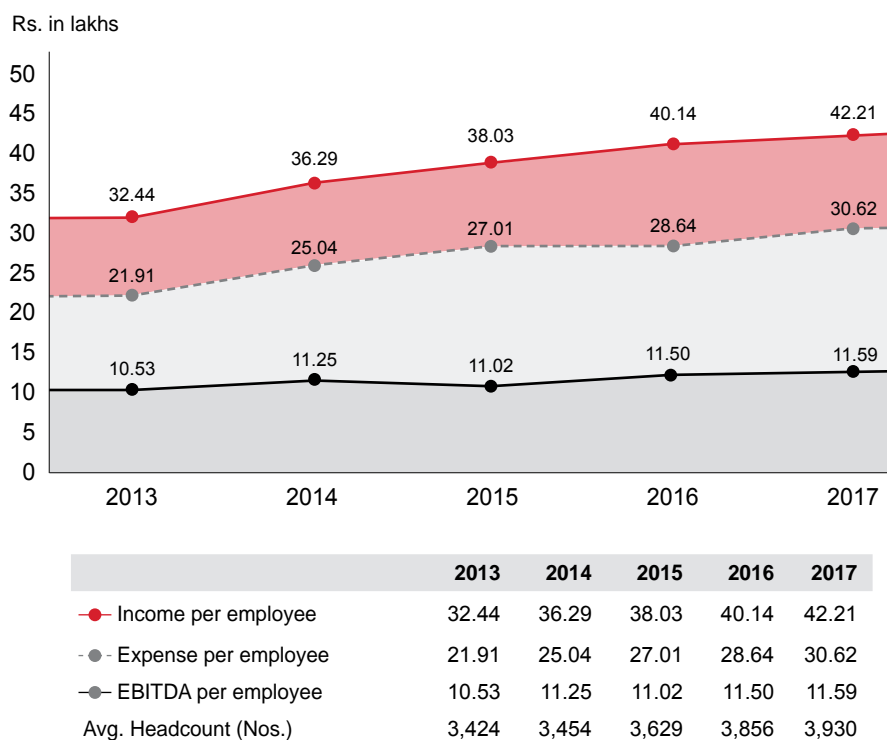
Personnel expense grew by 7% on account of merit and headcount increase in the current year. Increase in other expenses was driven by higher professional fee, which is aligned to revenue growth and investments in product development. Finance cost incurred was on account of interest expense on bank overdraft during the year.

Profit and loss ratios

Particulars	Rs. in crore				
	2017	2016	2015	2014	2013
Personnel expenses/Revenue (%)	50	50	49	46	45
Operating and other expenses/ Revenue (%)	74	73	71	71	69
EBITDA/Revenue (%)	29	31	31	32	40
Depreciation and amortisation/Revenue (%)	3	3	3	3	3
Tax/ Revenue (%)	8	9	8	8	11
PAT/ Revenue (%)	18	18	20	21	26

Note: Figures for 2017 and 2016 are based on Ind AS and for the preceding years are based on IGAAP.

Revenue and profit per employee for the past five years have been as under:



Note: Figures for 2017 and 2016 are as per Ind AS and for the earlier years as per IGAAP

Income per employee recorded a growth of 5% over previous period. EBITDA per employee increased to Rs. 11.59 lakhs.

Analysis of Standalone Financial Condition and Result of Operations of Crisil Limited

A. Financial condition

1. Property, plant and equipment and intangible assets

The Company's investments in property, plant and equipment and intangible assets represent cost of buildings, leasehold improvements, computers, software, office equipment, furniture, fixtures and vehicles. Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation and impairment losses, if any.

During the year, the Company capitalised Rs. 28.60 crore to its gross block and deducted Rs. 1.38 crore from the gross block on disposal of various assets. Assets capitalised during the year includes office equipment, computers, software and leasehold improvements to support expansion of business and to provide for replacement of existing assets.

Depreciation as a percentage of total income remained constant at 2% for the current year. The Company expects to fund its investments in fixed assets and infrastructure from internal accrual and liquid assets. It may, however, borrow to fund capital expenditure, if considered necessary.

At the end of the year, the Company's investments in net property, plant and equipment and intangible assets were Rs. 50.53 crore as against to Rs. 60.82 crore in the previous year.

2. Financial assets

A. Investments and treasury:

The Company's investments and treasury comprises of non-current equity investments, current investments, cash and bank balances and fixed deposits.

a. Equity investments

All equity investments (quoted and unquoted, other than investment in subsidiaries) are measured at fair value through other comprehensive income (FVTOCI).

Investments in subsidiaries are measured at cost. As at December 31, 2017, the cost of investment in subsidiaries stood at Rs. 126.83 crore.

b. Current investments and treasury

The Company's investments in mutual funds are classified as fair value through profit or loss (FVTPL). The Company's treasury as at

Management Discussion and Analysis Report

December 31, 2017, was Rs. 174.40 crore as against Rs. 448.05 crore in the previous year. Cash and cash equivalents constituted 12% of total treasury as at December 31, 2017, as against 4% in the previous year.

Rs. in crore

Category	As at December 31,				
	2017	%	2016	%	Growth %
Cash and Bank Balance	20.71	12	17.10	4	21
Fixed Deposit	22.37	13	7.81	2	186
Mutual Funds	131.32	75	423.14	94	(69)
Total	174.40	100	448.05	100	(61)

The Company's treasury policy calls for investing surplus in combination of fixed deposits with scheduled banks and debt mutual funds. The Company's treasury position continues to be healthy. Decline in treasury is mainly on account of equity investment during the year.

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. Appropriate limits and controls are in place to ensure that investments are made as per policy.

B. Loans

Loans comprise loan to subsidiary company and staff. As at December 31, 2017, the outstanding amount stood at Rs. 36.47 crore.

C. Trade receivables

Trade receivables at gross level were Rs. 181.34 crore as at December 31, 2017, compared to Rs. 203.54 crore in the previous year. Trade receivables constituted 15% of operating revenue, (representing an outstanding of 56 days of operating revenue) compared with 18% of operating revenue (representing an outstanding of 66 days of operating revenue) during the previous year.

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debts. Provision for doubtful debt balance as at December 31, 2017, was Rs. 19.90 crore as against Rs. 16.49 crore in the previous year. Provision for bad debt as a percentage of revenue for the year ended December 31, 2017, was 1.69% compared with 1.46% in the previous year.

D. Other financial assets

Other financial assets comprise of advances recoverable in cash/kind, accrued revenue, accrued interest, sundry deposits and forward contract receivable. Advances recoverable in cash or kind, or for value to be received, are mainly towards amounts paid in advance for value and services to be received in future. Sundry deposits represent deposits for premises taken on lease, electricity and others. Other financial assets as at December 31, 2017 was Rs. 87.74 crore as compared with Rs. 87.19 crore as at December 31, 2016.

3. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant & equipment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, provision for bad debt and deferred initial rating fees. The Company's net deferred tax assets as at December 31, 2017 were Rs. 27.10 crore as against Rs. 15.01 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The net advance income tax paid was Rs. 25.26 crore as at December 31, 2017 and Rs. 4.83 crore as at December 31, 2016.

4. Other assets

Other assets mainly comprise of prepaid expenses, asset held for sale and tax credit receivable.

5. Equity share capital

The authorised capital of the Company is Rs.10 crore, comprising 100,000,000 equity shares of Re.1 per share. During the year, the Company issued and allotted 369,570 equity shares of the Company to eligible employees on exercise of options granted

under Employee Stock Option Scheme 2011, 2012 and 2014. Consequently, the issued, subscribed and paid up capital of the Company increased from 71,335,358 equity shares of Re.1 each to 71,704,928 equity shares of Re.1 each.

6. Other equity

Other equity, as at December 31, 2017, stood at Rs. 804.53 crore as against Rs. 816.30 crore. Other equity comprises of reserves & surplus and other comprehensive income (OCI).

7. Financial liabilities

A. Trade payables

Trade payables as at December 31, 2017, were Rs. 46.82 crore as against Rs. 33.95 crore in the previous year. Trade payables include amount payable to vendors for supply of goods and services.

B. Other financial liabilities

Other financial liabilities which include dues to employees and sundry deposit payable were Rs. 75.68 crore as at December 31, 2017 as against Rs. 69.79 crore in the preceding year.

8. Provisions

Provisions comprise of provisions for employee benefits. The overall liability was Rs. 66.27 crore as at December 31, 2017, as against Rs. 61.02 crore at the end of the previous year. Growth in the current year is in line with headcount and merit increase.

9. Other liabilities

Other liabilities mainly represent payables on account of withholding tax, goods and services tax, other duties and unearned revenue. Unearned revenue represents fee received in advance or advance billing for which services have not been rendered.

B. Results of operations

The summary of standalone operating performance for the year is given below:-

Rs. in crore

Particulars	Year ended December 31,			
	2017	% of revenue	2016	% of revenue
Income from operations	1,177.38	97	1,129.64	96
Other income	35.94	3	44.29	4
Total income	1,213.32	100	1,173.93	100
Expenses				
Personnel expenses	491.63	40	455.13	39
Finance cost	0.41	-	-	-
Depreciation	28.52	2	28.51	2
Other expenses	346.71	29	321.95	28
Operating expenses	867.27	71	805.59	69
Profit before tax	346.05	29	368.34	31
Tax expense	108.79	9	128.05	11
Profit after tax	237.26	20	240.29	20

Income from operations revenue grew by 4% in 2017 and was driven by growth in the research services segment.

Revenue analysis

CRISIL Ratings maintained its market leadership in 2017, capital market saw increased refinancing activity by non-banks and corporates. CRISIL Research revenue growth was driven by CRISIL GR&A's Risk and Analytics vertical on account of continued strong demand in the areas of stress testing, model validation, regulatory change management, and financial crime and compliance analytics.

Other income (net)

Other income for the year was Rs. 35.94 crore as against Rs. 44.29 crore in the previous year. Other income comprises of mainly profit on sale/fair valuation of investments, dividend and interest income.

Management Discussion and Analysis Report

Expense analysis

Total expenses for the year was Rs. 867.27 as against Rs. 805.59 in the previous year. Increase in other expenses is mainly on account of higher professional fees that are linked to revenue growth. Finance cost incurred was on account of interest expense on bank overdraft during the current year.

C. Risk management

The company has in place a robust risk management framework with overall governance and oversight from the Audit Committee and Board of Directors. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives. Risk Committee comprising of senior members of leadership team provides governance and oversight on the process.

Risk assessment is a combination of bottom-up and strategic view of key risks facing the business across all segments and functions. All the risks were reviewed and assigned probability of occurrence and potential impact (financial and non-financial) based on deliberations with business leaders and independent assessment. Mitigation plans are designed, implemented and monitored on quarterly basis.

Key business risks and mitigation strategy are highlighted below.

1. Business risks

To mitigate the risk arising from high dependence on any one business for revenues, the Company has adopted a strategy of diversifying in new products/services and into different business segments. To address the risk of dependence on a few large clients and a few sectors in the business segments, the Company has also actively sought to diversify its client base and industry segments.

The Company strives to add value to its clients by providing services of a superior quality, and by maintaining a robust franchise with investors and end-users, to mitigate the risk arising from slowdown in global economy and competitive pricing. Repeat business from large clients in the research segment, nevertheless, continues to contribute significantly to revenue.

The Company carries reputation risk for services rendered, especially in rating business. CRISIL's ratings process is designed to ensure that all ratings are based on the highest standards of independence and analytical rigor.

2. Foreign exchange earning risk

CRISIL foreign currency revenue earnings are significant and any appreciation or depreciation in the rupee can have a significant impact on revenue and profitability. The company has in place a well-defined hedging policy and process designed to minimise the impact of volatility in foreign exchange fluctuations on earnings. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange hedging contracts to mitigate the risks arising out of movement in the rupee (INR). The hedging programme covers a large portion of projected future revenue over a 12-month period and is restricted to standard forward contracts and options.

Appropriate internal controls are in place for monitoring the hedging programme.

3. Policy risk

In 2016 and 2017, Securities and Exchange Board of India (SEBI), the regulator for credit rating agencies (CRAs) in India, has issued guidelines to mandate more disclosures by CRAs, ensure greater discipline in the rating processes, make rating outlooks compulsory, recommend performance evaluation of rating committees, underline the process to be adopted in the event of non-cooperation by issuers, and underscore steps to strengthen internal audit process. The recent guidelines also raise the bar on the eligibility to set up a CRA and stipulate greater disclosure for issuers on their financial performance. Overall, the guidelines will improve transparency of credit rating process and enhance standard of the CRA industry. The recent guidelines increase the operational intensity of the rating process. CRISIL continues to pursue its focus on leveraging technology to build appropriate controls and monitoring tools for safeguarding the ratings process and facilitating necessary disclosures.

The policy announcements for development of bond markets have largely been supportive in recent years. The moves towards nudging large corporates to raise 25% of their funding needs from bond markets, persuading insurance and pension regulators to accord recognition to corporate bonds rated in 'A category', and implementation of insolvency and bankruptcy code (IBC), once fully implemented, will structurally enhance the role of bond markets in India's financing landscape over time. As a part of its franchise strategy, CRISIL continues to highlight the critical role played by the bond markets in the financial system, engage with the regulators and policy makers to facilitate development of the bond market, conduct regular events on the theme of bond

markers, and invest significant efforts towards innovations that have a potential to expand the role of bond markets.

4. Human resource attrition risk

CRISIL's key assets are its employees and in a highly competitive market attrition continues to be one of the key challenges. CRISIL continues to accord top priority to managing employee attrition by formulating talent retention programme and offering a competitive salary and growth path for talented individuals.

5. Legal and statutory risks

CRISIL is subject to national and regional laws and regulations in such diverse areas as products, trademarks, copyright, competition, the environment, corporate governance, listing and disclosure, employment and taxes. Failure to comply with laws and regulations could expose CRISIL to civil and/or criminal actions leading to damages, fines and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business. CRISIL is committed to complying with the laws and regulations of the countries in which we operate. In specialist areas the relevant teams at global, regional or local levels are responsible for setting detailed standards and ensuring that all employees are aware of and comply with regulations and laws, specific and relevant to their roles. Our legal and regulatory specialists are heavily involved in monitoring and reviewing our practices to provide reasonable assurance that we remain aware of and in line with all relevant laws and legal obligations. Our tax principles provide overarching governance and our tax experts sets out the controls established to assess and monitor tax risk for direct and indirect taxes. We monitor proposed changes in taxation legislation and ensure these are taken into account when we consider our future business plans.

Legal and compliance functions seek to mitigate legal risks with support from other departments. The objectives of these functions are to ensure that laws and regulations are observed, to react appropriately to all impending legislative changes or new court rulings, to attend to legal disputes and litigation, and to provide legally appropriate solutions for transactions and business processes. In addition, these functions are responsible for integrity management, which aims to protect CRISIL and employees from regulatory risks.

6. Technology-related risks

Information Technology is core to the operations of all CRISIL businesses. All technology services are governed through comprehensive policies and processes. These processes allow information access to personnel within the company based on identified roles. Audits are conducted regularly to identify areas of vulnerability and to identify actions that mitigates the operational risks. ISO certification of key CRISIL offices is conducted to ensure compliance with policies related to Information Security and Management System. Information Security team acts as a second line of defense in driving agenda pertaining to information security trainings, implementing tools to strengthen information security posture and evaluate areas of vulnerabilities and improve the controls to prevent/detect/neutralise malicious network penetration (Cyber-attack).

The company's business processes are automated through bespoke business applications that capture and maintain information regarding business processes, client agreements, reports generated and assignments delivered, thus creating adequate database for our knowledge appropriately. The technology used by the company at all locations provides for redundancy and for disaster recovery. For critical business processes, the business teams have defined a business continuity plan and have tested it with the help of the IT team. The technology department keeps abreast of changes, and suitably undertakes projects for technology upgradation to keep the infrastructure current, and to provide for redundancy.

7. Internal Audit and Internal Financial Controls System

The Audit Committee provides oversight of the Company's Internal Audit process. The Audit Committee reviews and concurs in the appointment, replacement, performance and compensation of the Company's Internal Auditor and approves Internal Audit's annual audit plan and budget. The Audit Committee also receives regular updates on the Audit Plan's status and results including reports issued by Internal Auditor and the status of management's corrective actions.

Pursuant to the requirement of amendments in Companies Act 2013, the Company has institutionalised Internal Financial Controls System. Accordingly, key risks and controls across all businesses and functions are identified, and gaps are remediated, if any.

Independent Auditors' Certificate for Corporate Governance

To the Members of CRISIL Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 28 April 2017.
2. We have examined the compliance of conditions of corporate governance by CRISIL Limited ('the Company') for the year ended 31 December 2017, 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. 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

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 December 2017.

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

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Mumbai
Date: February 13, 2018

For Walker Chandiook & Co. LLP
Chartered Accountants
Registration No. 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Managing Director & CEO's Declaration

To the Members of CRISIL Limited

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

Mumbai, February 13, 2018

For CRISIL Limited

Ashu Suyash
Managing Director & CEO
DIN: 00494515

Report of the Directors on Corporate Governance

At CRISIL, corporate governance is a reflection of the principles embedded in its values, policies and day-to-day business practices, leading to sustainable, value-driven growth for the Company. CRISIL maintains the highest standards of corporate governance and disclosure practices, and is committed to transparency in all its dealings. Our vision, mission and values are integrated into all our offerings and operations across levels to provide transparent and unbiased analytical data and solutions to investors, clients, policymakers and other stakeholders. A strict regard for the mission, vision and values, together with our endeavour for consistent growth, culture of innovation and global footprint, help us create value for our stakeholders.

The Directors present below the Company's policies and practices on corporate governance.

A. Board of Directors

Size and composition of the Board

The Board of Directors had eight members of which seven (87.5%) are Non-Executive Directors. Four (50%) of the eight Board members are Independent Directors. The Chairman of the Board is a Non-Executive Director. The Company has one Alternate Director. As per the Articles of Association of the Company, the Board can have up to 15 members. None of the directors are related to any other director on the Board.

The composition of the Board of Directors of the Company as on December 31, 2017, was as follows:

Category	Name of the Director
Non-Executive Chairman	Mr. John L. Berisford (DIN: 07554902)
Independent, Non-Executive Directors	Dr. Nachiket Mor (DIN: 00043646) Mr. M. Damodaran (DIN: 02106990) Ms. Vinita Bali (DIN: 00032940) Mr. Girish Paranjpe (DIN: 02172725)
Non-Executive Directors	Ms. Martina Cheung (DIN: 07551069) Mr. Ewout Steenbergen (DIN: 07956962)
Managing Director & CEO	Ms. Ashu Suyash (DIN: 00494515)
Alternate Director (alternate to Mr. John L. Berisford)	Mr. Ravinder Singhania (DIN: 00006921)

Notes:

- Mr. Douglas L. Peterson (DIN: 05102955) has resigned from the directorship of the Company with effect from October 17, 2017.
- Mr. H. N. Sinor (DIN: 00074905) demitted office upon completion of his tenure as Independent Director on October 25, 2017.
- The Board of Directors of the Company has appointed Mr. John L. Berisford as Non-Executive Chairman of the Company with effect from October 17, 2017.
- The Board of Directors of the Company has appointed Mr. Ewout Steenbergen as Non-Executive Director in casual vacancy caused by the resignation of Mr. Douglas Peterson, with effect from October 17, 2017.
- The Board of Directors of the Company has appointed Mr. Girish Paranjpe as Additional Non-Executive, Independent Director of the Company with effect from October 17, 2017.

Report of the Directors on Corporate Governance

Percentage of Board Positions



- Non-Executive, Independent Directors - 50%
- Executive Directors - 13%
- Non-Executive Directors - 37%

Criteria for Board Membership

The members of the Board of Directors of the Company are eminent persons of proven competence and integrity. Board members possess the education, expertise, skills and experience in various sectors and industries required to manage and guide the Company. The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with the requisite skillsets, so that the Company benefits from new insights, guidance and challenges to business proposals. The said Policy outlines the appointment criteria and qualifications for the Directors on the Board of CRISIL and the matters related to remuneration of the Directors. The said Policy is available on the Company's website at <https://crisil.com/en/home/investors/corporate-governance.html>.

Membership term

As per the Articles of Association of the Company, at least two-thirds of the other Board members shall be retiring Directors, excluding Independent Directors. One-third of such Directors are required to retire every year and if eligible, the retiring directors qualify for re-appointment. The Managing Director is appointed by the shareholders for a period of five years but can be reappointed on completion of the term, if eligible. The employment may be terminated by either party by giving three months' notice. Independent Directors can hold office for up to two terms of five years each.

Succession Policy

The Board constantly evaluates the contribution of its members and recommends, if thought fit, to shareholders

their re-appointment upon expiry of their respective tenures. The Nomination and Remuneration Committee of the Board regularly reviews succession planning and competency planning priorities for Board and senior management.

The Board has adopted a retirement policy for its members. The maximum age of retirement of Executive Directors is 60 years, provided that the term of the person holding this position may be extended beyond the age of 60 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 60 years.

Memberships of other Boards

Independent Directors are expected not to serve on the boards of competing companies. No Director shall hold office as a Director in more than ten public companies. No Director of the Company shall serve on more than ten committees or can act as chairman of more than five committees across all Indian public limited companies in which he / she is a Director. For the purpose of this limitation, membership and chairmanship of the Audit Committee and Stakeholders' Relationship Committee are only considered. No Independent Director shall serve as Independent Director in more than seven listed companies or three listed companies in case he is a Whole-time Director in any listed company.

Furthermore, every Director informs the Company about the directorship / committee positions he / she occupies in other companies and notifies the changes as and when they take place. The details of other directorships held by the Company's Directors as on December 31, 2017, are given below:

Name of the Director	Directorship [#]	Membership	
		of Committees*	of Chairmanships*
Dr. Nachiket Mor	1	0	0
Mr. M. Damodaran	7	5	3
Ms. Vinita Bali	5	2	0
Mr. Girish Paranjpe	6	1	0
Mr. John L. Berisford	1	0	0
Ms. Martina Cheung	2	1	0
Mr. Ewout Steenbergen	1	1	0
Ms. Ashu Suyash	1	1	0
Mr. Ravinder Singhanian	10	1	0

Covers Private, Public and Listed Companies, including CRISIL Limited, but excludes Foreign Companies and Section 8 companies.

* Memberships / Chairmanships in Audit Committee and Shareholders'/Investors' Grievance Committee of Listed and Public Limited Companies including CRISIL Limited. Committee Membership(s) and Chairmanship(s) are counted separately.

Details of Shareholdings of Directors as on December 31, 2017

None of the Directors hold any shares in the Company. However, Ms. Ashu Suyash, Managing Director & Chief Executive Officer, has been granted 71,507 options under the Employee Stock Option Scheme – 2014 at an exercise price of Rs. 2,101.10 on June 1, 2015. These options will vest in three equal tranches in the third, fourth and fifth year from the grant and can be exercised after two years from each vesting.

Responsibilities

The Board looks at long-term strategic planning, annual budget approvals and policy formulation. The Board also has a strong operational oversight and reviews business plans, key risks and opportunities in the business context. The Board meets at least four times every calendar year and the maximum time gap between any two meetings is not more than 120 days. During the year ended December 31, 2017, the Board met seven times - on February 11, April 20, June 23, June 28, July 18, September 29 and October 17. A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations, where applicable, is sent to each Director at least seven days before the date of the Board and committee meetings. The Directors are also provided the facility of video conferencing to enable them to participate effectively in the meeting(s), as and when required.

The Company has an executive committee comprising the Managing Director and a team of senior management personnel with proper demarcation of responsibilities and authority. The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The heads of individual businesses and the CRISIL leadership team are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions. Important decisions taken by the Board and its committees are promptly communicated to the concerned leadership team for execution and status reports on actions taken are reported at subsequent meeting(s).

As on the end of the financial year, Mr. Gurpreet Chhatwal was the President of CRISIL Ratings, Mr. V. Srinivasan was the President of CRISIL Global Research & Analytics, Mr. Pawan Agrawal was the Chief Analytical Officer, CRISIL Ratings, Mr. Amish Mehta was the Chief Financial Officer, President - India Research, Global Analytical Centre and SME, Mr. Stephane Besson was the Chief Executive Officer of Coalition, Mr. Ramraj

Pai was the President of CRISIL Risk & Infrastructure Solutions and CRISIL Foundation, Mr. Anupam Kaura was the President of Human Resources, CRISIL, Ms. Priti Arora was Chief Strategy Officer of CRISIL, Mr. Krishnan Venkateshwaran was a Senior Director - Corporate Technology, Mr. Subodh Rai was a Senior Director & Head Analytics – CRISIL Ratings and Mr. Sameer Bhatia was President – CRISIL Infrastructure Advisory.

The meetings of the Board of Directors were as under:

Name of the Directors	No. of Board meetings held during the tenure	No. of Board meetings attended out of those held	Last Annual General Meeting attendance
Mr. H. N. Sinor [^]	7	7	Yes
Dr. Nachiket Mor	7	5	Yes
Mr. M. Damodaran	7	6	Yes
Ms. Vinita Bali	7	6	Yes
Mr. Girish Paranjpe ^{\$}	1	1	Not applicable
Mr. Douglas L. Peterson [#]	7	5	Yes
Mr. John L. Berisford	7	6	Yes
Ms. Martina Cheung	7	6	Yes
Mr. Ewout Steenbergen ^{\$}	1	1	Not applicable
Ms. Ashu Suyash	7	7	Yes
Mr. Ravinder Singhania (Alternate Director)	7	-- [@]	-- [@]

[^] Ceased to be Director with effect from October 25, 2017

[#] Resigned with effect from October 17, 2017

^{\$} Appointed on October 17, 2017

[@] Mr. Ravinder Singhania was alternate director to Mr. Douglas Peterson. Upon resignation of Mr. Peterson, Mr. Singhania has been appointed as an alternate director to Mr. John Berisford.

Induction and familiarisation programmes for Independent Directors

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, highlighting the role, duties and responsibilities of the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations and his / her affirmation is taken with respect to the same.

By way of an introduction to the Company, presentations are also made to the newly appointed independent director

Report of the Directors on Corporate Governance

on relevant information like overview of the various CRISIL businesses, offering, market and business environment, growth and performance, organisational set up of the Company, governance and internal control processes.

The above initiatives help the Director understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively discharge his / her role as a Director of the Company.

Ongoing familiarisation aims to provide insights into the Company and the business environment to enable the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company. The Company's policy of conducting the Familiarisation Programme and the details of familiarisation programmes imparted to independent directors during 2017 have been disclosed on the website of the Company at <https://www.crisil.com/en/home/investors/corporate-governance.html>.

Remuneration Policy

1) Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them and are also eligible for commission. The commission payable to each Non-Executive Director is limited to a fixed sum per year as determined by the Board, based on Company's performance, prevailing norms and role and contributions of Board members. In terms of a shareholders resolution passed on April 20, 2017, the Company can pay remuneration not exceeding one per cent of the net profits to the Non-Executive Directors. The Non-Executive Directors have not been granted any stock options of the Company.

2) Managing Director

Ms. Ashu Suyash, our Managing Director, has signed an agreement containing the terms and conditions of employment. The agreement is for a term of five years, but either the Company or the Managing Director may generally terminate the agreement upon three months' notice to the other party. She is not eligible for any severance fee.

The remuneration and reward structure for Managing Director comprises two broad components — short-term remuneration and long-term rewards. The remuneration package of Ms. Ashu Suyash comprises a fixed salary,

allowances, perquisites, reimbursements and retirement benefits, and a variable pay to be determined by the Board on the recommendation of the Nomination and Remuneration Committee. In addition, Ms. Suyash has been granted 71,507 options under the Employee Stock Option Scheme – 2014 at an exercise price of Rs. 2,101.10 on June 1, 2015. These options will vest in three equal tranches in third, fourth and fifth year from the grant and can be exercised after two years from each vesting. Ms. Suyash is eligible for benefits under any long-term incentive plan, stock option plan, excess contribution and other benefits in accordance with the rules of the Company applicable to all employees. The Nomination and Remuneration Committee determines the remuneration of Managing Director. The detailed policy of the Company on Nomination and Remuneration is available on the Company website at <https://crisil.com/en/home/investors/corporate-governance.html>.

Sitting fees and commission paid to Non-Executive Directors

	Rupees		
Name of Directors	Sitting Fees	Commission	Total
Mr. H. N. Sinor [#]	10,35,000	24,00,000	34,35,000
Dr. Nachiket Mor	4,00,000	29,00,000	33,00,000
Mr. M. Damodaran	10,40,000	29,00,000	39,40,000
Ms. Vinita Bali	10,25,000	29,00,000	39,25,000
Mr. Girish. Paranjpe [^]	1,30,000	6,00,000	7,30,000
Mr. Douglas Peterson ^{\$}	Nil*	Nil *	Nil *
Mr. John L Berisford	Nil*	Nil *	Nil *
Ms. Martina Cheung	Nil*	Nil *	Nil *
Mr. Ewout Steenbergen [^]	Nil*	Nil *	Nil *
Mr. Ravinder Singhania (Alternate Director)	Nil	Nil	Nil
Total	36,30,000	1,17,00,000	1,53,30,000

* Since April 2015, S&P Global has waived the sitting fees and commission payable to its nominees.

[#] Ceased to be Director with effect from October 25, 2017

^{\$} Resigned with effect from October 17, 2017

[^] Appointed with effect from October 17, 2017

Remuneration paid to the Managing Director & CEO for the year ended December 31, 2017

Name	Ashu Suyash
Salary*	3,12,07,086
Variable Pay	2,67,00,000
Provident Fund	16,75,548
Perquisites	39,600
Appointment valid till	May 31, 2020

*As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Group as a whole, the amount pertaining to the same is not included above.

Besides the above, any pecuniary transaction, if so undertaken between a Director and the Company in the ordinary course of business is reflected in the related party disclosure in the notes to the financial statements.

1. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises four Non-Executive Directors who are well-versed with financial matters and corporate laws. The Audit Committee met six times in 2017 — on February 10, April 19, June 20, July 17, October 16 and December 13. The necessary quorum was present for all the meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on April 20, 2017. Consequent to the changes in the composition of the Board of Directors of the Company, the Committee was reconstituted by the Board of Directors with effect from October 17, 2017 and again on December 6, 2017. The composition of the Committee during 2017 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2017	
			Held during the tenure	Attended out of those held
Mr. M. Damodaran	Independent, Non-Executive	Chairman	6	6
Mr. H. N. Sinor	Independent, Non-Executive	Member*	5	5
Ms. Vinita Bali	Independent, Non-Executive	Member	6	5
Mr. John L Berisford	Non-Executive	Member [#]	5	4
Mr. Girish Paranjpe	Independent, Non-Executive	Member [^]	1	1
Mr. Ewout Steenbergen	Non-Executive	Member ^{\$}	0	0
Ms. Martina Cheung	Non-Executive	Member ^{**}	1	1

* Mr. H.N. Sinor ceased to be a member of the Audit Committee with effect from October 17, 2017

[^] Mr. Girish Paranjpe was appointed as a member of the Audit Committee with effect from October 17, 2017

^{\$} Mr. Ewout Steenbergen was a member of the Audit Committee from October 17, 2017 until December 6, 2017

[#] Mr. John L. Berisford ceased to be a member of Audit Committee with effect from October 17, 2017

^{**} Ms. Martina Cheung was appointed as a member of the Audit Committee with effect from December 6, 2017

B. Board Committees

The Board has constituted committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company.

As on December 31, 2017, the Company had the following committees:

1. Audit Committee
2. Investment Committee
3. Nomination and Remuneration Committee
4. Stakeholders' Relationship Committee
5. Corporate Social Responsibility Committee

Each of the committees has the authority to engage outside experts, advisors, and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of committee meetings are circulated to the Directors and placed before the Board Meeting for noting thereat.

Report of the Directors on Corporate Governance

The Audit Committee invites the executives of the Company, as it considers appropriate, representatives of the Statutory Auditors and representatives of the internal auditors, at its meetings.

Role of the Audit Committee

The terms of reference for the Audit Committee are broadly as under:

- 1) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2) Recommending the appointment, remuneration and terms of appointment of auditors of the company
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4) Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in Director's Responsibility Statement included in the Board's report
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries based on 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. Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- 6) Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency
- 7) Review and monitor the auditors' independence and performance, and effectiveness of audit process
- 8) Approval or any subsequent modification of transactions of the company with related parties
- 9) Scrutiny of inter-corporate loans and investments
- 10) Valuation of undertakings or assets of the company, wherever it is necessary
- 11) Evaluation of internal financial controls and risk management systems
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- 13) Reviewing 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) Discussion with internal auditors of any significant findings and follow-up there on
- 15) Reviewing 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) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- 17) To 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) To review the functioning of the Whistleblower mechanism
- 19) Approval of the appointment of CFO
- 20) To review report submitted by the monitoring agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable
- 21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In line with its terms of reference, during 2017, the Audit Committee, at its each meeting reviewed the operations

audit reports for businesses pursuant to audits undertaken by the Internal Auditors under the audit plan approved at the commencement of the year. The quarterly financial results were reviewed by the Committee before submission to the Board. Independent sessions were held with the statutory and the internal auditors to assess the effectiveness of the audit processes. The committee reviewed adequacy of internal financial controls on a Company-wide basis

and shared their recommendations on the internal control processes to the Board. The committee reviewed the risk management process, effectiveness of the monitoring and review mechanism therefor, key risks and their respective mitigation plans. On a quarterly basis, the committee continues to review whistle blower complaints with the corrective actions and controls put in place therefor, material litigations/notices and related party transactions.

2. Investment Committee

The Investment Committee lays down policy guidelines and procedures for investing the Company's funds, and reviews this activity at regular intervals. The Investment Committee met twice during the year, on February 11 and October 17. The necessary quorum was present for the meeting. The details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2017	
			Held during the tenure	Attended out of those held
Ms. Vinita Bali	Independent, Non-Executive	Chairperson	2	2
Mr. M. Damodaran	Independent, Non-Executive	Member [^]	2	2
Ms. Martina Cheung	Non-Executive	Member ^{\$}	2	2
Mr. Girish Paranjpe	Independent, Non-Executive	Member [#]	0	0
Mr. Ewout Steenbergen	Non-Executive	Member ^{**}	0	0
Ms. Ashu Suyash	Managing Director & CEO	Member	2	2

[^] Mr. M. Damodaran ceased to be a member of the Investment Committee with effect from October 17, 2017

[#] Mr. Girish Paranjpe was appointed as a member of the Investment Committee with effect from October 17, 2017

^{\$} Ms. Martina Cheung ceased to be a member of the Investment Committee with effect from December 6, 2017

^{**} Mr. Ewout Steenbergen was appointed as a member of the Investment Committee with effect from December 6, 2017

3. Nomination and Remuneration Committee

The broad terms of reference of the Nomination and Remuneration Committee are:

- Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills
- Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board
- Establishing and reviewing Board and senior executive succession plans
- Evaluation of Board Performance
- Assisting the Board in ensuring Board nomination process with diversity of gender, thought, experience, knowledge and perspective in the Board
- Reviewing and making recommendations to the Board on:

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman
- the remuneration policies for all employees including base pay, incentive payments, equity awards, retirement rights and service contracts

The Nomination and Remuneration Committee met four times in 2017 - on February 10, April 19, July 17 and October 17. The necessary quorum was present for all the meetings. In terms of its mandate, during 2017, the Committee focussed on review of initiatives relating to talent acquisition & management, succession planning, employee engagement, leadership development, employee compensation and long-term incentive plans. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on April 20, 2017. Consequent to the changes in the composition of the Board of Directors

Report of the Directors on Corporate Governance

of the Company, the Committee was reconstituted by the Board of Directors with effect from October 17, 2017. The composition of the Committee during 2017 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2017	
			Held during the tenure	Attended out of those held
Ms. Vinita Bali	Independent, Non-Executive	Chairperson [#]	4	4
Mr. H. N. Sinor	Independent, Non-Executive	Member [*]	4	4
Mr. Douglas Peterson	Non-Executive	Member ^{**}	4	3
Mr. John L. Berisford	Non-Executive	Member [§]	0	0
Mr. M. Damodaran	Independent, Non-Executive	Member [^]	0	0

* Mr. H.N. Sinor ceased to be the Chairman but continued to be a member of the Nomination and Remuneration Committee with effect from February 11, 2017. He ceased to be a member of the Nomination and Remuneration Committee with effect from October 17, 2017

[#] Ms. Vinita Bali was appointed as the Chairperson of the Nomination and Remuneration Committee with effect from February 11, 2017

^{**} Mr. Douglas L. Peterson resigned as a Director with effect from October 17, 2017

[§] Mr. John L. Berisford was appointed as a member of the Nomination and Remuneration Committee with effect from October 17, 2017

[^] Mr. M. Damodaran was appointed as a member of the Nomination and Remuneration Committee with effect from October 17, 2017

The Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at <https://crisil.com/en/home/investors/corporate-governance.html>.

Further, the details of remuneration paid to all the directors and the other disclosures required to be made under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been published in the previous section of this Report titled 'Board of Directors'.

4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee periodically reviews the status of shareholder grievances and redressal of the same. The committee also reviews complaints from all stakeholders of the Company, including customers, employees, vendors/business partners. Through this process, the committee reviews and steers improvements in relation to service delivery, quality and other issues pertaining to other stakeholders as well. The Committee met four times in 2017 - on February 11, April 19, July 17 and October 16. The necessary quorum was present for all the meetings. The Chairman of the committee was present at the last Annual General Meeting of the Company held on April 20, 2017. Consequent to the changes in the composition of the Board of Directors of the Company, the committee was reconstituted by the Board of Directors with effect from October 17, 2017.

The composition of the committee during 2017 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2017	
			Held during the tenure	Attended out of those held
Mr. M. Damodaran	Independent, Non-Executive	Chairman	4	4
Mr. John L. Berisford	Non-Executive	Member [#]	4	3
Mr. Ewout Steenbergen	Non-Executive	Member [§]	0	0
Ms. Ashu Suyash	Managing Director & CEO	Member	4	4

[#] Mr. John Berisford ceased to be a member of the committee with effect from October 17, 2017.

[§] Mr. Ewout Steenbergen was appointed as a member of the committee with effect from October 17, 2017.

The details of shareholders' complaints received and redressed during the year are given in Section D of the Report.

5. Corporate Social Responsibility Committee

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken
- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing agreement, and the Companies Act, 2013

The committee met twice in 2017 - on February 11 and July 17. The necessary quorum was present for both the meetings. Consequent to the changes in the composition of the Board of Directors of the Company, the Committee was reconstituted by the Board of Directors with effect from October 17, 2017. The composition of the Committee during 2017 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2017	
			Held during the tenure	Attended out of those held
Ms. Vinita Bali	Independent, Non-Executive	Chairperson	2	2
Mr. H. N. Sinor	Independent, Non-Executive	Member*	2	2
Mr. Girish Paranjpe	Independent, Non-Executive	Member^	0	0
Ms. Ashu Suyash	Managing Director & CEO	Member	2	2

* Mr. H. N. Sinor ceased to be a member of the CSR Committee with effect from October 17, 2017

^ Mr. Girish Paranjpe was appointed as a member of the Committee with effect from October 17, 2017

The details of corporate social responsibility activities of the Company during the year are mentioned in the annexures to the Directors' Report.

6. Meeting of Independent Directors

The Company's Independent Directors met on February 10, 2017, without the presence of the Managing Director & CEO, the Non-Executive, Non-Independent Directors and the Management Team. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

7. Performance evaluation

The Company has put in place a mechanism for performance evaluation of the Directors. The details of the same have been included in the Directors' Report.

3. The Annual Report is circulated to all members, and is also available on the Company's website.
4. Material developments relating to the Company that are potentially price sensitive in nature or which could impact continuity of publicly available information regarding the Company is disclosed to the stock exchanges in terms of the Company's Policy for Disclosure of Material Information and is also available on the Company's website.
5. The Company website contains information on the businesses of the Company, governance and important policies of the Company.

The Company encourages its shareholders to subscribe to e-communication from the Company and update their email IDs with us or with the depository participant through a letter or by completing the necessary forms, as the case may be. To serve the investors better and as required under Regulation 46(2)(j) in the Listing Regulations, the designated e-mail address for investor complaints is investors@crisil.com. The email address of grievance redressal division is continuously monitored by the Company's compliance officer.

C. Shareholders

Means of communication

1. Quarterly and annual financial results are published in the leading national and regional newspapers, and displayed on the Company's website.
2. News releases, press releases and presentations made to investors and analysts, if any, are displayed on the Company's website.

Report of the Directors on Corporate Governance

The Annual Report of the Company for the financial year 2017 has been emailed to the members whose email addresses are available with the depositories for communication purposes or are obtained directly from the members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014. For other members, who have not registered their email addresses, the Annual Report has been sent at their registered address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

The Management Discussion and Analysis Report forms a part of the Annual Report.

In case of appointment or re-appointment of a Director, members are provided a brief resume of the Director, the nature of his / her expertise in specific functional areas, the names of companies in which he / she holds directorship, and membership of committees of the Board.

Grievance Redressal

The Board has appointed Stakeholders' Relationship Committee to review and redress complaints received from shareholders. The Committee meets periodically to consider the status of the investor grievances received and redressed.

General Body Meetings: The location, time and venue of the last three Annual General Meetings were as under:

Nature of Meeting	Date and Time	Venue	Special resolutions passed
Twenty Eighth Annual General Meeting	April 17, 2015 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None
Twenty Ninth Annual General Meeting	April 19, 2016 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	None
Thirtieth Annual General Meeting	April 20, 2017 at 3.30 pm	Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	One Special Resolution was passed regarding amendments to the CRISIL Employee Stock Option Scheme 2014

Postal ballot

During the financial year 2017, the Company did not pass any resolutions by postal ballot:

Pursuant to the provisions of the Companies Act, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through postal ballot.

Disclosures

During the year, there were no related party transactions which were materially significant and that could have a potential conflict with the interests of the Company at large. Related party transactions have been disclosed in the annexures to the Directors' Report as required in terms of the provisions of the Companies Act.

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.¹

The Company has complied with all the mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also complied with the following discretionary requirements specified in Part E of Schedule II in terms of Regulation 27(1):

- i. **Modified opinion(s) in Audit Report:** Company's financial statements have unmodified audit opinions.

¹ On January 31, 2018, vide a settlement order issued by SEBI, the Company, without admitting or denying the violations, settled proceedings in connection with a show cause notice pertaining to alleged violation of certain provisions of the CRA regulations, for an amount of Rs. 28.36 lacs.

- ii. **Separate posts of Chairman and CEO:** The positions of the Chairman and the CEO are separate.
- iii. **Reporting of internal auditors:** The internal auditors of the Company directly report to the Audit Committee.

CRISIL Code of Conduct for Directors and Senior Management

The Board of Directors of CRISIL has adopted the Code of Conduct for Directors and Senior Management, which is available on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>. Affirmation regarding compliance of the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

Prohibition of Insider Trading

CRISIL has formulated a Code of Ethics and Personal Trading Policy for Directors and employees to comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations). This policy is framed adopting the standards set out in the Regulations to regulate, monitor, and report trading by its employees to achieve compliance with the said Regulations.

Vigil Mechanism and Whistleblower Policy

The Company has a Whistleblower Policy for establishing a vigil mechanism for directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistleblower Policy has been hosted on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>

Policy for determining 'material' subsidiaries

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries which has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>.

Material unlisted subsidiary

The Company has two of its overseas unlisted subsidiary companies as material subsidiaries in terms of its policy on determination of material unlisted subsidiary companies. These are subject to special governance norms in terms of the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of CRISIL Limited for their review and noting.

Policy against Sexual and Workplace Harassment

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has a 'Policy on redressal of Sexual Harassment' for CRISIL and its subsidiary companies. As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the policy mandates strict confidentiality and recognizes the right of privacy of every individual. As per the policy, any employee may report a complaint to the 'Independent Committee' formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy. During the year, 3 complaints were received from CRISIL employees, which were resolved. Additionally 3 complaints were received from off-roll personnel out of which two cases have been resolved and one was under investigation as at the end of the year. No complaints were received in respect of subsidiary companies.

Related Party Transactions Policy

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>

Record Management Policy

As required under Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for Preservation of Documents. The same has been implemented in the Company with effect from December 1, 2015.

Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges

As required under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure

Report of the Directors on Corporate Governance

Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to the stock exchanges; the same is available at <https://www.crisil.com/en/home/investors/corporate-governance.html>.

The Board of Directors of the Company has authorised the Chief Financial Officer of the Company to determine materiality of an event or information and make disclosures to the stock exchanges under the said regulation.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Pursuant to Regulation 8 in Chapter IV of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, has a 'CRISIL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'. The Code has also been hosted on the website of the Company, viz., www.crisil.com.

Commodity price risk or foreign exchange risk and hedging activities

As such, the Company is not exposed to any commodity price risk. The detailed discussion of the foreign exchange risk and Company's hedging activities is given in the Management Discussion & Analysis Report and the Notes to the Financial Statements.

Unclaimed Equity Shares

Consequent to the sub-division of nominal value of the equity shares of the Company from Rs. 10 per share to Re. 1 per share with effect from October 1, 2011, and in terms of Regulation 39 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style 'CRISIL Limited - Unclaimed Shares Suspense Account'. At the beginning of the year,

40,000 equity shares belonging to 29 shareholders were lying in the account. During the year, 3 shareholders claimed 8,000 equity shares from the account, which were transferred to such shareholders after adequate verification. Further, in terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years, lying in the CRISIL Limited - Unclaimed Shares Suspense Account, were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed by the said rules as indicated later in the report.

At the end of the year, i.e., as at December 31, 2017, 9,000 equity shares belonging to 5 shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on December 31, 2017, shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent, Karvy Computershare Private Limited.

SEBI Complaints Redress System (SCORES)

SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, the Company received four investor complaints through SCORES.

D. General Shareholders Information:
1. Annual General Meeting

Date and Time : April 17, 2018 at 3.30 p.m.

Venue : Rangaswar Hall, 4th floor,
Yashwantrao Chavan Pratishthan,
Gen. Jagannath Bhosale Marg,
Next to Sachivalaya Gymkhana,
Mumbai 400 021

2. Calendar for Financial Reporting

First Quarter ending March 31, 2018	In April 2018
Second Quarter ending June 30, 2018	In July 2018
Third Quarter ending September 30, 2018	In October 2018
Year ending December 31, 2018	In February 2019
Newspapers where the results are published	Business Standard and Sakal
Websites where the financial results, shareholding pattern, annual report etc. are uploaded	www.crisil.com, www.bseindia.com and www.nseindia.com

3. Proposed Final and Special Dividend

: Final Dividend of Rs. 10 per share having nominal value of Re. 1 each

4. Dates of Book Closure

: April 2, 2018 to April 3, 2018 (both days inclusive)

5. Dividend Payment Date

: April 23, 2018 (if dividend payment is approved at the Annual General Meeting).

6. Listing details

: The shares of the Company are listed on:

National Stock Exchange of India Ltd. (NSE)

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

BSE Ltd. (BSE)

P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001

The Company has paid listing fees at both the exchanges and has complied with the listing requirements.

7. Stock Codes

: NSE – CRISIL
BSE – 500092
ISIN : INE007A01025
CIN : L67120MH1987PLC042363

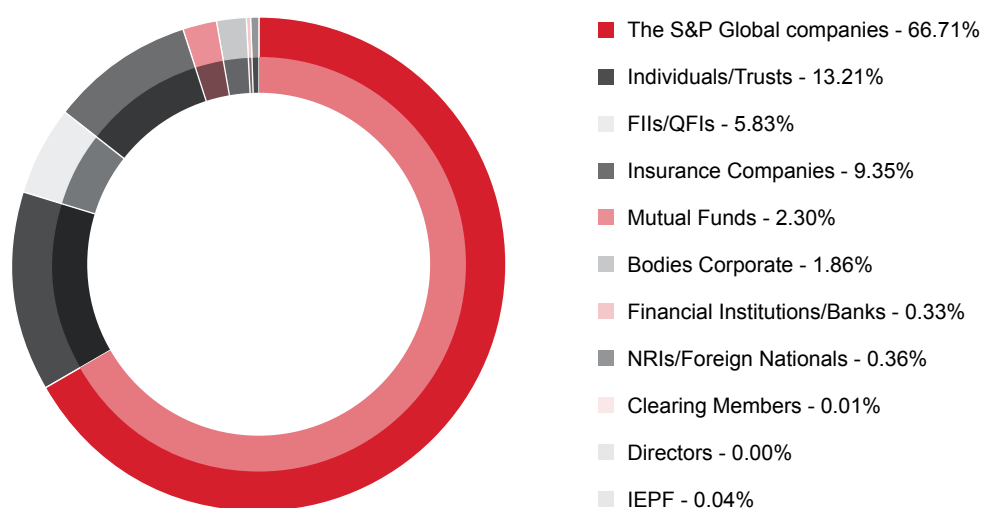
Report of the Directors on Corporate Governance

- | | | |
|---|---|---|
| 8. Registrars and Share Transfer Agents | : | Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad 500032
Email : einward.ris@karvy.com
Phone : +91 40 6716 1500
Toll Free No. : 1-800-34-54-001
Fax : +91 40 6716 1567 |
| 9. Compliance Officer | : | Ms. Minal Bhosale,
Company Secretary,
CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400076
Phone: 022-3342 3000
Fax: 022-3342 3001 |
| 10. Depository System | : | As on December 31, 2017, 99.82% of the Company's share capital is held in dematerialised form. For any assistance in converting physical shares in electronic form, investors may approach Karvy Computershare Private Limited or Ms. Minal Bhosale, Company Secretary, at the addresses given above. |
| 11. Electronic Clearing Service (ECS) | : | The Company has extended ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss / damage of dividend warrants in transit and correspondence with the Company on revalidation / issuance of duplicate dividend warrants. |
| 12. Bank Details for Electronic Shareholding | : | Members are requested to notify their Depository Participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs. |
| 13. Furnish Copies of Permanent Account Number (PAN) | : | The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of Prevention of Money Laundering Act, 2002. |
| | | For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company. |
| 14. Investor Complaints to be addressed to | : | Registrars and Share Transfer Agents (RTA) or to Ms. Minal Bhosale, Company Secretary, at the above mentioned addresses. |
| 15. Email ID of Grievance Redressal Division | : | investors@crisil.com |

Shareholders whose shares are in physical form and wish to make/change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/SH-14.

16. Category-wise shareholding pattern as on December 31, 2017

Sr. No.	Category	No. of shares	% holding
1	Group holding of S & P Global, Inc: - S & P India LLC - Standard & Poor's International, LLC - S & P Global Asian Holdings Pte. Ltd.	4,78,32,539	66.71
2	Individuals (includes trusts)	94,71,703	13.21
3	FII's / QFI's / FPI's	41,78,818	5.83
4	Insurance Companies	67,08,346	9.35
5	Mutual Funds	16,49,836	2.30
6	Financial Institutions / Banks	2,34,206	0.33
7	Bodies Corporate	13,30,935	1.86
8	NRI's / Foreign Nationals	2,61,517	0.36
9	Directors	-	-
10	Clearing Members	4,988	0.01
11	Investor Education and Protection Fund	32,040	0.04
Total		7,17,04,928	100.00

CATEGORY-WISE SHAREHOLDING PATTERN AS ON DECEMBER 31, 2017


Report of the Directors on Corporate Governance

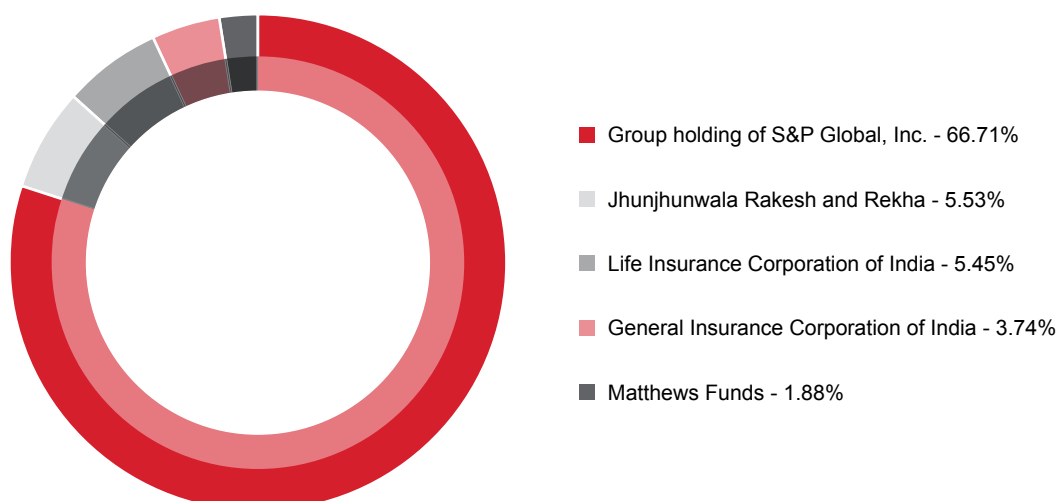
17. Distribution of shareholding as on December 31, 2017

Range of equity shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 – 5,000	26,511	99.04	31,35,588	4.37
5,001 – 10,000	93	0.35	6,79,007	0.95
10,001 – 20,000	52	0.19	7,59,851	1.06
20,001 – 30,000	27	0.10	6,70,360	0.93
30,001 – 40,000	13	0.05	4,41,638	0.62
40,001 – 50,000	11	0.04	4,97,709	0.69
50,001 – 1,00,000	23	0.09	18,07,017	2.52
1,00,000 and above	37	0.14	6,37,13,758	88.86
Total	26,767	100.00	7,17,04,928	100.00

18. Members holding more than 1% of the paid-up share capital as on December 31, 2017

Sr. No.	Name of the shareholder	No. of shares	% holding
1.	Group holding of S & P Global, Inc: - S & P India LLC - Standard & Poor's International, LLC - S & P Global Asian Holdings Pte. Ltd.	47,832,539	66.71
2.	Jhunjhunwala Rakesh & Rekha	39,65,000	5.53
3.	Life Insurance Corporation of India	39,08,261	5.45
4.	General Insurance Corporation of India	26,70,000	3.74
5.	Matthews India Fund / Matthews Asia Small Companies Fund / Matthews Asia Funds - India Fund / Matthews Asia Funds Asia Small Companies Fund	13,48,110	1.88

Members holding more than 1% as on December 31, 2017



19. Status report of shareholder complaints during the year ended December 31, 2017

Nature of complaints	No. of complaints received
Outstanding as on January 1, 2017	1
Non-receipt of dividend	54
Non-receipt of shares	1
Non-receipt of Annual Report	63
Complaints received through SCORES/Stock Exchanges/Ministry of Corporate Affairs/Regulatory Authorities	11*
Total	130

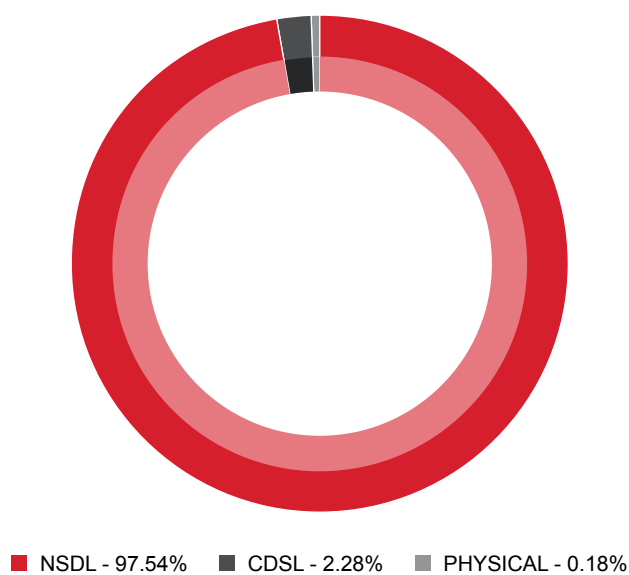
* Includes same complaints to multiple authorities.

The Company addressed all the investor complaints received as indicated above, except for one which was received towards the year-end and resolved in January 2018.

20. Shares held in Physical and Dematerialised form as on December 31, 2017

The break-up of physical and dematerialised shareholding as on December 31, 2017 is explained graphically below.

Distribution of holdings - Demat and Physical



Report of the Directors on Corporate Governance

21. Equity history since sub-division of shares

Date	Particulars	No. of shares	Cumulative no. of shares
01.10.2011	No. of issued and fully paid-up equity shares of face value Re. 1 each after stock split	7,09,68,440	7,09,68,440
04.01.2012	Extinguishment of shares consequent to buy-back	(-) 9,10,000	7,00,58,440
16.04.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 1,09,950	7,01,68,390
17.10.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 67,350	7,02,35,740
18.04.2013	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 2,70,730	7,05,06,470
18.10.2013	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 1,46,420	7,06,52,890
17.04.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,09,140	7,09,62,030
17.10.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,95,025	7,13,57,055
17.04.2015	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 93,465	7,14,50,520
16.07.2015	Extinguishment of shares consequent to buy-back	(-) 5,11,932	7,09,38,588
17.10.2015	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011, Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 2,70,515	7,12,09,103
19.04.2016	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 67,575	7,12,76,678
14.10.2016	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 58,680	7,13,35,358
20.04.2017	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 21,750	7,13,57,108
18.07.2017	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 2,70,417	7,16,27,525
17.10.2017	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 77,403	7,17,04,928

22. Dividend

Dividend Policy: CRISIL believes in maintaining a fair balance between cash retention and dividend distribution. Cash retention is required to finance acquisitions and future growth, and also as a means to meet any unforeseen contingency. CRISIL Dividend Policy specifies the financial parameters that will be considered when declaring dividends, internal and external factors that would be considered for declaring dividends and the circumstances under which shareholders can or cannot expect a dividend. The Policy has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html> and the same is also annexed herewith as Annexure I.

Modes of payment of dividend: The dividend is paid under two modes, viz.,

- (a) Credit to the Bank account via Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS) / SWIFT Transfer and;
- (b) Despatch of physical dividend warrant

Electronic Clearing Service (ECS/NECS): The Company has extended the ECS/NECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants. Investors may obtain the ECS/NECS mandate form from the FAQs link (<https://www.crisil.com/en/home/investors/shareholder-services/faqs.html>) on Investors section of the Company's website, www.crisil.com.

Bank details for electronic shareholding: Members are requested to notify their depository participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts including the MICR codes of their banks to their DPs.

Unclaimed dividend: Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124(5) of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. In respect of the transfers made after coming into effect of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed. The details of unclaimed dividend as on December 31, 2017 are as follows:

Sr. No.	Dividend name	Dividend per share (Rs.)	%	Date of declaration / approval of dividend	Due date for transfer to IEPF
1.	Unclaimed Final Dividend 2010	25.00	250%	15-Apr-2011	16-May-2018
2.	Unclaimed 1st Interim Dividend 2011	27.50	275%	15-Apr-2011	16-May-2018
3.	Unclaimed 2nd Interim Dividend 2011	27.50	275%	20-Jul-2011	20-Aug-2018
4.	Unclaimed 3rd Interim Dividend 2011	2.75	275%	18-Oct-2011	18-Nov-2018
5.	Unclaimed Final Dividend 2011	2.75	275%	16-Apr-2012	18-May-2019
6.	Unclaimed Special Dividend 2011 and 1st Interim Dividend 2012	6.00	600%	16-Apr-2012	18-May-2019
7.	Unclaimed 2nd Interim Dividend 2012	3.00	300%	18-Jul-2012	19-Aug-2019
8.	Unclaimed 3rd Interim Dividend 2012	3.00	300%	17-Oct-2012	18-Nov-2019
9.	Unclaimed Final Dividend 2012	4.00	400%	18-Apr-2013	19-May-2020
10.	Unclaimed 1st Interim Dividend 2013	3.00	300%	18-Apr-2013	19-May-2020
11.	Unclaimed 2nd Interim Dividend 2013	3.00	300%	19-Jul-2013	19-Aug-2020
12.	Unclaimed 3rd Interim Dividend 2013	3.00	300%	18-Oct-2013	18-Nov-2020

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Sr. No.	Dividend name	Dividend per share (Rs.)	%	Date of declaration / approval of dividend	Due date for transfer to IEPF
13.	Unclaimed Final and Special Dividend 2013	10.00	1000%	17-Apr-14	18-May-2021
14.	Unclaimed 1st Interim Dividend 2014	3.00	300%	17-Apr-14	18-May-2021
15.	Unclaimed 2nd Interim Dividend 2014	3.00	300%	18-Jul-2014	18-Aug-2021
16.	Unclaimed 3rd Interim Dividend 2014	4.00	400%	17-Oct-2014	17-Nov-2021
17.	Unclaimed Final & Special Dividend 2014	10.00	1000%	17-Apr-15	18-May-2022
18.	Unclaimed 1st Interim Dividend 2015	4.00	400%	17-Apr-15	18-May-2022
19.	Unclaimed 2nd Interim Dividend 2015	4.00	400%	17-Jul-15	17-Aug-2022
20.	Unclaimed 3rd Interim Dividend 2015	5.00	500%	17-Oct-15	17-Nov-2022
21.	Unclaimed Final & Special Dividend 2015	10.00	1000%	19-Apr-16	20-May-2023
22.	Unclaimed 1st Interim Dividend 2016	5.00	500%	19-Apr-16	20-May-2023
23.	Unclaimed 2nd Interim Dividend 2016	6.00	600%	19-Jul-16	19-Aug-2023
24.	Unclaimed 3rd Interim Dividend 2016	7.00	700%	14-Oct-2016	14-Nov-2023
25.	Final Dividend 2016	9.00	900%	20-Apr-17	20-May-2024
26.	Unclaimed 1st Interim Dividend 2017	6.00	600%	20-Apr-17	20-May-2024
27.	Unclaimed 2nd Interim Dividend 2017	6.00	600%	18-Jul-17	17-Aug-2024
28.	Unclaimed 3rd Interim Dividend 2017	6.00	600%	17-Oct-17	16-Nov-2024

Notes:

- Investors are requested to send in their claim at least 15 days prior to due date for transfer to IEPF for ensuring payment of their dividend.
- The stock was split from face value Rs. 10 to face value Re. 1 with effect from October 1, 2011. Hence, dividend declared after that date is on share of face value Re. 1 each.

Transfer of shares to Investor Education & Protection Fund (IEPF)

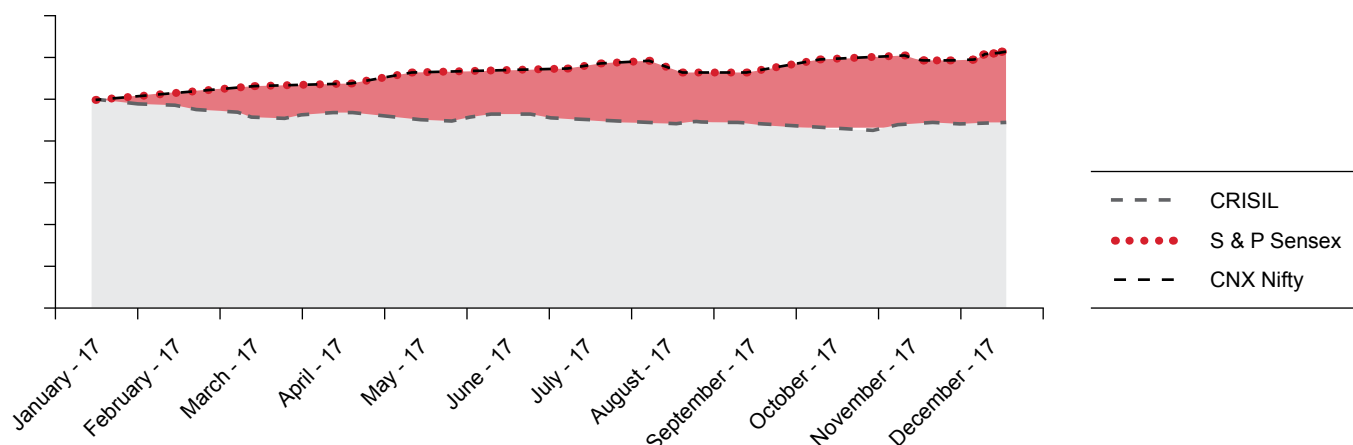
Further pursuant to the provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously, to IEPF. The Company has transferred 32,040 shares to IEPF during the year. Details of these shares are available on the Company's website www.crisil.com.

Further, shares in respect of whom dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website www.crisil.com.

23. Stock price and movement of the Company's shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the period from January 2017 to December 2017:

NSE			BSE		
Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
January	2,293.00	2,050.10	January	2,285.00	2,063.00
February	2,121.00	1,991.10	February	2,100.00	1,988.00
March	2,050.00	1,858.75	March	2,029.95	1,865.10
April	2,018.95	1,896.05	April	2,021.25	1,894.00
May	1,972.35	1,842.30	May	1,970.05	1,848.00
June	1,970.00	1,850.00	June	1,970.00	1,848.00
July	2,002.00	1,839.05	July	2,020.00	1,853.50
August	1,897.00	1,785.25	August	1,939.95	1,784.85
September	1,920.00	1,789.55	September	1,940.00	1,764.15
October	1,874.05	1,766.00	October	1,899.00	1,752.45
November	1,889.95	1,775.15	November	1,888.80	1,765.40
December	1,883.95	1,761.00	December	1,900.00	1,765.00

Price movement of CRISIL shares in 2017 on NSE and BSE vis-a-vis movement of CNX Nifty and S&P Sensex



24. Shareholders' rights

A shareholder in a Company enjoys certain rights, which are as follows:

- To receive share certificates, on allotment or transfer as the case may be, in due time.
- To receive copies of the Annual Report, Balance Sheet and Profit and Loss Account and the Auditor's Report.
- To participate and vote in General Meetings either personally or through proxies.
- To receive dividends in due time, once approved in General Meetings or Board Meetings.
- To receive corporate benefits like rights and bonus etc. once approved.
- To apply to the National Company Law Tribunal to call or direct the Annual General Meeting.
- To inspect the minute books of the General Meetings and to receive copies thereof.
- To proceed against the Company by way of civil or criminal proceedings.
- To apply for the winding-up of the Company.
- To receive the residual proceeds.
- Other rights are as specified in the Memorandum and Articles of Association available on the website, <https://www.crisil.com/en/home/investors/shareholder-services/faqs.html>

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Apart from the above rights, the shareholders also enjoy the following rights as a group:

- To appoint the Directors and Auditors of the Company.
- To requisition an Extraordinary General Meeting.
- To apply to the National Company Law Tribunal to investigate the affairs of the Company.
- To apply to the National Company Law Tribunal for relief in cases of oppression and / or mismanagement.

The above-mentioned rights may not necessarily be absolute.

For and on behalf of the Board of Directors of CRISIL Limited

John L. Berisford
Chairman

Mumbai, February 13, 2018

Annexure I to Corporate Governance Report

Dividend Policy

Policy for determining dividend pay-out to shareholders

1. Purpose and scope

The purpose of this policy is to broadly specify external and internal factors including financial parameters that will be considered when declaring a dividend, and the circumstances under which the shareholders of the Company may or may not expect a dividend. The Board of Directors will refer to the policy when declaring/ recommending dividends on behalf of the Company.

The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration the guidelines issued by the Securities and Exchange Board of India to the extent applicable.

2. Decision framework

- i. The circumstances under which shareholders can or cannot expect a dividend:
The Company has been consistently paying out dividends to shareholders and can be reasonably expected to continue declaring more than 50% of standalone profit after tax in future unless the Company is constrained by insufficient profits or if any internal or external factor or financial parameter indicated below becomes adverse or if there is any likely requirement for business expansion or acquisition as determined by the Board
- ii. The financial parameters that will be considered when declaring dividends:
 - a. Profit after tax
 - b. Positive cash flow after taking into consideration future business needs
 - c. Debt/EBITDA
- iii. Internal and external factors that would be considered for declaring dividends:

- a. Business environment and trends in capital markets
- b. Statutory regulations and guidelines
- c. Profit earned during the year
- d. Net worth
- e. Company's need for growth capital
- f. Working capital requirements and contingency plan
- g. Any other factor as deemed fit by the Board

iv. Utilisation of retained earnings shall be towards:

- a. Business expansion and growth
- b. Acquisition
- c. Working capital requirements and contingencies

v. Provision with regard to various classes of shares:

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof

The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

3. Policy review

This policy shall be reviewed by the Board as and when any changes are to be incorporated owing to changes in regulations or as may be felt appropriate by the Board. Any changes or modification in policy would be put up for approval of the Board of Directors.

This policy is dated October 14, 2016.

Business Responsibility Report

This Business Responsibility Report articulates our activities on sustainability during 2017 based on the nine-principle framework of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, notified by the Ministry of Corporate Affairs on July 8, 2011. Policy and practice under each principle is explained in subsequent paragraphs with correlation to the Securities and Exchange Board of India reporting format, appended at the end of the report.

This year, we delve into the sustainability actions across the value chain of our offerings.

CRISIL is at the core of the financial ecosystem, offering financial services rich in data and analytics to help decision making within the business community. Users of our ratings, research, analytics, advisory, and risk solutions services include governments, regulatory institutions, institutional investors, banks, corporates and SMEs. Their actions channel supply of huge amount of risk capital in the market, promote development of the bond market, and support economic growth. CRISIL, thus, acts as a catalyst of capital market growth.

Specific projects undertaken during the year highlight our contribution to sustainability of the financial markets. We constantly innovate our services to meet the present day needs of the investor community, enlarging the reach of our services to developing markets and also enhancing our services to evolving sharper regulatory regimes of developed markets, such as the US and the UK.

While the sphere of CRISIL's activities is predominantly knowledge-based, it believes savings and capital creation should not be the privilege of the erudite only. Financial awareness and literacy of the larger Indian population is the key to capital building and growth. In pursuit of this vision, CRISIL Foundation has been also working with rural communities extensively to strengthen their financial capabilities.

Our maiden programme, Mein Pragati, which seeks to strengthen the financial capabilities of socially and economically disadvantaged sections of the society, completed outreach to more than 100,000 rural women in 500 villages in Assam in Phase I (2015-2017).

Also, in a first for a corporate foundation in this field, CRISIL Foundation was empanelled by the RBI to implement its pilot project to drive financial literacy and inclusion, by setting up 20 'Money-Wise Centres for Financial Literacy' in two states in India. The model has the potential and the ability to holistically improve the financial health of each individual in the chosen communities.

A culture of excellence, accountability and empowerment, motivates employees to excel in all fields and contribute wholeheartedly to a range of value-creating activities for our stakeholders. These range from the interesting to the seemingly commonplace, the complex to the simple – be it volunteering for CSR activities, contributing to industry-wide knowledge sharing, engaging with customers, developing new services and technology platforms, or uplifting actively the internal controls, governance and risk management processes of the company. Our focus, in every aspect of our operation, is to empower our employees with a supportive work environment and growth opportunities that motivate them to perform better each year and enrich the value proposition for each stakeholder.

Principle No 1

Ethics, Transparency and Accountability

As India's foremost provider for ratings, data, research, analytics and solutions, it is imperative that we are independent in our thinking and act with unimpeachable integrity at all times.

Our core values – integrity, excellence, accountability, teamwork and respect – play a crucial role in our success story. We have woven our values and mission in all our offerings and operations across levels to provide transparent and unbiased data and solutions to investors, clients, policymakers and other stakeholders. Our opinions and analyses are credible, unbiased and not bound by any external influence, and this has been the cornerstone of our consistent growth record and client patronage.

We have a robust policy framework in place for upholding ethical principles. Our practices and business conduct are governed by the CRISIL Code of Ethics and Personal Trading Policy and the S&P Code of Business Ethics Policy (together referred to as 'the Codes').

The Codes together outline more than 23 key principles of business behaviour that need to be followed by each business and employee of CRISIL, with strong emphasis on ethical conduct, avoiding conflict of interest, preserving confidentiality, principles of anti-bribery and handling of competitive intelligence, among other aspects. The Codes are well-articulated and communicated throughout the organisation, and reinforced through training, assessment and affirmation by employees at the time of joining and on an annual basis.

And while the Codes encompass business behaviour, the CRISIL Delegation of Authority Policy lays down the governance framework for decision making, to ensure business decisions are taken with objectivity and for consistency of business conduct.

The Codes are supplemented with additional policies in specific areas for enunciating operating procedures and ensuring effective compliance. One such important policy for ensuring a conflict-free working environment is CRISIL's Personal Trading Policy. Framed in sync with the principles set out in the SEBI Insider Trading Regulations, it regulates, monitors and requires reporting of trades by employees in CRISIL's shares. Additionally, for certain businesses, roles and senior positions, the Policy restrictions extend to shares of client companies as well, depending on the client confidential data being handled by such roles. An electronic surveillance platform is deployed for monitoring of trades and disclosures on a regular basis.

CRISIL believes that once expectations have been communicated, it is critically important to enforce the policies consistently. Disciplinary action is taken against employees who breach policies in line with the disciplinary framework under the policies.

The Whistle Blower Policy empowers employees with the mechanism to easily report violations of the Codes. It also contains essential safeguards to reassure whistle-blowers that non-discrimination and fair conduct encapsulated in the Codes will protect them from reprisal. Transgressions can also be directly reported to respective line managers as well as the Compliance Officer. Complaint redressal is tracked rigorously at various levels of Management. Serious allegations are reported to a senior management committee for review of actions taken.

The tone at the top is set by an eminent set of Board Members equipped with diverse skill sets in law, policy making, regulations and global business experience to drive strategy and business. The Board provides the required oversight over governance, legal and compliance risks. A Board Committee dedicates exclusive time to review cases of policy violations and stakeholder complaints on a regular basis.

The senior management at CRISIL plays a vital role in reinforcing the culture of compliance. Each Board and Senior Management member reiterates his/her commitment to a Senior Management Code of Conduct, specifically enlisted in the Listing Regulations, by signing a declaration to this effect each year. Senior Management engages with employees through regular townhalls and other internal communications, to reinforce the value culture of the organisation and ensure awareness on policies, and to keep them relevant to the workforce.

Complaints received from employees, customers, vendors and shareholders have been reported at Principles 3, 4 and 8 of this

Report and under Corporate Governance Report, respectively. Besides these, there were no other stakeholder complaints.

Principle No 2

Sustainable services

CRISIL's mission is to make markets function better by providing independent opinions, actionable insights and efficient solutions. Our mission drives us to bring to the fore services relevant to the needs of socio-economic environment in the country.

Ratings

CRISIL pioneered credit rating in India in 1987 and has over the years built a portfolio of rating products for the entire gamut of debt instruments. We have set business standards and also instituted several innovations with best practices.

Issuers and borrowers leverage our ratings for enhancing their access to funding, widening the range of funding alternatives available to them, and optimising their cost of funds. Investors and lenders use our ratings to supplement their internal evaluation process and benchmark credit quality across investment options. Our ratings act as benchmarks for pricing and trading of debt instruments for markets at large.

Specifically in 2017, CRISIL Ratings pioneered India's first infrastructure expected loss (INFRA EL) rating and India's first hybrid annuity model (HAM) road project debt rating.

- **CRISIL INFRA EL rating**

CRISIL estimates that India's infrastructure sector will need a humongous Rs. 50 lakh crore of funding over the five fiscals through 2022. The banking system alone cannot meet this requirement given its weak asset profile and limited ability to raise additional equity capital. Therefore, the debt market will have to play a significant role in funding this gap.

However, historically, debt market participation in the infrastructure sector in India has been limited due to the high degree of risk perceived by investors, as reflected in lower credit ratings for infrastructure projects.

To address these issues, CRISIL, in consultation with the Ministry of Finance and other stakeholders, including developers, regulators and investors, has developed a new rating scale specifically for infrastructure projects – INFRA EL rating.

By combining the two pillars of credit risk – probability of default and loss given default – INFRA EL rating

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complements the conventional rating scale and provides far more utility. This will enable long-term investors such as infrastructure finance companies, pension funds and insurance companies to effectively price their investment decisions in infrastructure assets and allow issuers to access long-term funding from the capital markets at competitive rates, thereby facilitating more capital market funding to infrastructure projects.

CRISIL assigned the first Infra EL rating in India in February 2017 and has so far rated two infrastructure projects on the new scale, with total debt aggregating Rs. 676.8 crore.

- **India's first Hybrid-Annuity Model (HAM) road project rating**

Implementation and financing were the key risks impeding India's highway construction goals in the past couple of years. To address this, NHAI introduced the HAM scheme under which it would fund 40% of the project cost and also guarantee fixed annuity payouts. The scheme was intended to encourage greater participation of private sector players and to boost investments in road infrastructure.

In view of the focus shifting to hybrid annuity projects, which was a new type of funding, CRISIL published a new approach and methodology for rating road projects that receive fixed annuity payments in January 2017.

In June 2017, CRISIL assigned its first rating under the new methodology to the long-term bank facility of a concessionaire undertaking highway construction under HAM.

- **Partnering MSMEs in growth**

Micro, small, and medium enterprises (MSMEs) play a crucial role in India's economy and are a significant contributor to employment generation. Despite this, and the high priority accorded to it by policymakers and lenders, there are huge gaps in financing to the segment.

Our traditional SME Ratings benefit these units through savings on interest rates, which in turn boosts profitability and investment, leading to greater job and wealth creation. An independent assessment also affords lenders greater confidence to augment lending, resulting in lower non-performing assets.

CRISIL was a trailblazer in developing a first-of-its-kind, real time, fully automated commercial score for the micro and

small business. CRISIL Credit Assessment Score (CCAS) is designed for micro and small entities to assess their own strengths and weaknesses. It empowers these enterprises with an independent evaluation and assessment, to establish credibility with customers, creditors and lenders.

Also, in a boost to digitisation, the SME Business started on-boarding MSMEs through its digital platform, smefirst.com, which provides easy access to proprietary CRISIL ratings and evaluation services. It improves credit access to MSMEs through quicker credit assessments.

Considering the need for new products in the segment, CRISIL has launched i-Check and Enhanced Due Diligence for MSMEs. i-Check is a value-added service that provides an independent verification of the presence of MSMEs in the market, and helps position them as reliable CRISIL-verified business partners. It also aids MSMEs in building a better market identity and attracting global customers. CRISIL Enhanced Due Diligence is an independent credit evaluation that assists MSMEs in presenting their business in a concise format to lenders, to meet their borrowing requirement.

Data on the MSME sector comes with significant lag, so there is no way to regularly aggregate and gauge the ground situation among disparate and distant enterprises across India. Such data, however, is crucial from a policy-making point of view. Hence, it is important to have a forward-looking barometer that can gauge business predicaments and make predictions. In order to gather real-time, ground-level information on MSMEs, CRISIL signed a memorandum of understanding with the Small Industries Development Bank of India to launch CriSidEx, India's first sentiment index for MSMEs.

The index, through the survey will capture the current state and expected outlook on the sector every quarter. It would provide crucial insights on employment, business environment and foreign trade to the government and MSMEs themselves. Because it is based on a survey, CriSidEx will also provide intelligence and insights for regulators, trade bodies, and lenders, as well as economic and financial analysts. The first index will be published in 2018.

India Research

We are India's largest independent integrated research house, with strong domain expertise, providing insights and analysis on the Indian economy, industry, capital markets and companies.

The CRISIL Centre for Economic Research (C-CER) provides an outlook on the Indian economy and in-depth analysis of emerging trends, and also engages in customised presentations and panel discussions with policymakers and corporate leaders. C-CER reflects CRISIL's commitment to providing an integrated research offering to help corporates and policymakers take informed decisions.

CRISIL Industry Research covers over 90 sectors and is known for its rich insights and perspectives. We analyse millions of data points using a large network of primary data sources to provide our clients with long-term and short-term future outlook on sectors including automobiles, consumer products, construction and capital goods, infrastructure and metals.

CRISIL is a preferred service provider to 90% of India's commercial banks by asset base and 4 of the world's largest consulting firms.

It also publishes quarterly mutual fund rankings and around 45 standards debt and hybrid indices.

During 2017, CRISIL Research delivered two high impact research insights, drawing attention to regulatory bodies and government institutions to macroeconomic issues around pension planning and food inflation.

- **'Financial security for India's elderly – The imperatives'**
CRISIL worked with PFRDA to release the first of its kind report titled 'Financial security for India's elderly – The imperatives'. The PFRDA-CRISIL report highlighted the importance of paying immediate attention to pension planning in the country. It is believed that while India enjoys demographic dividend currently, its advantage would diminish over the next three decades. Measures suggested in the report included a larger role by the government to provide and penetrate the untouched masses in the country, improved asset allocation and providing sufficient incentives to intermediation and ensuring consistency across pension products.
- **'Pulses and Rhythms'**
CRISIL published a report on pulses titled 'Pulses and Rhythms' to draw the attention of policymakers to the extreme volatility in pulses inflation, which was hurting consumers and producers alike. A presentation was made to the Department of Consumer Affairs and inputs were also provided to the Ministry of Agriculture in this respect.

Advisory

CRISIL Infrastructure Advisory helps shape public policy and develop viable frameworks, and enables infrastructure

development. Our roster of clients includes national and provincial governments, multilateral organisations and development aid agencies, regulatory bodies, urban local bodies, large enterprises developing infrastructure projects, and leading financial institutions involved in infrastructure finance and development. We partner with these clients to help create a vibrant ecosystem for infrastructure development. We conceive mechanisms to ensure benefits of infrastructure development flow through to the consumers of infrastructure services – the people.

During the year, we supported following two important government initiatives:

National Skill Development Corporation (NSDC)

India presently faces the dual challenges of scarcity of highly trained labour force, as well as large sections of the educated youth, who possess little or no job skills resulting in their non-employability. CRISIL Infrastructure Advisory is assisting National Skill Development Corporation (NSDC) in conducting technical and financial due diligence of funding project proposals received by NSDC from applicants primarily from private sector. The due diligence process evaluates credit worthiness of the applicant, past experience, robustness of business model, ability of the applicant to mobilise and place students, etc. Based on recommendations provided by CRISIL, a decision is taken by NSDC on funding of the project proposal. The training to be provided by the applicants will help in reduction of unemployment in the country. Under the 'Skill India' flagship program of Ministry of Skill Development and Entrepreneurship, NSDC is one of its kind, public-private partnership which aims to promote skill development by catalysing the creation of sustainable businesses by involving the private sector in the vocational training space.

'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) Mission:

CRISIL Infrastructure Advisory is managing the activities of Program Management Unit (PMU) for effective planning, implementing, monitoring and evaluation of activities under the 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) Mission and providing technical advice to States/ULBs so that the project objectives are accomplished, projects are executed and capacities are institutionalised at State and City level. The purpose of AMRUT mission is to ensure that every household has access to assured water supply & a sewerage connection, increase the amenity value of cities and reduce pollution which will improve the overall livelihood of people. Ministry of Housing and Urban Affairs is implementing the mission. The mission has been rolled out in 500 cities geographically spread across the country. The total outlay for

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AMRUT is Rs. 50,000 crore for five years from FY2015-16 to FY2019-20 and the mission will be operated as a centrally sponsored scheme.

During 2017, the Advisory team also worked with 50 Urban Local Bodies across 9 states in India to provide technical assistance to Smart Cities for developing a Value Capture Finance (VCF) framework (including procedural, legal and institutional aspects), so as to effectively capture the additional land/ property value being generated through public investments made as a part of the implementation of the Smart Cities Mission.

Regulatory and Risk Support

Financial markets are highly dynamic and at times, volatile, making it crucial for market players to evaluate and reduce risk.

CRISIL Global Risk & Analytics business helps large global retail, commercial and investment banks, asset management companies and insurance companies globally to navigate through uncertainties such as market volatility and helps such institutions migrate to more robust risk and trading platforms and measure risk in a more real-time manner. Globally, such financial institutions are custodians to huge investor wealth invested through their schemes/deposits, and our services indirectly seek to highlight capital risks to savings of millions of small investors.

CRISIL Global Risk & Analytics provides a suite of services including credit scoring model development and validation services, quant-based trading strategy and derivative structuring solutions, front-office development and support services and services for managing and predicting portfolio risk levels. It works with multiple global banks and assists them in completing various regulatory submissions in a timely manner – Basel II/II.5/III, CCAR/DFAST, EBA Stress Testing, etc. We are also implementation partners for various banks for their regulatory implementation programmes (FRTB, MiFID II, SACCR, CoREP, FinREP etc) and business process transformation programmes, leveraging our rich experience of working with clients globally, our deep expertise in the financial services domain, complemented by our technology and project management capabilities.

On the domestic front, CRISIL Risk Solutions (CRS) has been working with banks and financial institutions to manage and mitigate their risks. Our solutions and offerings aid lending institutions to take informed decisions to assess, manage and monitor their risks in credit portfolio. Our monitoring framework helps to identify potential early delinquencies for institutions

to take proactive corrective actions. This improves the health of credit portfolio of institutions, leading to better credit culture across.

With the increased focus on financial inclusion, many new age NBFCs are contributing to the financial ecosystem of the country. CRS has partnered with many of them to enhance their risk management capabilities, prepare scoring models for them, aiding them to differentiate between creditworthy and risky borrowers. These will help credit uptick in the nation with improving performance of new age NBFCs, which have significant penetration in rural India.

CRISIL Coalition

CRISIL Coalition is a leading Analytics and Business Intelligence provider to more than 25 Corporate and Investment Banks across the global financial services industry. We operate from 5 global locations, providing objective research and high-end analytics to support strategic and tactical decision-making across four areas; Competitor analytics, Capital analytics, Client analytics and Country analytics. In 2017, CRISIL Coalition was referenced in 450+ articles across 90+ global publications and its analytics were referenced in 20+ investor relations presentations across 15 global leading banks.

Sustainable supply chain

Our efforts to conduct business ethically and responsibly extend to our supply chain. CRISIL outlines the standards of conduct that we expect from our suppliers in providing products, services and headcount to CRISIL by embedding these in the General Terms & Conditions which are a part of every Purchase Order released, norms for environmental compliance, health & safety, non-use of child labour, non-discrimination, anti-bribery and confidentiality.

As a provider of high-end analytics, ratings and research services, people are our most critical resource and there is little scope to deviate from the fundamental focus on quality, skill sets and technical expertise while contracting or recruiting employees. We run very successful certification programmes such as the CRISIL Certified Analyst Programme and the CRISIL Young Thought Leader dissertation series, which encourage young talent across the country to reach us for promising opportunities to work together. This brings about a diversity in the workforce and also encourages talent in the smaller cities to be able to tap possible association opportunities with CRISIL.

CRISIL Foundation sponsors projects under CRISIL RE Change the Scene, empowering employees to drive change through interventions for financial capability building and

education among underprivileged communities and general public. Some important initiatives supported during 2017 were:

Techn-abling the differentlyabled: Enabling inclusive education for visually impaired and dyslexic individuals through digital libraries (of audiobooks). The project recorded more than 70 audiobooks through the first studio set up in 2016 in Bengaluru, also setting up an additional studio and scaling up to Mumbai in 2017.

Ummeed: Honing capabilities to increase the employability of youth between 18 and 25 years of age. The project reached out to more than 250 job aspirants through mock interviews and feedback, and workshops on entrepreneurship and free-lancing, resulting in the participants exploring websites such as UrbanClap for assignments. The team also partnered with a retail conglomerate and increased the availability of job opportunities for its beneficiaries.

In addition, at CRISIL local offices, we have empanelled women entrepreneurs in the past for services such as horticulture and composting.

Principle No 3

Our employees, our foundation

The most valuable asset at CRISIL is its 4,000-strong global workforce. The integrity, skillsets, and energy that the workforce brings to the table is what enables us to further our stated mission of making markets function better.

It's also the reason why we remain committed to empowering each employee, and offering a very supportive environment for both professional growth and work-life balance.

Our remit, thus, also includes facilitating an environment free of harassment and bias so that each one of us realise our true potential and CRISIL grows in a sustainable and socially responsible manner.

Diversity and merit

We are an equal opportunity employer and hire employees on merit and our business need. The diversity of our workforce spans knowledge areas, age, gender, skills, experience, and nationality. We have 32 nationalities represented in our employee base.

At CRISIL, we are committed to provide tangible programmes and practices that will help us attract, develop, and retain diverse, high-quality talent so that it remains an employer of choice.

Women comprise about 36% of CRISIL's workforce. To develop their leadership skills and empower them for career advancement within the organisation, CRISIL has a Winspiration programme. The programme aims to strengthen the women's network, offer learning opportunities, and recognise women achievers. It also looks to orient policies and practices to make the workplace more women-friendly.

We have been running successful certification programmes to groom young analysts joining at the entry-level at our various offices, thus attracting and absorbing diverse talent across the country in the workforce.

To strengthen talent acquisition, we introduced e-poise, an app-based assessment tool that helps us post jobs, evaluate candidate profiles and run assessments through the mobile device directly.

We had more than 570 people working on contract basis as on December 31, 2017. Our employee distribution across regions and gender over the past three years was as follows:

Regions	2017			2016			2015		
	Female	Male	Grand Total	Female	Male	Grand Total	Female	Male	Grand Total
America	60	153	213	57	143	200	61	141	202
Europe	34	119	153	32	115	147	28	141	169
APAC	35	30	65	37	32	69	30	31	61
India	1291	2182	3473	1308	2248	3556	1181	2143	3324
Grand Total	1420	2484	3904	1434	2538	3972	1300	2456	3756

The above table covers permanent and contractual employees of CRISIL and its subsidiaries on a global basis.

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This diversity helps us get a range of perspectives and enriches us with a better understanding of client requirements and markets. In turn, it enables us to equip our clients with the best solutions.

While we do not keep track of employees with disability today, our endeavour is to make our main office premises friendly to those with special needs.

Employee engagement

At CRISIL, it is our constant endeavour to interact & engage with our employees across geographies. Our intranet – CRISIL Connect – is an online engagement platform used widely across the organisation. Our employee townhalls, conducted by our MD & CEO and respective business leaders every quarter, are a vital channel of communication wherein employees across the globe get a chance to interact with the leadership.

About 80% of our workforce are millennials. We deepen our engagement initiatives through technology platforms, in line with the fast changing times. This year, we launched zoojoo.be, an app and web-based platform, which inculcates habits promoting a healthy lifestyle.

Another initiative that we have launched recently is the “Advantage Club”, which provides attractive discounts to employees across a range of lifestyle, entertainment and healthcare options.

We deepen our employee engagement through impactful training and by ensuring the work environment is motivating and positive. Fun activities at the work place, such as Family Day, Talent Contests and Offsite Team-building conducted across businesses, boost motivation and productivity, and also contribute to a positive work environment. We have an active rewards and recognition initiative to honour excellence in employees.

We recognise the right to freedom of association in accordance with the laws of the land. However, we do not have a recognised employee association.

Flexible work culture

As part of our effort to create an inclusive organisation that responds to the needs of employees, we believe in a flexible work culture and strongly propagate work-life balance. Some of the significant flexible options we provide are:

- Paid maternity leave
- Extended maternity leave
- Paternity leave
- Flexi-hours and work from home
- Sabbatical leave

We have specific policies and procedures to resolve issues and concerns raised by employees in a fair and transparent manner. The Whistleblower Policy provides a channel for employees to express their grievances. It guarantees complete anonymity and confidentiality of information to the reporting individual and safeguards from any reprisals.

Our Prevention of Sexual Harassment (POSH) initiative allows employees to report sexual harassment cases at the workplace. We also provide a platform called ‘Confidant’, where employees can seek professional help in case they need counselling on personal as well as professional matters. Number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the past one year are as follows:

	No. of complaints filed during financial year	No. of complaints pending as on end of financial year
Child Labour/ Forced Labour/ Involuntary Labour	Nil	Nil
Sexual Harassment*	3	Nil
Discriminatory Employment	Nil	Nil

*The aforesaid data relates to CRISIL Limited on a stand-alone basis. Additionally 3 complaints were received from off-roll personnel out of which two cases have been resolved and one is pending. Nil complaints were received in respect of subsidiary companies.

Besides the above, the company received complaints from employees which were resolved through an appropriate redressal mechanism. During the year, 13 complaints were received of which 1 was pending resolution as on December 31, 2017.

Complaints were looked into, redressed and appropriate action within the applicable framework had been taken for cases resolved.

Talent development

CRISIL strongly believes in providing equal opportunity. Hence, we provide training to all our employees through programmes based on business needs and benchmarked with the best in the industry. We invest significant time and effort to train our employees, which is key to their career growth and our continued success. Interventions on training include technical, managerial, domain-related, leadership, and behavioural aspects. The training effort across employee categories over the past year is as follows:

Particulars	Count	Training Manhours	Average Training Manhours
Permanent Employees	3806	47861	12.57
Permanent Women Employees	1390	17040	12.25
Contract Staff	447	2897	6.48

Count includes training conducted globally for CRISIL and its subsidiaries

Career development

We believe that once a person is employed at CRISIL, we need to provide him/her the opportunity to achieve career goals in line with individual capabilities. With this in view, we have clearly defined career paths for all our employees. We provide career guidance and support through various initiatives and run training programmes that help develop varied skill-sets. We have set up a Talent Development programme to equip our top performers with an opportunity to learn and hone their skills as they tread the path to be leaders of tomorrow.

Our internal job rotation policy provides ample opportunities to employees looking for varied roles across the organisation. The mid-year and annual appraisals allow employees to take stock of their performance, set new goals, and identify developmental needs in a transparent manner.

Principle No 4

Stakeholder engagement

Our principal stakeholders include our shareholders, employees, customers, vendors/partners and communities. We engage with all our stakeholders through structured communication channels, which helps us to assess material needs, improvement opportunities and to continuously improve the value proposition for our stakeholders. This communication is a learning experience for us, helping us improve constantly. Beyond that, it enables us to sustain a strong relationship with our stakeholders.

Stakeholder engagement surveys deployed by various teams help assess the material expectations of our stakeholders. We employ client satisfaction surveys on assignment basis or annually – to help us assess our customers' voice and improve our offerings and service quality. Periodic meetings with key client stakeholders help us discuss strategic agenda for future engagement. An annual employee engagement survey helps us gather insights on issues pertinent to our employees. Leadership town halls and off-site team building exercises, are also strong communication platforms for employee interactions.

During the year, the Company invested in several learning and development initiatives to help employees sharpen their skills and enable their career planning and advancement.

Shareholder, analyst and investor meetings, annual report and quarterly reportings are essential tools through which we share updates on the performance of the Company, the factors surrounding our growth and market dynamics. These are also useful mechanisms to gather insights on expectations from the market and constructive feedback for improving shareholder services.

CRISIL has a dedicated procurement team to review, consolidate and optimise key large spends, especially relevant in the context of heightened cost focus across the business environment. The dedicated team also enables sustained interaction with large vendors, regular capability assessments, exchange of expectation and challenges and helps in building sustainable long-term relationships with key vendors. During the year, one vendor complaint was received, which was satisfactorily resolved.

Our Policy on Corporate Social Responsibility determines our engagement with socially and economically disadvantaged sections of the society, to strengthen their financial capabilities.

CRISIL Foundation identifies beneficiaries for Mein Pragati based on tools such as the region's CRISIL Inclusix score, presence of livelihood opportunities in the region, and then customises the CSR interventions based on needs assessment surveys and pilot testing. Metrics to gauge progress on key success measures from the initiatives are regularly reviewed by the management and presented to the CSR Committee of the Board. In addition, CRISIL serves disadvantaged communities within its areas of operations through CRISIL RE, the flagship social impact programme empowering employees as agents of social change. For more details on our engagements with communities, please refer to Principle 8.

Besides the above principle stakeholders, linkages of our portfolio of services with financial institutions such as banks, pension funds, mutual funds, non-banking financial companies and other financial intermediaries help us take care of their information needs and engage with them on a regular basis.

CRISIL outreach programmes enable us to continuously engage with market participants, issuers and clients, and thereby provide confidence and sustain momentum in improving the depth in capital markets. In 2017, we shared over 200+ opinion pieces with representatives from diverse entities, cutting across sectors and spread across the country. These opinion pieces

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covered a spectrum of issues, from the macroeconomic to the micro cluster level, including fiscal outlook, budget analysis, stressed assets in banking, infrastructure, affordable housing, securitisation etc. We also prepared many reports jointly with industry bodies such as the PFRDA (Financial Security for India's Elderly: The Imperatives) and AMFI (Quantum leap beckons), SEBI & ASSOCHAM (Giving debt its due) which, too, were very well-received. As thought leaders, we also released several white papers in important areas such as Big Data, CECL, TRIM, Bitcoin, Basel III liquidity risk, and financial crimes.

A compelling tool in our stakeholder engagement programme is the CRISIL website, which disseminates critical company updates as well as client-related rating updates. During 2017, CRISIL revamped its website www.crisil.com with state-of-the-art personalisation and search capabilities. The new website is smarter and more intuitive, and has been designed with the client experience in mind. A host of new features like global search, analytics-driven curated content, geo-based personalisation, access to premium research and others have been added to deliver a compelling value proposition for every user.

We also engage with regulatory bodies such as the Reserve Bank of India, the Securities and Exchange Board of India, Central Government departments such as the Ministries of Finance and Infrastructure, and State and Local Governments, to support policy development initiatives and large infrastructure programmes. Several of our senior employees participate in national and sub-committees set up for facilitating an enabling and conducive policy and regulatory framework for sectors.

Principle No 5 Human Rights

Acting ethically and with integrity in all transactions and relationships is at the core of a responsible business and also in the best interest of all stakeholders. At CRISIL, this is a given.

We are committed to implementing and enforcing effective systems and controls to ensure human rights are respected. We believe that servitude, forced and compulsory labour and human trafficking are a violation of fundamental human rights and we have a zero-tolerance approach to such violations.

We have reinforced this stance by adopting a Policy on Anti-Slavery, which ensures transparency and prohibits the use of forced, compulsory or trafficked labour in our business. The policy extends to all CRISIL subsidiaries (please refer to the statement that is appended at the end of this Report.)

We expect the same high standards on human rights protection from all of our contractors, suppliers and other business partners. As part of our contracting processes, we have formalised a new Supplier Code of Conduct this year. The Code outlines the minimum standards of conduct that CRISIL expects its vendors and suppliers to adhere to in the areas of business ethics and integrity, fraud prevention, management of confidential information, conflict of interest, discrimination and diversity, child labour, health and safety and environmental compliance and sustainability.

The Code is widely publicised and in the first phase of roll out, suppliers who have deployed their resources at CRISIL's premises and where resources have access to our technology infrastructure and applications, need to affirm compliance with the Code of Conduct in their dealings with CRISIL. Over 90% of such vendors have already affirmed to CRISIL's Supplier Code of Conduct.

In addition, we also contractually bind our major suppliers of IT support, facility management and security services, which employ people from the more vulnerable sections with lower literacy levels, to comply with labour standards such as minimum wages, gratuity, bonus, leave, employees state insurance and other employment laws. Our administrative teams regularly inspect our providers of housekeeping, café and employee transport services to check on compliance requirements.

Being in the financial services sector, our workplace and processes are inherently non-hazardous and safe in nature. We are focused on providing comfortable and safe workplaces, which keep the employees' motivation level high and enable them to focus on contributing effectively to their work.

All our work facilities are risk-assessed for safety in the event of disasters to facilitate safe and quick evacuation, effective fire-fighting and proper communication during disasters.

At CRISIL, we are committed to implement a robust system to ensure the safety and security of all our employees.

Among our key measures to safeguard employees' interest:

- All women employees leaving office after 9 PM are provided with free home-drop facility. Our protocol is that those availing of this facility are accompanied by a security escort. A confirmation phone call is later made by the security control room to ensure the employee has reached safely. This is done even for women employees who travel on their own.

- This facility is extended to official business trips made by women employees to outstation locations in a company vehicle. During outstation visits, women employees are accommodated in hotels instead of guest houses / service apartments for better access to amenities and greater safety.

CRISIL lays strong emphasis on ensuring a harassment-free work environment. A comprehensive and customised sensitisation programme is developed on prevention of sexual harassment and harassment at the workplace. This programme covers awareness regarding CRISIL's policies on prevention of sexual harassment and workplace harassment, and the procedures for employees to report sexual harassment. Each year, 100% employees are mandated to take this online learning course.

CRISIL is active when it comes to its on-roll employees and works for the betterment of even the third-party employees such as house-keeping staff and security guards. A special education drive was conducted for women empowerment for staff hired through third parties. Under this initiative, CRISIL covered several third-party employees and provided sessions to educate them on the importance of independence and financial inclusion for women, education for girl child in their families, and the need for creating support for working women in their strata of society.

Our employees have various channels to report harassment, discrimination or forced labour.

Other than what has been reported under Principle 3, there were no complaints relating to human rights violations during the year.

Principle 6 Environment

CRISIL's environment policy underlines our commitment to be environmentally responsible by improving our environmental performance across our activities and encouraging our employees and members of the wider community to work for the environment.

Under the policy, we commit to:

- Improve continually our environmental performance by setting and monitoring relevant environmental objectives
- Comply with all environmental legislation, regulations and codes of practice relevant to the sector in which we operate
- Make efficient use of natural resources by conserving energy and water and work to prevent pollution
- Reduce, and where possible, eliminate waste through recycling, and handle and dispose of waste through responsible methods

- Use recyclable materials whenever these can be commercially justified
- Reduce emissions in transportation and other operations
- Promote the adoption of environmental protection goals and practices by our contractors and suppliers
- Promote employee awareness of environmental concerns, actions and responsibilities

Facilities

CRISIL House, Mumbai, our corporate headquarters, is a Platinum-rated Green Building and is a hallmark of our commitment to the environment. CRISIL House is a 210,000 sq ft aesthetically designed building with energy-efficient features, making maximum use of natural light, water-efficient landscaping, internal gardens and heat recovery units, and state-of-the-art HFC-based air-conditioning system to reduce environment impact. During 2017, we commenced an important initiative to convert wet garbage generated in CRISIL House into compost instead of giving it off for municipal collection. Organic manure thus generated from wet waste is being used for in-house garden landscaping requirement. Separate wet and dry garbage rooms have been created for storing garbage. CRISIL House was recently featured in the book 'Pathways to Green India: Innovative Ideas for Public Spaces' Vol II published by Earth Day Network, an international NGO, which operates in the sustainable environment space. During 2017, one more of our offices, CRISIL House, Gurgaon, earned the IGBC Green Existing Buildings certification in the Gold category, underscoring our commitment to pursue green evaluation as an important criteria in facility management.

IT infrastructure

Similar to facility investments, investment in information technology infrastructure, has a potential for creating a long-lasting impact on energy costs and sustainability. With this awareness, new infrastructure requirements are consciously scrutinised for energy efficiency and relevance. CRISIL invested in new SimpliVity Hyper-Converged Infrastructure for server storage, migrating from a traditional separate server and storage infrastructure. The latest technology combines server and storage into a single appliance, reducing power and cooling requirements, resulting in considerable savings.

Continuous improvement

CRISIL believes that the efforts and ideas around environmental conservation are as important as the outcomes and no less valuable. During 2017, each business was encouraged to explore paper-saving ideas in its respective operations. Major businesses analysed their paper footprint and were able to associate their usage to operational processes, although there could not be any enduring solution for paper reduction on a large scale. Back-to-back printing, optimisation of font size, and

Business Responsibility Report

usage of emails, where possible, are some of the continuous improvement actions the businesses keep evolving.

CRISIL Employee volunteering for environment

CRISIL's employee volunteer programme, under the aegis of the CRISIL Corporate Social Responsibility Policy, is actively focused on the environment and has a number of initiatives outlined for this purpose. The programme includes centrally driven and employee-run projects, and strives to constructively engage employees and their families, friends and relatives in conservation. Employees choose and work on programmes relevant to the cities or geographic regions in which they live. During 2017, two such important employee initiatives supported by CRISIL were:

Maati: Conserving the environment through soil health management. The project reached out to more than 5,000 farmers through awareness campaigns to test soil in small farmlands. Following sample testing, 60 farmers are actively using customised soil health cards (with recommendations for soil management) for organic cultivation.

Plastic awareness for environment and society: Driving sustainable behaviour change for plastic waste management, the project reached out to 10 residential societies, one school, two corporate offices and one village to encourage responsible behaviour for plastic disposal; and also trained more than 20 women to stitch cloth bags for sale, as an alternate to plastic bags.

During 2016, CRISIL RE had supported and initiated a Waste Management project at Kamagar Nagar Kurla in Mumbai, under which, this township of more than 650 houses was guided on the importance of segregation of daily waste and processes were laid down for segregation of the waste and proper recycling of the same. The community adopted this segregation methodology as a part of their daily activities and were consistently adopting this for the last 15 months. This project was awarded the First Prize in the entire MMR region under a Green Society Award contest conducted by the Maharashtra Pollution Control Board in 2017.

Recognition such as this, encourage our employees to undertake further meaningful activities under the CRISIL RE banner for creating a lasting impact on the environment and society.

Principle 7

Public Policy Advocacy

CRISIL's objective is to make markets function better. Advocacy is an important tool in this regard, especially when interacting with regulators and decision-makers.

The year saw a series of regulatory announcements, pertaining to the development of capital markets and improvement of the accountability of CRAs. CRISIL's senior management proactively and continuously engaged with SEBI and other regulators and stakeholders to shape these regulations by providing feedback at various stages.

With non-performing asset (NPA) resolution being a major theme in the Indian banking sector, Ratings developed the EL (Expected Loss) rating system for infrastructure projects, after extensive consultation with the Ministry of Finance and other stakeholders. The Insolvency and Bankruptcy Code, 2016 (IBC) is a watershed event in the history of India's credit markets, and 2017 witnessed an expedient implementation of the code to resolve the NPAs in the banking system. CRISIL has been actively engaging with the stakeholders on the possible role that it can play to bring confidence and transparency in the resolution process.

CRISIL also played an active role in improving credit related information by providing its inputs to the task force for setting up the Public Credit Registry.

We continue to interact with the market participants and issuers through seminars and webinars on key developments in the economy and sectors. Such interactions help us to shape the thought process and give guidance to the market on key issues impacting the sectors. We also contribute as knowledge partners, speakers or panelists at various summits organised by industry associations.

During the year, we reached out to over 80,000 representatives, including government officials, policymakers, regulators, corporates, banks, investment banks, MSMEs, industry associations, and financial intermediaries in India and in global markets, through 16 events and 23 webinars hosted by CRISIL, and 137 events at which CRISIL experts participated as speakers or panellists.

Some noteworthy events organised during 2017 were:

- **'NBFCs: Fortunes on the uptrend'**- This event was a part of our platform CRISIL Fin Insights, which is aimed at fostering dialogue/ discussion on developments in the banking and financial space in India.
- **'India Outlook Fiscal 2018: Resetting Growth Expectations'**- This event, the second in a series, provided a holistic perspective on India's macroeconomic indicators, commentary on the expected credit behaviour and outlook on key sectors and industries.

- CRISIL's association with S&P Global helps blend local and global perspectives. CRISIL partners with S&P Global to organise an annual event in India and abroad through '**India Credit Spotlight**'. Such active association enables global investors to benefit from CRISIL's expertise in the Indian credit markets. Similarly, CRISIL taps S&P Global's expertise in the global markets to enable domestic investors to understand the implications of major developments in the global markets.
- '**CRISIL India Infrastructure Conclave**'- This high-profile conclave, themed 'Financing the Great Indian Build-out', saw the launch of the inaugural edition of the CRISIL India Infrastructure Yearbook, a one-of-its-kind annual publication that provides deep insights into the infrastructure sector in India. The key highlight of the yearbook was the introduction of CRISIL Infralnvex, a first-of-its-kind investability index for the infrastructure sector in the country.

We continue to be part of various committees and sub-groups set up by regulators or industry associations, which enables us to shape public policy and the ecosystem essential for development of capital markets.

Our Global Research & Analytics division engaged with some of the key regulators in major APAC markets, including the Hong Kong Monetary Authority, the Securities and Futures Commission of Hong Kong and the Monetary Authority of Singapore. These were introductory discussions primarily around Market Risk and FRTB implementation, aimed at understanding the regulators' expectations, align ourselves to their thought process, and share our feedback from the work we have done globally. Further, Coalition presented its view of the corporate investment banking industry to the Federal Reserve in the US and the Prudential Regulation Authority in the UK.

Principle 8

Inclusive growth

As a responsible corporate citizen, we strive to generate a positive impact in communities. We are committed to fostering inclusive and sustainable growth through our corporate social responsibility initiatives. In 2012, we decided to build on existing CSR initiatives in line with our central belief of doing good with what we're good at by focusing on financial empowerment of women and disadvantaged communities. Since then, our initiatives have evolved into full-fledged programmes for the benefit of various marginalised sections of society.

Mein Pragati

Mein Pragati is CRISIL's maiden CSR project, launched to strengthen the financial capabilities of socially and economically

disadvantaged sections of society. The programme began in Assam in 2015 after extensive pilot testing and field work, to empower women with a greater sense of control over their finances.

At the outset, a field force of 120 community residents was recruited and trained to (i) raise awareness about the fundamentals of personal finance management, (ii) disseminate knowledge about good financial habits and (iii) facilitate financial linkages.

Mein Pragati completed outreach to more than 103,000 rural women in 500 villages in Assam in Phase I (2015-2017) encouraging and enabling independent, informed financial decisions.

Scale-up in Rajasthan

After establishing Mein Pragati in Assam, our focus has been on scaling up the programme by expanding to newer geographies. In May 2016, we introduced Mein Pragati in Rajasthan. The programme is being implemented in two phases in eastern Rajasthan in Alwar, Dausa, and Sikar; and is currently in its second phase. It has reached out to 49,000 rural women in the state till date, with a planned outreach to 81,000 rural women by December 2018.

With the Sakhi network becoming operational in January 2018, the programme will reach out to 500,000 villagers in Rajasthan by the end of the year.

Moneywise Centre for Financial Literacy

In October 2017, CRISIL Foundation launched 20 'Money-Wise Centres for Financial Literacy' in Haryana and Maharashtra. The centres, set up under the Reserve Bank of India's (RBI's) pilot project to drive financial literacy and inclusion, are located at the block level to facilitate greater access.

CRISIL Foundation is one of six non-profits and the only corporate CSR arm empanelled by the RBI to implement the pilot. The non-profits, with the support of sponsor banks, are to set up the centres in 80 blocks across nine states.

CRISIL Foundation has set up and is managing 20 centres until 2020 — five in Gurugram and Mewat (Haryana) in association with Syndicate Bank; five in Panipat and Karnal (Haryana) with Punjab National Bank; five in Washim (Maharashtra) with the State Bank of India; and five in Ratnagiri (Maharashtra) with Bank of India. The foundation and its sponsor banks will reach out to 625,628 households in 2,233 villages over the next three years.

Business Responsibility Report

The centres have been designed to raise financial awareness, promote good financial practices, and drive sustainable change in behaviour, ultimately resulting in informed financial choices and greater sense of control over one's finances.

CRISIL Foundation is independently implementing the project with a field force of 63 community members. As field workers, this trained cadre will actively engage with the communities and encourage them to visit the centre for guidance — right from the fundamentals of personal finance, to goal-based financial planning, to depositor rights and redressal mechanisms, and digital financial transactions. Villagers can also avail of financial counselling services from field coordinators in their own homes, or at the centres. The model has the potential and the ability to holistically improve the financial health of each individual in a community.

Strategic partnerships for expansion of outreach and deeper impact

Madhya Pradesh State Rural Livelihood Mission (MPSRLM)

An MoU has been signed between MPSRLM, ITC Limited and CRISIL Foundation, to launch a Financial Capability Building programme in all 43 districts in the state. The initiative is being launched within MPSRLM's intervention areas to reach out to women-based self help groups (SHGs), village organisations, cluster-level federations and other existing networks. The project will be rolled out on a pilot basis in two districts. The learnings, outcomes and impact will determine scale up across Madhya Pradesh in three phases over three years, reaching a total of around 1.7 million women.

Mahila Arthik Vikas Mahamandal (MAVIM)

An MoU has been signed between MAVIM and CRISIL Foundation to launch a financial capability building programme in all 34 districts of Maharashtra, for all SHGs formed by MAVIM. The initiative will be piloted in two districts wherein CRISIL Foundation is implementing the Money Wise Centre for Financial Literacy Project, in association with the RBI.

Community Radio

CRISIL Foundation's radio-based financial literacy campaign through community radio station, Mandakini ki Awaaz, reached out to 300,000 villagers in Rudraprayag, Uttarakhand. The project is a collaboration between CRISIL Foundation, IFMR Trust and People's Power Collective.

Listeners have implemented audio messages that encouraged maintenance of a budget diary and enrolment in social security schemes.

We now intend to deepen the intervention by strengthening and supplementing the ongoing radio campaigns through on-ground interventions with the help of a local NGO.

Additionally, CRISIL Foundation is collaborating with Radio Mewat in Mewat (Haryana), and Radio Vatsagulm in Washim (Maharashtra) to reach out to 750,000 rural and urban individuals across these two districts.

CRISIL RE

CRISIL RE, the flagship community outreach programme in cities, leverages our vibrant workforce as agents of change in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai and Pune. The programme uses a combination of centrally driven and employee-led projects for social impact and community outreach, engaging over 2,000 employee volunteers and their friends and family members in 2017, and facilitating a better quality of life for the urban poor.

The objectives of CRISIL RE are:

- Champion initiatives related to environment conservation, sustainable waste management, financial literacy, and education through centrally driven activities
- Leverage CRISIL's workforce as catalysts for social change by empowering employees to lead and drive projects for social impact
- Support disaster relief/ emergency response initiatives for rehabilitation and relief of victims of natural calamities

Mein Pragati and CRISIL RE are undertaken by CRISIL Foundation with the assistance of implementation partners as required. CRISIL Foundation comprises a team of social work specialists, dedicated to drive and monitor CSR activities.

Mein Pragati and CRISIL RE are assessed and monitored both internally and externally for project outcomes, and impact. Internal tracking mechanisms such as the Mein Pragati Android App, monthly reports, process audits and follow-up field visits (for Mein Pragati and CRISIL RE) along with external impact assessment (Mein Pragati) and financial audits by external agencies, provide holistic perspectives about programme impact, and enable course corrections, where required.

Please refer to the section 'Annual Report on Corporate Social Responsibility Activities' under Statutory Reports for details on spending on CSR activities during the year.

Principle 9

Customer value

At CRISIL, we understand that our customers are the core of our business. As we strive to help them mitigate financial risks, we realise that operating ethically, transparently, and responsively is key to sustainably growing their success – and ours.

Our customer base is varied and vast, and includes SMEs, lenders, financial institutions, government bodies, and multilateral agencies. Irrespective of their business and bottom line, all expect us to deliver independent opinions, insights and viable solutions that empower them to make informed decisions. We aim to consistently surpass these expectations and retain their trust by constantly engaging with our clients, listening to them, and partnering with them responsibly to create long-term value for their business.

To drive this close customer collaboration, we have established systems and processes to seek regular feedback. We emphasise regular one-on-one interactions with clients and undertake conscious outreach initiatives with vulnerable clients and investors to understand their perspectives and address their concerns.

The focused engagement includes surveys, service quality assessments, and project-level feedback, through which we gauge the level of satisfaction and understand their issues. While some surveys are periodic and client-specific, others are conducted during and after projects, the manner and timeframe differing across our offerings. Surveys gather customer responses on parameters such as customer experience, service levels, employee behaviour, communication, and areas of improvement, among others. This feedback is shared with team leaders and management, which helps us modify and improve our services.

One focus area during the year was leveraging technology to enhance the speed and quality of our interactions and transforming our value proposition to our customers through comprehensive information e-platforms. CRISIL Ratings leveraged technology to deliver quick impact analysis of key events on sectors by aggregating data points of over 14,000

entities. CRISIL Research launched Quantix, a cross-sector analytics tool that empowers high-quality decision making across credit, debt and the broader capital markets. For the global clientele, GR&A launched SMART, a first of its kind financial research platform that uses cognitive automation to enable faster decision-making. CRISIL SME business launched smefirst.com which provides easy access to proprietary CRISIL ratings and evaluation services for MSMEs. To augment our engagement with select investors and issuers we leveraged the digital channel to disseminate our periodical publications, sectoral presentations & analytical reports.

CRISIL Ratings brings in transparency in service standards through publishing its detailed rating rationales to articulate the drivers of an instrument's rating. CRISIL Ratings publishes all criteria on its website and revises it periodically to reflect market dynamics. CRISIL Ratings has been a pioneer in publishing Ratings Round-up (since 2000), a semi-annual publication that provides a summary of its rating actions and serves as a leading indicator of the performance of economy and different sectors for the credit markets. CRISIL Ratings also publishes default and transition rates annually, since 2004, a benchmark for quality of ratings helping investors quantify credit risk.

Outreach programmes enable CRISIL to continuously engage with clients and enable conversations with them on noteworthy industry events and regulatory developments. CRISIL's outreach programmes on key sectors and economy include conducting events, webinars, and knowledge partnerships, thought leadership reports, insights, and media appearances. These also serve as a forum to deliberate with clients on their area of business and gather perspectives to enable us to serve them better and address their information needs.

Each business receives and addresses customer complaints regularly. As at the end of the year, less than 1% of customer complaints are pending. We do not have any pending material consumer litigation. No case has been filed against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years, which is pending as on the end of the financial year.

Business Responsibility Report

Statutory report in terms of SEBI reporting guidelines

Section A: General information about the Company

1. CIN	L67120MH1987PLC042363
2. Name of the Company	CRISIL Limited
3. Registered office	CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076
4. Website	www.crisil.com
5. E-mail id	investors@crisil.com
6. Financial Year reported	January 1, 2017 - December 31, 2017
7. Sectors that the Company is engaged in (industrial activity code-wise)	<ol style="list-style-type: none"> 1. Ratings : Providing credit ratings including Bond Ratings, Bank Loan Ratings, SME Ratings, other grading services NIC Code : 66190 2. Research : Research services include Global Research & Analytics activities divided into Financial Research, Risk & Analytics and Corporate Research, and India Research activities comprising Economy & Industry Research, Funds & Fixed Income Research and Equity & Company Research NIC Code : 66190 (includes CRISIL stand-alone operations only)
8. List three key products / services that the Company manufactures/provides (as in Balance Sheet)	Same as 7 above
9. Total number of locations where the business activity is undertaken by the Company	
i Number of international locations	Refer page titled Office Locations in the Annual Report (includes subsidiary operations)
ii Number of national locations	Refer page titled Office Locations in the Annual Report (includes subsidiary operations)
10. Markets served by the Company – Local/State/ National/International	All

Section B: Financial details of the Company

The following details are of CRISIL stand-alone only:

1. Paid-up capital	Rs. 7.17 cr
2. Total Turnover	Rs. 1,177.38 cr
3. Total profit after taxes	Rs. 237.26 cr
4. Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	Refer Annexure II of the Directors' Report
5. List of activities in which expenditure in 4 above has been incurred	Refer Annexure II of the Directors' Report

Section C: Other details

1. Does the Company have subsidiary company/companies?	Yes. Refer to Annexure VI of the Directors' Report
2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. Refer to various sections of the Business Responsibility Report
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Less than 30%. Refer to paragraphs on Sustainable Supply chain and Human Rights of the Business Responsibility Report

Section D: BR information

1. BR Governance

- a) Details of the Director/Director responsible for implementation of the BR policy/policies and details of BR Head:

Name: Ms. Ashu Suyash

DIN: 00494515

Designation: Managing Director & CEO

Telephone: +91 22 3342 3000

Email Id: investors@crisil.com

- b) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually: Annually
- c) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published? No separate report is published.

2. Principle-Wise BR Policy Compliance

Principle Index

- P1** Business should conduct and govern themselves with ethics, Transparency and Accountability
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3** Businesses should promote the wellbeing of all employees
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- P5** Businesses should respect and promote human rights
- P6** Business should respect, protect, and make efforts to restore the environment
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8** Businesses should support inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law	Approved at desired level as required by law
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report

Indicate the link for the policy to be viewed online	Whistle Blower, Information Disclosure Policies on www.crisil.com and rest on Company Intranet	Internal strategy and planning documents	Available on Company Intranet	Available on Company Intranet; CSR Policy on www.crisil.com	Available on www.crisil.com	Available on Company Intranet	Available on Company Intranet	CSR Policy on www.crisil.com	Internal customer survey documents
Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

3. If answer to s. no. 1 against any principle is 'No', please explain why (Tick up to two options) – Not applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. The Company has not understood the Principles.									
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3. The Company does not have financial or manpower resources available for the task.									
4. It is planned to be done within the next six months.									
5. It is planned to be done within the next one year.									
6. Any other reason (please specify).									

Section E : Principle-wise performance

Principle	Reported at
Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability	
1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs /Others?	Section titled Ethics, Transparency and Accountability in the Business Responsibility Report
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so.	

Corporate Overview

- ## Statutory Reports

Financial Statements

- Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

- ### Principle 5 : Businesses should respect and promote human rights

- | | |
|---|---|
| 1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | Section titled Human Rights in the Business Responsibility Report |
| 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? | |

Business Responsibility Report

Principle 6 : Business should respect, protect, and make efforts to restore the environment

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others? 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc 3. Does the company identify and assess potential environmental risks? 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. 6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? 7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. | <p>Section titled Environment in the Business Responsibility Report</p> |
|---|---|

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Is your company a member of any trade and chamber or association? 2. If Yes, Name only those major ones that your business deals with 3. Have you advocated / lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) | <p>Section titled Public Policy Advocacy in the Business Responsibility Report</p> |
|---|--|

Principle 8 : Businesses should support inclusive growth and equitable development

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Does the company have specified programmes/initiatives / projects in pursuit of the policy related to Principle 8? If yes details there of. 2. Are the programmes / projects undertaken through in-house team? 3. Have you done any impact assessment of your initiative? 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, please explain in 50 words, or so. | <p>Section titled Inclusive Growth in the Business Responsibility Report</p> |
|---|--|

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Remarks (additional information) 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so. 4. Did your company carry out any consumer survey/ consumer satisfaction trends? | <p>Section titled Customer Value in the Business Responsibility Report</p> |
|---|--|

The Modern Slavery Act 2015 (The “Act”) Statement

This statement is published by CRISIL Limited (“CRISIL”) about and to enable those of its subsidiaries which are subject to the Act including in particular CRISIL Irevna UK Limited and Coalition UK Limited (“CRISIL Subsidiaries”). CRISIL and CRISIL Subsidiaries together are (“CRISIL Entities”).

Forced, bonded or compulsory labour, human trafficking and other kinds of slavery signify some of the severest forms of human rights abuse. We are committed to improving our practices to combat slavery and human trafficking.

Organisation’s structure and business

We are a provider of ratings, research, analytics and risk and policy advisory services in the knowledge process and business process outsourcing sector. Our ultimate parent company is S&P Global Inc. CRISIL Limited has its registered office in Mumbai, India. We have approximately 4,000 employees worldwide and operate in India, China, Singapore, United Kingdom, Poland, Argentina and the United States of America.

Our global annual turnover is in excess of £36 million.

Our supply chains

Our supply chains include consultants, advisors, IT (hardware and software) and other office equipment supplier, professional services from our lawyers, accountants and other advisers, security, catering, office cleaning and other office facilities services, staffing companies etc...

We require all of our suppliers to conduct business in a lawful and ethical manner as part of our supplier on-boarding process and in accepting our trading terms and conditions.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Modern Slavery Act 2015 Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.
- Protect whistleblowers.
- Where possible we build long standing relationships with local suppliers and make clear our expectations of business behaviour;

Supplier adherence to our values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values and ethics.

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff.

Our effectiveness in combating slavery and human trafficking

The Act is relatively new legislation and few companies including CRISIL Entities have any experience of seeking out let alone detecting slavery or trafficking among their own staff or among those of their suppliers. To date CRISIL Entities are yet to detect or suspect that any CRISIL Entities or their suppliers employ persons who may be enslaved or trafficked, and so key performance indicators can only be set in respect of reasonable due diligence efforts once experience of the initial outputs of such exercises are collated and analysed.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement.

unmatched
data



smart
analytics

Market opportunity

In a continuously shifting and disruptive marketplace, there is continuous need for an integrated, reliable platform that provides extensive data coverage of the economy, industry and company to empower high-quality, efficient decision-making.

Solution

Realising the potential, CRISIL Research team undertook extensive customer survey to understand the need for data and analysis, and designed a prototype. Based on the feedback for the prototype, models were developed using a combination of complex statistical techniques and intuitive filtering tools. The team also analysed data for a large number of companies across different segments and conducted rigorous tests to ensure accuracy of output.

This resulted in the launch of Quantix, a unique integrated data and analytics platform designed to empower high quality, and efficient decision-making.

Outcome

- ▶ Unmatched source of primary and secondary data on industries, financial, operational, and management along with ratings on SMEs and large corporates, and information on equity, fixed income and mutual fund markets.
- ▶ User-friendly ready use across the BFSI sector, corporates and consulting firms including deal/loan origination, credit underwriting, risk monitoring, business strategy and treasury/investment management assets or NPAs.

Empowering decision-making with
cutting-edge **#Analytics**



Financial Statements

Independent Auditor's Report

To the Members of CRISIL Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of CRISIL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 December 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity 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 Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. 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 reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the 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 (consolidated financial position) of the Group, as at 31 December 2017, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other matters

9. We did not audit the financial statements / financial information of 2 (two) subsidiaries, whose financial statements / financial information reflect total assets of Rs. 2,608.38 lakhs and net assets of Rs. 710.65 lakhs as at 31 December 2017, total revenues of Rs. 8,121.36 lakhs and net cash outflows amounting to Rs. 211.76 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors 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 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 the reports of the other auditors.

Further, both these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries 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 subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

10. The comparative consolidated financial information for the year ended 31 December 2016 and the transition date for consolidated opening balance sheet as at 1 January

2016 prepared in accordance with Ind AS and included in these consolidated financial statements, are based on the previously issued statutory consolidated financial statements for the year ended 31 December 2016 and 31 December 2015, respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), which were audited by the predecessor auditors, whose reports dated 11 February, 2017 and 9 February 2016, respectively, expressed unmodified opinion on those consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, 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 purpose 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 financial statements 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 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 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 December 2017 from being

Consolidated Financial Statements

appointed as a director in terms of Section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), 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 auditors on separate financial statements as also the other financial information of the subsidiaries:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 34 to the consolidated financial statements.

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 13th February, 2018

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Limited on the Consolidated Financial Statements

For the year ended 31 December 2017

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of CRISIL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 December 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its one subsidiary company, which are companies covered under the Act, as at that date.

Management's responsibility for Internal Financial controls

2. The respective Board of Directors of the Holding Company, its one subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls, based on internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 the company's business, including adherence to the 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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its one subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its one subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR 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 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 financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion the Holding Company and its one Subsidiary Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 December 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 13th February, 2018

Consolidated Balance Sheet

as at December 31, 2017

(Rupees in lakhs)

Particulars	Notes	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	4	5,435	6,643	7,847
(b) Capital work in progress		-	-	13
(c) Goodwill	6	23,203	22,425	28,695
(d) Intangible assets	5	708	1,806	4,307
(e) Intangible assets under development		1,321	432	248
(f) Financial assets				
i. Investments	7	38,610	3,557	3,039
ii. Other financial assets	8	1,484	3,336	2,448
(g) Deferred tax assets (net)	9	3,475	1,718	1,381
(h) Tax assets	10	4,194	1,944	1,425
(i) Other non-current assets	11	366	602	716
2. Current Assets				
(a) Financial assets				
i. Investments	7	13,933	42,952	39,091
ii. Trade receivables	12	26,042	20,730	19,122
iii. Cash and cash equivalents	13	8,469	16,391	13,089
iv. Other bank balances	14	4,709	1,358	2,087
v. Loans	15	392	369	378
vi. Other financial assets	16	13,888	11,173	7,437
(b) Other current assets	17	3,242	3,088	2,346
TOTAL ASSETS		149,471	138,524	133,669
EQUITY AND LIABILITIES				
1. Equity				
(a) Equity share capital	18	717	713	712
(b) Other equity		104,140	97,824	95,857
2. Non-current liabilities				
(a) Financial liabilities				
i. Other financial liabilities	19	412	115	692
(b) Other non-current liabilities	20	48	16	8
(c) Provisions	21	1,288	1,335	925
3. Current liabilities				
(a) Financial liabilities				
i. Trade payables	22	5,671	4,286	3,735
ii. Other financial liabilities	24	14,788	14,246	12,317
(b) Other current liabilities	25	15,186	13,719	14,063
(c) Provisions	26	6,220	5,404	4,769
(d) Tax liabilities		1,001	866	591
TOTAL EQUITY AND LIABILITIES		149,471	138,524	133,669
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

For and on behalf of the Board of Directors of CRISIL Limited

M. Damodaran
Director
[DIN: 02106990]

John L Berisford
Chairman
[DIN: 07554902]

Nachiket Mor
Director
[DIN: 00043646]

Vinita Bali
Director
[DIN: 00032940]

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494515]

Amish Mehta
Chief Financial Officer

Girish Paranjpe
Director
[DIN: 02172725]

Ewout Steenbergen
Director
[DIN: 07956962]

Minal Bhosale
Company Secretary

Martina Cheung
Director
[DIN: 07551069]

Date: February 13, 2018
Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Income			
Revenue from operations	27	165,846	154,751
Other income	28	2,538	4,967
Total		168,384	159,718
Expenses			
Employee benefit expenses	29	84,593	78,774
Finance cost	30	41	-
Depreciation and amortisation expenses	4,5	4,664	5,452
Other expenses	31	35,725	31,644
Total		125,023	115,870
Profit before tax		43,361	43,848
Tax expense	9		
Current tax		14,648	15,183
Deferred tax		(1,730)	(768)
Total tax expense		12,918	14,415
Profit after tax for the year		30,443	29,433
Other comprehensive income (OCI)			
A. Items that will be reclassified to profit or loss:			
Exchange differences in translating the financial statements of a foreign operation		(754)	3,597
The effective portion of gains or (loss) on hedging instruments in a cash flow hedge		434	(1,459)
Tax effect on above		(150)	505
B. Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		(229)	347
Equity instruments through other comprehensive income		8,336	(518)
Tax effect on above		105	(1)
Total comprehensive income for the year		22,701	26,962
Profit attributable to:			
Owners of the Company		30,443	29,433
Non-controlling interest		-	-
Total comprehensive income attributable to:			
Owners of the Company		22,701	26,962
Non-controlling interest		-	-
Earnings per share : Nominal value of Re. 1 per share	39		
Basic		42.58	41.30
Diluted		42.32	40.86
Number of shares used in computing earnings per share			
Basic		71,489,561	71,269,219
Diluted (Refer note 39 and 44)		71,940,435	72,026,251
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our audit report of even date

 For Walker Chandio & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
 Partner
 Membership No.: 42423

M. Damodaran
 Director
 [DIN: 02106990]

Vinita Bali
 Director
 [DIN: 00032940]

Girish Paranjpe
 Director
 [DIN: 02172725]

Martina Cheung
 Director
 [DIN: 07551069]

 Date: February 13, 2018
 Place: Mumbai

John L Berisford
 Chairman
 [DIN: 07554902]

Ashu Suyash
 Managing Director and
 Chief Executive Officer
 [DIN: 00494515]

Ewout Steenbergen
 Director
 [DIN: 07956962]

Nachiket Mor
 Director
 [DIN: 00043646]

Amish Mehta
 Chief Financial Officer

Minal Bhosale
 Company Secretary

 Date: February 13, 2018
 Place: Mumbai

Consolidated Cash Flow Statement

for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
A. Cash flow from operating activities:		
Profit before tax	43,361	43,848
Adjustments for :		
Depreciation	4,664	5,452
Amortisation of foreign currency monetary item translation reserve	(512)	(951)
Unrealised foreign exchange gain	581	(483)
(Profit)/ Loss on sale of fixed assets	(71)	(126)
(Profit)/ Loss on sale of current investments	(1,468)	(2,552)
(Profit)/ Loss on fair valuation of current investments	(38)	(559)
Provision for doubtful debts / bad debts	1,448	1,382
Interest income	(83)	(218)
Share based payment to employees	1,762	1,627
Dividend on non-current investments	(328)	(47)
Operating profit before working capital changes	49,316	47,373
Movements in working capital		
- (Increase)/decrease in trade receivables	(6,824)	(3,092)
- (Increase)/decrease in other non current financial assets	1,926	(1,040)
- (Increase)/decrease in other non current assets	6	49
- (Increase)/decrease in other current financial assets	(3,214)	(2,254)
- (Increase)/decrease in other current assets	(148)	(570)
- Increase/(decrease) in trade payables	1,362	574
- Increase/(decrease) in provisions	619	1,271
- Increase/(decrease) in other current financial liabilities	571	1,941
- Increase/(decrease) in other current liabilities	1,491	(355)
- Increase/(decrease) in other non current financial liabilities	297	(577)
- Increase/(decrease) in other non current liabilities	32	8
Cash generated from operations	45,434	43,328
- Taxes paid	(16,763)	(15,427)
Net cash generated from operating activities - (A)	28,671	27,901
B. Cash flow from investing activities :		
Purchase of property, plant and equipment and intangible assets	(3,387)	(2,333)
Proceeds from sale of property, plant and equipment and intangible assets	145	203
Sale proceeds from investments in mutual funds/(Investments in mutual funds)	31,977	(1,458)
Investment in CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	(43,389)	-
Interest income	125	209
Proceeds/(Investment) from fixed deposits maturity	(3,465)	864
Dividend on non-current investments	328	47
Net cash generated from/(used in) investing activities - (B)	(17,666)	(2,468)

Consolidated Cash Flow Statement

for the year ended December 31, 2017 (Contd.)

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
C. Cash flow from financing activities :		
Proceeds on account of share application money	4,417	1,325
Dividend and dividend tax paid	(23,075)	(24,018)
Net cash generated from/(used in) financing activities - (C)	(18,658)	(22,693)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(7,653)	2,740
Cash and cash equivalents - Opening balance	16,391	13,089
Add : Exchange difference on translation of foreign currency cash and cash equivalents	(269)	562
Cash and cash equivalents - Closing balance	8,469	16,391
Net Increase/(decrease) in cash and cash equivalents	(7,653)	2,740
Components of cash and cash equivalents		
Cash on hand and balances with banks on current account	6,719	15,722
Deposits with original maturity of less than three months	1,750	669
Total	8,469	16,391

The accompanying notes are an integral part of the consolidated cash flow statements.
 This is the Consolidated Cash Flow Statement
 referred to in our audit report of even date

For Walker Chandiok & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
 Partner
 Membership No.: 42423

M. Damodaran
 Director
 [DIN: 02106990]

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Date: February 13, 2018
 Place: Mumbai

John L Berisford
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Nachiket Mor
 Director
 [DIN: 00043646]

Amish Mehta
 Chief Financial Officer

Minal Bhosale
 Company Secretary

Date: February 13, 2018
 Place: Mumbai

Statement of Changes in Consolidated Equity

for the year ended December 31, 2017

A. Equity Share Capital

	(Rupees in lakhs)	
	Balance as at January 1, 2017	Changes in equity share capital during the year (Refer note 18)
	713	4
		717
	(Rupees in lakhs)	
	Balance as at January 1, 2016	Changes in equity share capital during the year (Refer note 18)
	712	1
		713

B. Other Equity

Particulars	Reserves & Surplus							Items of Other Comprehensive Income						Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Special Economic Zone reinvestment reserve	Retained earnings	Equity Instruments through OCI	Currency fluctuation reserve	Hedge reserve	Other items of OCI		
Balance as at January 1, 2017	-	27	4,354	14,115	6,268	(699)	-	72,490	2,303	(2,036)	1,228	(226)	97,824	
Profit for the year	-	-	-	-	-	-	-	30,443	-	-	-	-	30,443	
Additions during the year	-	-	4,413	-	-	1,044	-	-	-	-	-	-	5,457	
Transfer to foreign exchange gain	-	-	-	-	-	(532)	-	-	-	-	-	-	(532)	
Share based payment to employees	-	-	-	-	1,765	-	-	-	-	-	-	-	1,765	
Other comprehensive income	-	-	-	-	-	-	-	-	(8,361)	753	(284)	150	(7,742)	
Final dividend	-	-	-	-	-	-	-	(6,420)	-	-	-	-	(6,420)	
Interim dividend	-	-	-	-	-	-	-	(12,881)	-	-	-	-	(12,881)	
Corporate dividend tax	-	-	-	-	-	-	-	(3,774)	-	-	-	-	(3,774)	
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to SEZ Reinvestment Reserve	-	-	-	-	-	-	300	(300)	-	-	-	-	-	
Exercise of stock option	-	-	1,311	-	(1,311)	-	-	-	-	-	-	-	-	
Balance as at December 31, 2017	-	27	10,078	14,115	6,722	(187)	300	79,558	(6,058)	(1,282)	944	(76)	104,140	

Statement of Changes in Consolidated Equity

for the year ended December 31, 2017 (Contd.)

Particulars	Reserves & Surplus					Items of Other Comprehensive Income							Total
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Special Economic Zone reinvestment reserve	Retained earnings	Equity Instruments through OCI	Currency fluctuation reserve	Hedge reserve	Other items of OCI	
Balance as at January 1, 2016	1,222	27	2,946	13,187	4,725	1,133	-	68,877	1,905	1,561	274	-	95,857
Profit for the year	-	-	-	-	-	-	-	29,433	-	-	-	-	29,433
Transferred on amalgamation (Refer note 46)	(1,222)	-	-	(1,117)	-	-	-	243	-	-	-	-	(2,096)
Additions during the year	-	-	1,324	-	-	(1,893)	-	-	-	-	-	-	(569)
Transfer to foreign exchange gain	-	-	-	-	-	61	-	-	-	-	-	-	61
Share based payment to employees	-	-	-	-	1,627	-	-	-	-	-	-	-	1,627
Other comprehensive income	-	-	-	-	-	-	-	-	398	(3,597)	954	(226)	(2,471)
Final Dividend	-	-	-	-	-	-	-	(7,121)	-	-	-	-	(7,121)
Interim Dividend	-	-	-	-	-	-	-	(12,834)	-	-	-	-	(12,834)
Corporate dividend tax	-	-	-	-	-	-	-	(4,063)	-	-	-	-	(4,063)
Transfer to general reserve	-	-	-	2,045	-	-	-	(2,045)	-	-	-	-	-
Exercise of stock option	-	-	84	-	(84)	-	-	-	-	-	-	-	-
Balance as at December 31, 2016	-	27	4,354	14,115	6,268	(699)	-	72,490	2,303	(2,036)	1,228	(226)	97,824

The accompanying notes are an integral part of the consolidated financial statements.

This is the consolidated statement of changes to equity referred to in our audit report of even date.

 For Walker Chandlok & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
 Partner
 Membership No.: 42423

M. Damodaran
 Director
 [DIN: 02106990]

Vinita Bali
 Director
 [DIN: 00032940]

Girish Paranjpe
 Director
 [DIN: 02172725]

Martina Cheung
 Director
 [DIN: 07551069]

 Date: February 13, 2018
 Place: Mumbai

John L Berisford
 Chairman
 [DIN: 07554902]

Ashu Suyash
 Managing Director and
 Chief Executive Officer
 [DIN: 00494515]

Ewout Steenberghe
 Director
 [DIN: 07956962]

Nachiket Mor
 Director
 [DIN: 00043646]

Amish Mehta
 Chief Financial Officer

Minal Bhosale
 Company Secretary

 Date: February 13, 2018
 Place: Mumbai

Summary of Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements for the year ended December 31, 2017

1 Corporate information

CRISIL Limited ("the Company" or "CRISIL") and its subsidiaries (collectively referred to as "the Group") is a globally-diversified analytical Company providing ratings, research, risk and policy advisory services. CRISIL is India's leading ratings agency and the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL delivers analysis, opinions, and solutions that make markets function better.

CRISIL Limited is a public limited company, domiciled in India. The registered office of the Company is located at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. The equity shares of the Company are listed on recognised stock exchanges in India- The Bombay Stock Exchange and the National Stock Exchange.

These consolidated financial statements for the year ended December 31, 2017 were approved by the Board of Directors on February 13, 2018.

S&P Global Inc. the ultimate holding Company, through its subsidiaries owned 66.71% as on December 31, 2017 of the Company's equity share capital.

2 Summary of significant accounting policies

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements up to and for the year ended December 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act ('Previous GAAP'). These consolidated financial statements are the first financial statements of the Group under Ind AS and previous periods have been restated to Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the previous presentation of consolidated financial statements of share holders total equity as at December 31, 2016 and January 1, 2016 and of the total comprehensive income for the year ended December 31, 2016 of the Group in Note 3 under Previous GAAP to Ind AS.

2.2 Basis of consolidation

The Company consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in Note 2.6. Control exists when the Company has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Transactions eliminated on consolidation:

The financial statements of the Group Companies are consolidated on a line-by-line basis and all intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

Functional and presentation currency:

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent company. All financial information is presented in Indian rupees.

2.3 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention on an accrual basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction 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.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the consolidated financial statements and the reported income and expenses for the years presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Estimates and assumptions are required in particular for:

- **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**

Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses,

whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- **Goodwill impairment**

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and anticipated future economic and regulatory conditions.

Goodwill is tested for impairment, relying on a number of factors including operating results, business plans and future cash flows. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimated cash flows are prepared using internal forecasts.

- **Revenue recognition**

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance. Revenue from infrastructure advisory services are recognised in accordance with the percentage completion method, percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project.

- **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. As actuarial valuation involves making various assumptions that may be different from the actual development in the future, key actuarial assumptions include

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discount rate, trends in salary escalation, attrition and mortality rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Valuation of taxes on income**

Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Uncertain tax position is with regards to items of expense or transaction that may be challenged by tax authorities. The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.22

- **Provisions**

Provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligations and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

- **Business combinations and intangible assets**

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS

103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by valuation experts.

- **Share-based payments**

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, investing and financing activities are segregated.

2.6 The Consolidated Financial Statements represent consolidation of accounts of the Company, its subsidiaries as detailed below :

Name of the Company	Country of incorporation	Ownership in % either directly or through Subsidiaries		
		December 31, 2017	December 31, 2016	January 1, 2016
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%	100%
CRISIL Irevna UK Limited	United Kingdom	100%	100%	100%
CRISIL Irevna USA LLC	United States of America	100%	100%	100%
CRISIL Irevna Argentina S.A.	Argentina	100%	100%	100%
CRISIL Irevna Poland Sp. z o.o.	Poland	100%	100%	100%
Coalition Development Limited	United Kingdom	100%	100%	100%

Name of the Company	Country of incorporation	Ownership in % either directly or through Subsidiaries		
		December 31, 2017	December 31, 2016	January 1, 2016
Coalition Development Singapore Pte Limited	Singapore	100%	100%	100%
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	China	100%	100%	100%
Pipal Research Analytics and Information Services India Private Limited (Refer note 46)	India	-	-	100%
Coalition Development Systems (India) Private Limited (Refer note 46)	India	-	-	100%
Mercator Info-Services India Private Limited (Refer note 46)	India	-	-	100%

2.7 Property, plant and equipment (PPE)

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalised under property, plant and equipment includes purchase price, duties and taxes, other incidental expenses incurred during the construction / installation stage. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

2.8 Intangibles

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure on development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.9 Depreciation/amortisation

Based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence in certain class of assets, the useful lives is different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation/amortisation is provided on straight line method (SLM) over useful life.

Type of asset	Estimated useful life
Buildings	20 Years
Furniture and fixtures	4 to 16 Years
Office equipments	3 to 10 Years
Computers	3 Years
Vehicles	3 Years
Customer relationship	3 to 7 Years
Technology	5 Years
Database	5 Years
Tradename	7 Years
Software	1 to 3 Years

The estimated useful lives of PPE and intangible assets and the depreciation and amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

Leasehold improvements are amortised over the lease term or useful life of the asset, whichever is lower, over a period of 1 to 9 years.

2.10 Impairment

a) Impairment of non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis or whenever there is an

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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 statement of profit and loss and is not reversed in the subsequent period.

(ii) **Other non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount in the statement of profit and loss. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) has no impairment loss been recognised for the asset in the prior years. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Value in use is the present value of an asset calculated

by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

b) **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortised cost e.g., loans, deposits, and bank balance.
- b) Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, ECL is measured at an amount equal to the twelve month ECL unless there has been a significant increase in credit risk from the initial recognition in which case those are measured at lifetime ECL.

2.11 **Business combinations**

W.e.f. January 1, 2012, business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103. The acquisition date is the date on which control is transferred to the acquirer. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities (including contingent liabilities) acquired.

When the fair value of the net identifiable assets acquired and liabilities acquired exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve. Business combinations between entities under common control is accounted at carrying value.

Transaction cost that the Group incurs in connection with business combinations such as finder fees, legal fees and other professional and consulting fees are expensed as incurred.

Goodwill is measured at cost less accumulated impairment loss.

2.12 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Fair value of financial instruments

In determining the fair value of the financial instruments the Group uses variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine the fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All method of accessing fair value results in general approximation of value and such value may never actually be realised. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

2.15 Financial instruments

Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial

recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a) **Non-derivative financial instruments**

(i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to 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. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

(ii) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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(iv) *Financial liabilities*

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b) *Derivative financial instruments*

The Group uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group uses hedging instruments that are governed by the policies of the Group.

Hedge accounting

The Group uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognised immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on

the hedging instrument recognised under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Group transfers amounts from this reserve to retained earnings when these equity instruments are derecognised. A financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.16 Provision, contingent liabilities and contingent assets:

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in note no. 34. Contingent liabilities are disclosed for:

- (1) possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the consolidated financial statements.

2.17 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Income from operations

Income from Operations comprises of income from initial rating and surveillance services, global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance recorded equally over 11 months and recognise the deferred revenue ratably over the estimated surveillance periods. Revenue on service contracts are recognised on completion of related services. Surveillance fee, subscription to information products and services and revenue from IER are accounted on a time proportion basis. Revenue from customised research is accounted over the execution period, IPO grading are recognised in the period in which such assignments are carried out. Global research and analytics revenue is recognised based on time and material at the contractual rates as service hours are delivered and direct expenses are incurred. Revenue from infrastructure advisory services are recognised in accordance with the percentage completion method. Revenue from risk management services comprises of revenue from sale of software and annual maintenance contracts. Revenue from sale of software licenses are recognised upon delivery of these licenses which constitute transfer of all risks and rewards. Revenue from consultancy services and sale of software which involves customisation are recognised over execution period. Revenue from annual maintenance contracts are recognised on a time proportion basis. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Grants and subsidies are recognised at fair value where there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as a credit against such expense for which grant is received over the periods in which costs are recognised.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income

Dividend Income is recognised when the Company's right to receive payment is established by the balance sheet date.

Profit /(loss) on sale of current investment

Profit /(loss) on sale of current investment is accounted when the sale is executed. On disposal of such investments, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the statement of profit and loss.

2.19 Retirement and other employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation

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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. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

In respect of foreign subsidiaries retirement benefits are governed and accrued as per local statutes and there are no defined benefit plan. The amount contributed to the defined contribution plan is charged to the statement of profit & loss account on accrual basis.

2.20 Employee stock compensation cost

The Group recognizes expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

2.21 Foreign currency

Functional currency

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (INR), whereas the functional currency of the foreign subsidiaries is the currency of their countries of domicile. These consolidated financial statements are presented in Indian Rupees (rounded off to the nearest lakhs except otherwise indicated).

Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Foreign currency translation

Assets and liabilities of the entities with functional currency other than the presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss has been translated using monthly average exchange rates prevailing during the year. Translation adjustment have been reported as foreign currency translation reserve in the statement of changes in equity.

Exchange difference

In case of long term monetary items the exchange difference is amortised up to the date of settlement of such monetary items and charged to the statement

of profit and loss. The unamortised exchange difference is carried to Foreign Currency Monetary Item Translation Difference Account (FCMITDA) under reserves and surplus. Exchange gains and losses arising on settlement of foreign currency denominated long term monetary assets and liabilities are recognised in the statement of profit and loss. (Refer note 3)

2.22 Taxes on income

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates items recognised directly in equity or in OCI.

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 or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The current income tax for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which they operate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments).

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary difference associated with investment in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if:

- a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include MAT paid in accordance with the tax laws which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised

2.23 Segment reporting policies

The Managing Director and Chief Executive Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

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The Group is structured into three reportable business segments – Rating, Research and Advisory. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognised. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

Inter segment transfers:

The Group generally accounts for inter segment services and transfers as if the services or transfers were to third parties at arm length price.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocable income and expenses includes general corporate income and expense items which are not identified to any business segment.

2.24 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, Employee Stock Option Scheme (ESOS), etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the Group has adopted treasury stock method to compute the new shares that can possibly be created by un-exercised stock options. The net

profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.25 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividend is recognised as a liability on the date of declaration by the Company's Board of Directors.

2.26 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.27 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. These amendments are applicable to the Company with effect from January 1, 2018.

Amendment to Ind AS 7, 'Statement of cash flows'

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including other changes arising from cash flow and non-cash changes, suggesting inclusion of a reconciliation between the closing balance in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Group has evaluated the requirement and determined that it will not have material impact on the consolidated financial statements.

Amendment to Ind AS 102, 'Share-based payment'

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate in the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from date of the modification. Further, the amendment requires the award that includes a net settlements feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Group has evaluated the requirement and determined that it will not have material impact on the consolidated financial statements.

3 Transition to Ind AS

Exemptions and exceptions availed

The transition as at January 1, 2016 to Ind AS was carried out from the Previous GAAP. The exemptions and exceptions applied by the Group in accordance with Ind AS 101 - First time Adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income from the Previous GAAP to Ind AS are explained below:

- a) The Group has elected to continue with the carrying value of all its property, plant and equipment including asset held for sale as recognised in the consolidated financial statements as at January 1, 2016 (transition date) to Ind AS measured as per the Previous GAAP and use that as its deemed cost as at the transition date.
- b) On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at January 1, 2016, measured

as per the Previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

- c) Long term foreign currency monetary items: A first-time adoption may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Previous GAAP.
- d) Share-based payment exemption: The Group has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS and accordingly the unvested options as on the transition date have been measured at fair value as against intrinsic value previously recognised under the Previous GAAP.
- e) The Group has elected to apply Ind AS 103 - Business Combination retrospectively to past business combinations from January 2012
- f) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as Fair Value through Other Comprehensive Income (FVTOCI) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Group has designated its investments in equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

- g) The Group has designated various hedging relationships as cash flow hedges under the Previous GAAP. On date of transition to Ind AS, the Group has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Group continues to apply hedge accounting on and after the date of transition to Ind AS.

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Equity reconciliation

(Rupees in lakhs)			
Particulars	Note	As at December 31, 2016	As at January 1, 2016
Equity under previous GAAP		94,535	85,576
Final dividends (including tax thereon)	(a)	7,727	8,571
Impact on account of measuring non-current investments at fair value	(b)	2,995	2,477
Impact on account of measuring current investments at fair value	(b)	559	1,318
Adjustment for straight lining of lease rentals	(g)	1,202	1,544
Reversal of goodwill amortised under previous GAAP	(f)	296	-
Goodwill/amortisation of intangibles including foreign currency translation	(c)	(8,069)	(2,135)
Others	(i)	(222)	(196)
Tax adjustments	(j)	(486)	(586)
Equity as per Ind AS		98,537	96,569
Comprising:			
Paid up equity share capital		713	712
Other equity		97,824	95,857

Profit reconciliation

(Rupees in lakhs)		
Particulars	Note	Year ended December 31, 2016
Net profit as per previous GAAP		32,634
Add / (Less) : Adjustments for GAAP Differences		
Impact on account of measuring current investments at fair value	(b)	(752)
Remeasurements of net defined benefit liability	(d)	347
Impact of restatement of past business combinations	(c)	(1,731)
Share based payment to employees	(e)	(1,627)
Adjustment for straight lining of lease rentals	(g)	(342)
Reversal of goodwill amortised under previous GAAP	(f)	315
Others	(i)	51
Tax adjustments on above, as applicable	(j)	538
Net profit before other comprehensive income as per Ind AS		29,433
Other Comprehensive Income		(1,967)
Tax adjustments on above (OCI)	(j)	(504)
Total Comprehensive Income as per Ind AS (After tax)		26,962

Notes to reconciliations between previous GAAP and Ind AS

a) Dividend (including dividend tax)

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under the Previous GAAP, dividend payable is recorded as a liability in the period to which it relates.

That has resulted in an increase of equity by Rs. 7,727 lakhs and Rs. 8,571 lakhs as at December 31, 2016 and January 1, 2016 respectively.

b) Fair valuation of investments

Under the Previous GAAP, current investments were measured at lower of cost or market value and long term investments were measured at cost less diminution in value which is other than temporary, under Ind AS Financial assets other than amortised cost are subsequently measured at fair value.

The Group has made an irrevocable election to present in OCI subsequent changes in fair value of equity investments not held for trading. This has resulted in increase in equity by Rs. 2,995 lakhs and Rs. 2,477

lakhs as at December 31, 2016 and January 1, 2016 respectively and increase in total comprehensive income by Rs. 518 lakhs for the year ended December 31, 2016.

Investment in mutual funds have been classified as fair value through profit and loss and fair value changes are recognised in the statement of profit and loss. This has resulted in increase in equity by Rs. 559 lakhs and Rs. 1,318 lakhs as at December 31, 2016 and January 1, 2016 respectively and decrease in total comprehensive income by Rs. 752 lakhs for the year ended December 31, 2016.

c) Impact of retrospective application of Ind AS 103 to past business combinations

Under the Previous GAAP, the business combination was accounted at the book value. Under Ind AS the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date (including foreign currency translation).

This has resulted in decrease in equity by Rs. 8,069 lakhs and Rs. 2,135 lakhs as at December 31, 2016 and January 1, 2016 respectively and a decrease in total comprehensive income by Rs. 1,731 lakhs for the year ended December 31, 2016.

d) Employee benefits

Under the Previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/ assets which is recognised in other comprehensive income in the respective periods. The amount recognised in OCI for the year ended December 31, 2016 was Rs. 347 lakhs.

There is no impact on total comprehensive income and total equity for the year ended and as at December 31, 2016 and January 1, 2016 respectively.

e) Share-based payment to employees

Under the Previous GAAP, the cost of equity - settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-

settled employee share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the total comprehensive income for the year ended December 31, 2016 decreased by Rs. 1,627 lakhs. There is no impact on total equity.

f) Goodwill

Under Ind AS 38 - Intangibles, goodwill on amalgamation is not amortised, but subject to annual impairment test or more frequently whenever there is an indication of impairment. This has resulted into reversal of amortisation of goodwill recognised under the Previous GAAP, which resulted in increase in total equity by Rs. 296 lakhs and Rs. Nil as at December 31, 2016 and January 1, 2016 respectively. The total comprehensive income for the year ended December 31, 2016 increased by Rs. 315 lakhs.

g) Adjustment for straight lining of lease rentals

Under Ind AS, straight-lining of rentals is not required if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence the lease equalisation reserve created as per the Previous GAAP is reversed which resulted in increase in total comprehensive income for the year ended December 31, 2016 by Rs. 342 lakhs. Total equity has increased by Rs. 1,202 lakhs and Rs. 1,544 lakhs as at December 31, 2016 and January 1, 2016 respectively.

h) Reconciliation of statement of cash flow

There are no material adjustments to the statement of cash flows as reported under the Previous GAAP

i) Others

Other adjustments include revenue deferred and the impact of discounting of security deposits.

j) Tax adjustments including deferred tax

Tax impact resulted on account of above adjustments lead to decrease in total equity under Ind AS by Rs. 486 lakhs and Rs. 586 lakhs as at December 31, 2016 and January 1, 2016 respectively, and increase in total comprehensive income by Rs. 34 lakhs for the year ended December 31, 2016.

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4. Property, plant and equipment

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2017	Additions	Deductions	Currency translation reserve	As at December 31, 2017	Up to January 1, 2017	For the year	Deductions	Currency translation reserve	Up to December 31, 2017	As at December 31, 2017
Buildings	10	-	-	-	10	8	2	-	-	10	-
Furniture and fixtures	946	70	39	15	992	202	182	14	14	384	608
Office equipments	1,596	142	30	(10)	1,698	334	419	11	(4)	738	960
Computers	3,529	1,421	51	22	4,921	1,390	1,444	48	38	2,824	2,097
Vehicles	452	187	63	36	612	165	163	36	35	327	285
Leasehold improvements	3,153	132	-	(24)	3,261	944	847	-	(15)	1,776	1,485
Total	9,686	1,952	183	39	11,494	3,043	3,057	109	68	6,059	5,435

For the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Carrying Value				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2016	Additions	Deductions	Currency translation reserve	As at December 31, 2016	Up to January 1, 2016	For the year	Deductions	Currency translation reserve	Up to December 31, 2016	As at December 31, 2016
Buildings	10	-	-	-	10	-	8	-	-	8	2
Furniture and fixtures	860	107	19	(2)	946	-	203	3	2	202	744
Office equipments	1,570	52	10	(16)	1,596	-	324	2	12	334	1,262
Computers	2,012	1,678	22	(139)	3,529	-	1,404	20	6	1,390	2,139
Vehicles	272	209	34	5	452	-	165	6	6	165	287
Leasehold improvements	3,123	57	7	(20)	3,153	-	948	-	(4)	944	2,209
Total	7,847	2,103	92	(172)	9,686	-	3,052	31	22	3,043	6,643

5. Intangible assets

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2017	Additions	Deductions	Currency translation reserve	As at December 31, 2017	Up to January 1, 2017	For the year	Deductions	Currency translation reserve	Up to December 31, 2017	As at December 31, 2017
Technology	1,457	-	-	29	1,486	921	529	-	36	1,486	-
Database	686	-	-	13	699	434	249	-	16	699	-
Customer relationship	1,145	-	-	23	1,168	476	447	-	20	943	225
Tradenname	360	-	-	7	367	100	100	-	4	204	163
Software	384	513	-	1	898	295	282	-	1	578	320
Total	4,032	513	-	73	4,618	2,226	1,607	-	77	3,910	708

For the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Carrying Value				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2016	Additions	Deductions	Currency translation reserve	As at December 31, 2016	Up to January 1, 2016	For the year	Deductions	Currency translation reserve	Up to December 31, 2016	As at December 31, 2016
Technology	1,714	-	-	(257)	1,457	-	1,000	-	(79)	921	536
Database	806	-	-	(120)	686	-	471	-	(37)	434	252
Customer relationship	1,347	-	-	(202)	1,145	-	516	-	(40)	476	669
Tradenname	424	-	-	(64)	360	-	109	-	(9)	100	260
Software	16	313	1	56	384	-	304	1	(8)	295	89
Total	4,307	313	1	(587)	4,032	-	2,400	1	(173)	2,226	1,806

6. Goodwill

(Rupees in lakhs)

Goodwill consists of the following	As at December 31, 2017	As at December 31, 2016
Carrying value at the beginning	22,425	28,695
Adjustment on account of amalgamation	-	(2,096)
Foreign currency exchange gain/(loss)	778	(4,174)
Carrying value at the end	23,203	22,425

The entire goodwill has been allocated to the operating segment 'Research'.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use, both of which are calculated by the Group using a discounted cash flow analysis. These calculations use pre tax cash flow projections over a period of five years, based on financial budgets approved by management. For calculation of the recoverable amount, the Group has used growth rate of seven percent and discount rate of fifteen percent.

The above discount rate is based on the Weighted Average Cost of Capital of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

An analysis of sensitivity of the computation to a change in key parameters (operating margins and discount rate) based on reasonably probable assumptions, did not identify any probable scenario in which recoverable amount of the CGU would decrease below its carrying amount.

As at December 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

7. Investments

A. Non-current investments	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
<i>Unquoted equity investments carried at fair value through OCI (Refer note 33)**</i>						
Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up	1,875,000	3,521	1,875,000	3,512	1,875,000	3,002
Equity Shares of Caribbean Information and Credit Rating Agency of US \$ 1 each, fully paid up	300,000	149	300,000	45	300,000	37
(Net of provision for diminution in value of Investment)						
Sub - total (a)		3,670		3,557		3,039
<i>Quoted equity investments carried at fair value through OCI (Refer note 33)**</i>						
Equity Share of ICRA Limited of Rs.10 each, fully paid up*	1	-	1	-	1	-
Equity Share of CARE Ratings Limited (formerly known as Credit Analysis and Research Limited) of Rs.10 each, fully paid up*	2,622,431	34,940	1	-	1	-
Sub - total (b)		34,940		-		-
Total non-current investments - (a + b)		38,610		3,557		3,039

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B. Current investments	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
	No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs	No. of Units	Rupees in lakhs
Investments in mutual funds						
<i>(Unquoted investments carried at fair value through profit and loss) (Refer note 33)</i>						
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100% Dividend Donation	2,500,000	254	-	-	-	-
DSP BlackRock Liquidity Fund - Direct Plan - Growth	114,221	2,790	-	-	-	-
Baroda Pioneer Liquid Fund - Plan B Growth	144,750	2,843	-	-	-	-
Sundaram Money Fund - Direct Plan - Growth	7,868,460	2,833	-	-	17,346,780	5,434
ICICI Prudential Liquid Fund - Direct - Growth	990,139	2,501	-	-	2,205,894	4,850
Axis Liquid Fund - Direct Growth	137,365	2,602	-	-	331,002	5,449
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	3,945	110	-	-	1,901	46
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option	-	-	-	-	104,807	3,251
HDFC Liquid Fund - Direct Plan - Growth	-	-	-	-	185,030	5,423
IDFC Cash Fund - Growth - Direct Plan	-	-	-	-	267,080	4,821
L&T Liquid Fund Direct Plan - Growth	-	-	-	-	241,806	4,925
SBI Premier Liquid Fund - Direct Plan - Growth	-	-	-	-	208,380	4,861
TATA Money Market Fund -Direct Plan-Growth	-	-	-	-	1,312	31
ICICI Prudential Banking and PSU Debt Plan - Direct - Growth	-	-	9,406,994	1,759	-	-
ICICI Prudential Long Term - Direct - Growth	-	-	23,908,345	4,920	-	-
Axis Short Term Fund - Direct - Growth	-	-	22,922,423	4,147	-	-
Axis Treasury Advantage Fund - Direct - Growth	-	-	259,704	4,703	-	-
HDFC Medium Term Opportunities Fund - Direct - Growth	-	-	8,362,615	1,496	-	-
HDFC Floating Rate Income Fund - Short Term Plan - Direct - Wholesale Option - Growth	-	-	17,613,978	4,907	-	-
Birla Sun Life Floating Rate Fund-Long Term-Regular Plan-Growth	-	-	2,739,724	5,403	-	-
Kotak Banking and PSU Debt Fund - Direct - Growth	-	-	14,208,582	5,205	-	-
DSP BlackRock Ultra Short Term Fund - Direct - Growth	-	-	43,066,267	5,039	-	-
Reliance Banking & PSU Debt Fund - Direct - Growth	-	-	22,092,785	2,579	-	-
Reliance Dynamic Bond Fund - Direct - Growth	-	-	12,203,790	2,794	-	-
Total investments in mutual funds (c)	13,933	42,952		39,091		
Total investments (a + b + c)	52,543	46,509		42,130		

The market value of quoted investments is equal to the carrying value

* '-' in amounts' columns denote amount less than Rs. 50,000

**The total dividend recognised pertaining to FVTOCI instruments for the year ended on December 31, 2017 was Rs. 321 lakhs and for the year ended December 31, 2016 was Rs. 47 lakhs. Dividend from equity investments designated at FVTOCI relates to investments held at the end of the reporting period. The Group recognises dividend in statement of profit and loss under the head "other income". For all the equity instruments that are classified by the Group as FVTOCI, fair value changes on the instrument, excluding dividends, are recognised in the OCI.

8. Other financial assets

(Rupees in lakhs)			
Particulars	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
Non current			
<i>Unsecured, considered good, unless otherwise stated</i>			
Interest accrued on fixed deposits	2	2	7
- Security and other deposits	1,385	3,322	2,282
- Deposits with more than 12 months maturity	97	12	159
(Deposit includes fixed deposits with banks Rs. 55 lakhs (Rs. 1 lakh and Rs. 67 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Group (Refer note 34))			
Total	1,484	3,336	2,448

9. Income tax

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Current tax	14,648	15,183
Deferred tax	(1,730)	(768)
Total income tax expense recognised in current year	12,918	14,415

The reconciliation between income tax provision of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is summarised below:

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Profit before income tax	43,361	43,848
Enacted income tax rate in India (%)	34.61%	34.61%
Computed expected tax expense	15,007	15,176
Effect of:		
Income exempt from tax	(1,097)	(1,286)
Expenses that are not deductible in determining taxable profit	27	455
Differential tax rates of subsidiaries operating in other jurisdictions	(839)	(927)
Income subject to different tax rates	31	-
Tax expense of prior years	(209)	-
Others	(2)	997
Total income tax expense recognised in the statement of profit and loss	12,918	14,415

The applicable Indian statutory income tax rates fiscal the year ended March 31, 2018 and March 31, 2017 is 34.61% and 34.61% respectively.

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Deferred tax

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

As at December 31, 2017

(Rupees in lakhs)						
Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	Acquisitions/ disposal	Exchange difference	Closing balance
Deferred tax liability						
On gains from other investments	692	-	26	-	-	718
On gains from mutual funds	147	(145)	-	-	-	2
On gains / losses on forward contract	650	-	(150)	-	-	500
On property, plant and equipment	522	(175)	-	-	(7)	340
Gross deferred tax liability	2,011	(320)	(124)	-	(7)	1,560
Deferred tax asset						
On lease rent amortisation	(12)	(1)	-	-	(1)	(14)
On provision for compensated absences	1,262	349	-	-	(3)	1,608
On provision for bonus and commission	747	175	-	-	(9)	913
On provision for gratuity	434	45	(79)	-	-	400
On provision for bad debt	588	66	-	-	-*	654
On initial rating fees deferred	296	246	-	-	-	542
On property, plant and equipment	213	337	-	-	-*	550
On disallowance under section 40(a) and others	201	193	-	-	(12)	382
Gross deferred tax asset	3,729	1,410	(79)	-	(25)	5,035
Net deferred tax asset	1,718	1,730	45	-	(18)	3,475

As at December 31, 2016

(Rupees in lakhs)						
Particulars	Opening Balance	Recognised in profit and loss	Recognised in OCI	Acquisitions/ disposal	Exchange difference	Closing balance
Deferred tax liability						
On Gains from other investments	571	2	119	-	-	692
On Gains from mutual funds	410	(263)	-	-	-	147
On Gains / Losses on forward contract	145	-	505	-	-	650
On property, plant and equipment	991	(396)	-	-	(73)	522
Gross deferred tax liability	2,117	(657)	624	-	(73)	2,011
Deferred tax asset						
On lease rent amortisation	38	(50)	-	-	-*	(12)
On provision for compensated absences	1,136	126	-	-	-*	1,262
On provision for bonus and commission	734	30	-	-	(17)	747
On provision for gratuity	360	(46)	120	-	-	434
On provision for bad debt	539	48	-	-	1	588
On initial rating fees and other deferred revenue	415	(119)	-	-	-	296
On disallowance under section 40(a) and others	189	15	-	-	(3)	201
On property, plant and equipment	87	107	-	-	19	213
Gross deferred tax asset	3,498	111	120	-	-	3,729
Net deferred tax asset	1,381	768	(504)	-	73	1,718

* '-' in amounts' columns denote amount less than Rs. 50,000

10. Tax assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Advance taxes paid	4,194	1,944	1,425
Total	4,194	1,944	1,425

11. Other non-current assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Prepaid rent	223	453	518
Prepaid expenses	143	149	198
Total	366	602	716

12. Trade receivable

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
<i>Unsecured, considered good, unless otherwise stated</i>			
- Unsecured, considered good (Refer note 36)	26,042	20,730	19,122
- Considered doubtful	2,414	1,973	2,046
Less : Allowance for doubtful trade receivables	(2,414)	(1,973)	(2,046)
Total	26,042	20,730	19,122

13. Cash and cash equivalents

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Cash on hand	1	1	3
Balances with banks :			
On current accounts	6,718	15,721	10,983
Deposits with maturity of less than three months	1,750	669	2,103
(Deposit includes fixed deposits with banks Rs. 7 lakhs (Rs. 58 lakhs and Rs. 37 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Group. (Refer note 34))			
Total	8,469	16,391	13,089

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14. Other bank balances

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
On unpaid dividend accounts	64	93	105
Deposit with original maturity for more than 3 months but less than 12 months (Deposit includes fixed deposits with banks Rs. 278 lakhs (Rs. 600 lakhs and Rs. 510 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Group. (Refer note 34))	4,645	1,265	1,982
Total	4,709	1,358	2,087

15. Loans

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
<i>Considered good unless otherwise stated</i>			
Loans to employees	392	369	378
Total	392	369	378

16. Other financial assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
<i>Unsecured, considered good, unless otherwise stated</i>			
Security and other deposits	2,462	268	1,023
Accrued revenue	8,242	7,583	5,024
Interest accrued on deposits	13	55	41
Fair value of foreign currency forward contract	1,444	1,878	419
Application for investment in mutual fund	-	700	-
Others	1,727	689	930
Total	13,888	11,173	7,437

17. Other current assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Asset held for sale*	318	318	318
Prepaid rent	230	223	51
Prepaid expense	1,072	1,582	909
Balances with government authorities	1,622	965	1,068
Total	3,242	3,088	2,346

*The Group has classified a building premise as asset held for sale at its carrying value Rs. 318 lakhs. The Group has actively marketed the premise. The premise has been classified as unallocable as the Group believes that it is currently not practicable to allocate the premise to any segment.

18. Share capital

Particulars	As at December 31, 2017	(Rupees in lakhs)	
		As at December 31, 2016	As at January 1, 2016
Authorised capital:			
100,000,000 Equity Shares of Re.1 each (100,000,000 equity shares of Re. 1 each as on December 31, 2016 and 100,000,000 equity shares of Re. 1 each as on January 1, 2016)	1,000	1,000	1,000
Issued, subscribed and paid up:			
71,704,928 Equity Shares of Re. 1 each fully paid up (71,335,358 equity shares of Re.1 each as on December 31, 2016 and 71,209,103 equity shares of Re.1 each as on January 1, 2016)	717	713	712
Total	717	713	712

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Equity shares

Particulars	As at December 31, 2017	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	713	71,335,358
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 44)	4	369,570
Outstanding at the end of the year	717	71,704,928

Particulars	As at December 31, 2016	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	712	71,209,103
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 44)	1	126,255
Outstanding at the end of the year	713	71,335,358

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding Company and their subsidiaries/ associates are as below:

Particulars	As at December 31, 2017	(Rupees in lakhs)	
		As at December 31, 2016	As at January 1, 2016
Group Holding of the S&P Global Inc.			
31,209,480 equity shares of Re.1 each fully paid held by S&P India, LLC, Fellow Subsidiary (31,209,480 equity shares of Re. 1 each as at December 31, 2016 and January 1, 2016)	312	312	312
10,623,059 Equity Shares of Re.1 each fully paid held by S&P Global Asian Holdings Pte. Limited, Fellow Subsidiary (10,623,059 equity shares of Re. 1 each as at December 31, 2016 and January 1, 2016)	106	106	106

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(Rupees in lakhs)

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
6,000,000 Equity Shares of Re.1 are held by Standard & Poor's International LLC, Fellow Subsidiary (6,000,000 equity shares of Re. 1 each as at December 31, 2016 and January 1, 2016)	60	60	60
Total	478	478	478

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at December 31, 2017 Nos.	As at December 31, 2016 Nos.	As at January 1, 2016 Nos.
Equity shares bought back by the company			
Aggregate number of equity shares bought back by the Company (In last five years)	1,421,932	1,421,932	1,421,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company.	Nil	Nil	Nil

(e) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder	As at December 31, 2017	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.52%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.81%	10,623,059
c) Standard & Poor's International LLC	8.37%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.53%	3,965,000
3. Life Insurance Corporation of India	5.45%	3,908,261

Name of the shareholder	As at December 31, 2016	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.75%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.89%	10,623,059
c) Standard & Poor's International LLC	8.41%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.61%	4,000,000
3. Life Insurance Corporation of India	1.70%	1,213,086

Name of the shareholder	As at January 1, 2016	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.83%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.92%	10,623,059
c) Standard & Poor's International LLC	8.42%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.62%	4,000,000
3. Life Insurance Corporation of India	1.08%	765,735

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company (Refer note 44).

(g) Capital management

The Group is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to its stakeholders. The Group has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Group actively monitors its portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy. The Group has a overdraft facility with banks to support any temporary funding requirements which has not been utilised as at December 31, 2017

Explanation of reserves:

a) 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 Statement of Profit and Loss.

b) Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

c) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve

d) Share based payment reserve

The share based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

e) Other comprehensive income (OCI)

Other comprehensive income includes equity Instruments through OCI, Hedge reserve and actuarial gains and losses form part of remeasurement of net defined benefit liability/ assets.

Hedge reserve -These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes.

f) Foreign currency monetary items translation

Exchange differences arising on translation of the long-term monetary assets is accumulated in separate reserve within equity. The cumulative amount is reclassified to the statement of Profit and loss over the life of the monetary asset on a straightline basis.

g) Capital redemption reserve

The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings in 2015. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

h) Special Economic Zone (SEZ) reinvestment reserve

The Special Economic Zone (SEZ) reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve should be utilised by the Company for acquiring new plant and machinery for the purpose of business in terms of Section 10 AA(2) of the Income Tax Act, 1961.

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19. Other financial liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Sundry deposits	149	-	-
Others	263	115	692
Total	412	115	692

20. Other non-current liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Unearned revenue and fees received in advance	48	16	8
Total	48	16	8

21. Provisions

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Provision for gratuity (Refer note 38)	1,288	1,335	925
Total	1,288	1,335	925

22. Trade payables

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Total outstanding dues of micro enterprises and small enterprises (Refer note 23)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,671	4,286	3,735
Total	5,671	4,286	3,735

23. The Company has a process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom any amount was payable on account of principal amount or interest, accordingly no additional disclosures have been made.

24. Other financial liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Employee related payables	14,592	13,938	12,059
Unpaid Dividend (Investor education and protection fund will be credited as and when due)	64	93	105
Others	132	215	153
Total	14,788	14,246	12,317

25. Other current liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Statutory liabilities	3,955	3,797	4,055
Unearned revenue and fees received in advance	11,231	9,922	10,008
Total	15,186	13,719	14,063

26. Provisions

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Provision for compensated absences	5,566	4,968	4,372
Provision for gratuity (Refer note 38)	654	436	397
Total	6,220	5,404	4,769

27. Income from operations

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Ratings services	48,029	46,764
Research services	108,039	100,381
Advisory services	9,778	7,606
Total	165,846	154,751

28. Other income

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Interest on bank deposits	83	218
Profit on sale of fixed assets	71	126
Interest income on financial assets carried at amortised cost	254	248
Dividend on non-current investments	328	47
Foreign exchange gain	-	945
Profit on sale of current investments	1,468	2,552
Profit on fair valuation of current investments	38	559
Miscellaneous income	261	219
Grant income	35	53
Total	2,538	4,967

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29. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Salaries, wages and bonus	74,375	69,673
Share based payment to employees	1,762	1,627
Contribution to provident and other funds	4,585	4,388
Contribution to gratuity fund (Refer note 38)	1,038	566
Staff training and welfare expenses	2,833	2,520
Total	84,593	78,774

30. Finance cost

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Interest expense on bank overdraft	41	-
Total	41	-

31. Other expenses

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Repairs and maintenance - Buildings	1,479	1,502
Repairs and maintenance - Others	1,020	938
Electricity	1,125	1,031
Communication expenses	1,025	1,034
Insurance	96	74
Rent (Refer note 37)	5,853	5,801
Rates and taxes	140	63
Printing and stationery	373	383
Conveyance and travelling	4,733	4,123
Books and periodicals	912	936
Remuneration to non-whole time directors	152	130
Business promotion and advertisement	292	289
Foreign exchange loss	1,573	-
Professional fees	8,590	6,810
Associate service fee	4,239	4,273
Software purchase and maintenance expenses	790	819
Provision for doubtful debts / bad debts	1,448	1,382
Corporate social responsibility (CSR) expenses (Refer note 42)	734	616
Auditors' remuneration	144	208
Recruitment expenses	446	680
Sales commission	37	35
Miscellaneous expenses	524	517
Total	35,725	31,644

32. Financial risk management

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in note 33. The main types of risks are market risk (foreign currency exchange rate risk and price risk), business and credit risks and liquidity risk. The Group has in place a robust risk management policy with overall governance and oversight from the Audit Committee and Board of Directors. Risk Assessment is conducted periodically and the Group has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarised below:-

32.1 Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rates, price and other market changes, the Group exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

Our exposure to market risk includes changes in foreign exchange rates. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD), EURO, and Pounds Sterling (GBP). As of December 31, 2017 and December 31, 2016, we have entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given under note 33.

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Financial		Financial	
	Assets	Liabilities	Assets	Liabilities
USD	12,199	340	7,817	218
GBP	3,624	-	3,106	-
EURO	3,383	-	2,571	-
Others	17,547	724	310	67

Particulars	As at December 31, 2016 (Foreign currency in '000)		As at December 31, 2016 (Rupees in lakhs)	
	Financial		Financial	
	Assets	Liabilities	Assets	Liabilities
USD	18,118	283	12,305	191
GBP	348	-	293	-
EURO	2,664	14	1,886	10
Others	16,348	944	186	90

For the year ended December 31, 2017, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by Rs. 676 lakhs (+/- 1.49%). For the year ended December 31, 2016, operating margins would increase/decrease by Rs. 719 lakhs (+/-1.62%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. None the less, the analysis above is considered to be representative of the Group's exposure to currency risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in 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 Group has adopted disciplined practices including position sizing, diversification, valuation, loss prevention, due diligence, and exit strategies in order to mitigate losses.

The Group is exposed price risk arising mainly from investments in mutual funds recognised at FVTPL. The details of such investment are given under Note 7. If the prices had been higher/lower by 5% from the market prices existing as at reporting dates, profit would increase/decrease by Rs. 697 lakhs and Rs. 2,148 lakhs for the year ended December 31, 2017 and for the year ended December 31, 2016 respectively.

The Group is exposed to price risk arising mainly from investments in quoted equity instruments recognised at FVTOCI. The details of such investment are given under Note 7. If the equity prices had been higher/lower by 5% from the market prices existing as at December 31, 2017, OCI for the year ended December 31, 2017 would increase/decrease by Rs.1,747 lakhs.

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32.2 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 payables and other financial liabilities.

Liquidity risk management

The Group continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Group has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. Group's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The short term treasury position of the Group is given below:

Particulars	(Rupees in lakhs)	
	As at December 31, 2017	As at December 31, 2016
Trade receivables	26,042	20,730
Cash and cash equivalents	8,469	16,391
Other bank balances	4,709	1,358
Investments in mutual funds	13,933	42,952
Total	53,153	81,431

Financial liabilities maturing within one year:

Particulars	(Rupees in lakhs)	
	As at December 31, 2017	As at December 31, 2016
Trade payables	5,671	4,286
Others	14,788	14,246
Total	20,459	18,532

32.3 Business and credit risks

To mitigate the risk arising from high dependence on any one business for revenues, the Group has adopted a strategy of diversifying in new products/services and into different business segments. To address the risk of dependence on a few large clients and a few sectors in the business segments, the Group has also actively sought to diversify its client base and industry segments.

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to this risk for receivables from customers.

To manage credit risk, the Group periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Group uses a provision margin to compute the expected credit loss allowance for trade receivables. Further, the Group doesn't have significant credit risk exposure to any single counter party or a group of counter parties and have adequate provision for credit risk/bad debts. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Bank balances are held with only high rated banks.

Receivables	(Rupees in lakhs)	
	As at December 31, 2017	As at December 31, 2016
<= 6 months	25,003	19,761
> 6 months but <= 1 year	3,453	2,942
> 1 year	-	-
Provision for doubtful receivables	(2,414)	(1,973)

33. Financial instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2017 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	34,940	-	-	34,940	34,940
Unquoted equity investments	-	-	-	3,671	-	-	3,670	3,670
Mutual funds	-	-	13,933	-	-	-	13,933	13,933
Cash and cash equivalents	8,469	-	-	-	-	-	8,469	8,469
Other bank balances	4,709	-	-	-	-	-	4,709	4,709
Trade receivables	26,042	-	-	-	-	-	26,042	26,042
Loans	392	-	-	-	-	-	392	392
Other financial assets	13,928	-	-	-	-	1,444	15,372	15,372
Total	53,540	-	13,933	38,611	-	1,444	107,527	107,527
Liabilities								
Trade payables	5,671	-	-	-	-	-	5,671	5,671
Other financial liabilities	15,200	-	-	-	-	-	15,200	15,200
Total	20,871	-	-	-	-	-	20,871	20,871

The carrying value and fair value of financial instruments by categories as at December 31, 2016 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	-*	-	-	-*	-*
Unquoted equity investments	-	-	-	3,557	-	-	3,557	3,557
Mutual funds	-	-	42,952	-	-	-	42,952	42,952
Cash and cash equivalents	16,391	-	-	-	-	-	16,391	16,391
Other bank balances	1,358	-	-	-	-	-	1,358	1,358
Trade receivables	20,730	-	-	-	-	-	20,730	20,730
Loans	369	-	-	-	-	-	369	369
Other financial assets	12,631	-	-	-	-	1,878	14,509	14,509
Total	51,479	-	42,952	3,557	-	1,878	99,866	99,866
Liabilities								
Trade payables	4,286	-	-	-	-	-	4,286	4,286
Other financial liabilities	14,361	-	-	-	-	-	14,361	14,361
Total	18,647	-	-	-	-	-	18,647	18,647

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The carrying value and fair value of financial instruments by categories as at January 1, 2016 are as follows:

Particulars	Amortised cost	(Rupees in lakhs)						
		Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets								
<u>Investments</u>								
Quoted equity investments	-	-	-	-*	-	-	-*	-*
Unquoted equity investments	-	-	-	3,040	-	-	3,039	3,039
Mutual funds	-	-	39,091	-	-	-	39,091	39,091
Cash and cash equivalents	13,089	-	-	-	-	-	13,089	13,089
Other bank balances	2,087	-	-	-	-	-	2,087	2,087
Trade receivables	19,122	-	-	-	-	-	19,122	19,122
Loans	378	-	-	-	-	-	378	378
Other financial assets	9,466	-	-	-	-	419	9,885	9,885
Total	44,142	-	39,091	3,040	-	419	86,691	86,691
Liabilities								
Trade payables	3,735	-	-	-	-	-	3,735	3,735
Other financial liabilities	13,009	-	-	-	-	-	13,009	13,009
Total	16,744	-	-	-	-	-	16,744	16,744

* '-' in amounts' columns denote amount less than Rs. 50,000

Fair value hierarchy

For financial reporting purpose, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value as at December 31, 2017, December 31, 2016 and January 1, 2016.

(Rupees in lakhs)									
Particulars	As at December 31, 2017			As at December 31, 2016			As at January 1, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:									
A. Investments at FVTPL									
1. Mutual Funds	13,933	-	-	42,952	-	-	39,091	-	-
B. Investments at FVTOCI									
1. Quoted equity shares	34,940	-	-	-*	-	-	-*	-	-
2. Unquoted equity shares	-	-	3,671	-	-	3,557	-	-	3,040
C. Forward contracts receivable	-	1,444	-	-	1,878	-	-	419	-

* '-' in amounts' columns denote amount less than Rs. 50,000

Derivative financial instruments and hedging activity

The Group's risk management policy is to hedge substantial amount of forecast transactions for each of the major currencies presently US\$, GBP £ and Euro €. The hedge limits are governed by the risk management policy. The Group uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast sales in foreign currencies. All forward exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with Ind AS 109. Details of currency hedge and forward contract value are as under :

As at December 31, 2017

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	27	61,421	41,693	Jan - Dec-18	67.88	1,487	(1,487)
	GBP	14	6,117	5,436	Jan - Dec-18	88.86	(15)	15
	EUR	12	3,661	2,865	Jan - Dec-18	78.26	(28)	28

As at December 31, 2016

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	27	48,521	34,528	Jan - Dec-17	71.16	742	(742)
	GBP	14	9,071	8,733	Jan - Dec-17	96.27	907	(907)
	EUR	12	4,118	3,280	Jan - Dec-17	79.66	229	(229)

As at January 1, 2016

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	15	38,548	26,544	Jan - Dec-16	68.86	116	(116)
	GBP	15	9,211	9,606	Jan - Dec-16	104.30	273	(273)
	EUR	14	4,526	3,428	Jan - Dec-16	75.73	30	(30)

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Movement in cash flow hedging reserve

Particulars	(Rupees in lakhs) Foreign exchange forward contract
As at January 1, 2016	274
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	3,324
Less: Amounts reclassified to statement of profit or loss	(1,865)
Less: Tax relating to above (net)	(505)
As at December 31, 2016	1,228
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	3,904
Less: Amounts reclassified to statement of profit or loss	(4,338)
Less: Tax relating to above (net)	150
As at December 31, 2017	944

The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. Hedge is broadly classified as revenue hedge.

Revenue hedge: For forecasted revenue transaction, the Group will adopt cash flow hedge and record mark to market through OCI. Effective hedge is routed through OCI in the balance sheet and the ineffective portion is immediately routed through the statement of profit and loss.

Details of unhedged foreign exposure

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency Monetary				
USD	12,199	340	7,817	218
GBP	3,624	-	3,106	-
EUR	3,383	-	2,571	-
Others	17,547	724	310	67
Total	36,753	1,064	13,804	285

Particulars	As at December 31, 2016 (Foreign currency in '000)		As at December 31, 2016 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency Monetary				
USD	18,118	283	12,305	191
GBP	348	-	293	-
EUR	2,664	14	1,886	10
Others	16,348	944	186	90
Total	37,478	1,241	14,670	291

Particulars	As at January 1, 2016 (Foreign currency in '000)		As at January 1, 2016 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency Monetary				
USD	9,981	814	6,631	538
GBP	84	-	83	-
EUR	2,640	12	1,913	9
Others	1,850	347	101	34
Total	14,555	1,173	8,728	581

34. Details of contingent liabilities and capital commitments are as under :

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Contingent liabilities			
1. Bank guarantee in the normal course of business	3,051	952	2,411
2. <u>Disputed income tax and sales tax demand:</u>			
(i) Pending before appellate authorities in respect of which the Group is in appeal	4,263	4,504	4,422
(ii) Decided in the Group's favour by appellate authorities and department is in further appeal	1,232	1,232	352
	8,546	6,688	7,185
Capital commitment			
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	143	580	459
Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various authorities.			
The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions of operations in. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by income tax authorities will not succeed on ultimate resolution other than what has been provided or disclosed herein.			
Total	8,689	7,268	7,644

35. Segment reporting
Business segments:

The Group has three major business segments: Rating, Research and Advisory. A description of the types of products and services provided by each reportable segment is as follows:

Ratings – Rating services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.

Research – Research segments includes global research and analytical services, industry reports, customised research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

Advisory – CRISIL provides advisory services and a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks and corporates in India.

Segment reporting for the year ended December 31, 2017.

(Rupees in lakhs)				
Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (Refer note 27)	48,029	108,039	9,778	165,846
Segment results	15,120	30,846	924	46,890
Add / (Less) Unallocables:				
1. <u>Unallocable income</u>				
Interest income				337
Profit on sale of current investments				1,468
Profit on sale of fixed asset				71

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(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Others*				662
2. Unallocable expenditure				(1,403)
3. Depreciation/ Amortisation				(4,664)
Profit before exceptional item				43,361
Exceptional item				-
Profit before tax				43,361
Tax expense				(12,918)
Profit after tax				30,443
Segment assets	7,526	59,131	7,201	73,858
Unallocable assets**				75,613
Segment liabilities	12,465	21,724	2,799	36,988
Unallocable liabilities**				7,626

Revenue and Total Assets by Geographic Segments

(Rupees in lakhs)

Geography	Revenue	Assets #
India	52,762	93,898
Europe	41,843	30,633
North America	57,844	12,830
Rest of the world	13,397	4,441
Total	165,846	141,802

Segment reporting for the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (refer note 27)	46,764	100,381	7,606	154,751
Segment results	14,268	32,633	(69)	46,832
Add / (Less) Unallocables :				
1. <u>Unallocable income</u>				
Interest income				466
Profit on sale of current investments				2,552
Profit on sale of fixed asset				126
Others*				1,823
2. Unallocable expenditure				(2,499)
3. Depreciation/ Amortisation				(5,452)
Profit before exceptional item				43,848
Exceptional item				-
Profit before tax				43,848
Tax expense				(14,415)
Profit after tax				29,433
Segment assets	6,985	60,460	5,970	73,415
Unallocable assets* *				65,109
Segment liabilities	11,837	20,472	2,155	34,464
Unallocable liabilities**				5,523

Revenue and Total Assets by Geographic Segments

(Rupees in lakhs)		
Geography	Revenue	Assets #
India	46,243	83,707
Europe	46,368	32,628
North America	50,847	13,239
Rest of the world	11,293	5,288
Total	154,751	134,862

Notes to segmental results :

* Other income which have been allocated to business segments have not been considered in determining unallocable income.

**Assets and liabilities used interchangeably between business segments have been classified as unallocable. The Company believes that it is currently not practical to allocate these assets and liabilities since a meaningful segregation of the available data is not feasible.

#Total asset for the purpose of geographical segment does not include deferred tax asset and tax asset.

The top two customers of the research segment each contributed to more than 10% of the consolidated revenue of the Group.

The following table gives details in respect of revenues generated from top two customers:

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Total revenue from top two customers	36,274	35,546

36. List of related parties

Particulars	Relationship
<u>Related parties where control exists</u>	
S&P Global Inc.	The Ultimate Holding Company
<u>Other related parties</u>	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
S&P Global Asian Holdings Pte. Limited	Fellow Subsidiary
S&P Global Canada Corp.	Fellow Subsidiary
S&P Global International LLC	Fellow Subsidiary
S&P Global UK Limited	Fellow Subsidiary
Standard & Poor's Credit Market Services Europe Limited	Fellow Subsidiary
Standard & Poor's Financial Services, LLC	Fellow Subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow Subsidiary
Standard & Poor's Hong Kong Limited	Fellow Subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow Subsidiary
Standard & Poor's Global Ratings Japan Inc.	Fellow Subsidiary
S&P Global Market Intelligence LLC	Fellow Subsidiary
S&P Global Market Intelligence Inc.	Fellow Subsidiary
Standard & Poor's Ratings Services	Fellow Subsidiary
Asia Index Private Limited	Fellow Subsidiary
J.D. Power and Associates (upto September 8, 2016)	Fellow Subsidiary
JM Financial Asset Reconstruction Company Private Limited (upto October 26, 2017)	Common Director
Global Healthcare Systems Private Limited*	Common Director
Care India Solutions for Sustainable Development*	Common Director
CRISIL Foundation	Controlled trust

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Particulars	Relationship
<u>Key Management Personnel</u>	
Ravinder Singhania	Alternate Director
Girish Paranjpe	Independent Director (with effect from October 17, 2017)
Nachiket Mor	Independent Director
Vinita Bali	Independent Director
M. Damodaran	Independent Director
H. N. Sinor	Independent Director (up to October 25, 2017)
Ewout Steenberg	Director (with effect from October 17, 2017)
Martina Cheung	Director
John L Berisford	Chairman (with effect from October 17, 2017)
Douglas Peterson	Chairman (up to October 17, 2017)
Ashu Suyash	Managing Director and Chief Executive Officer
Amish Mehta*	Chief Financial Officer
Minal Bhosale*	Company Secretary

* Related Party under the Companies Act, 2013

Transactions with related parties

		(Rupees in lakhs)		
Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
S&P Global Canada Corp.	Professional services rendered	124	106	-
	Amount receivable	31	13	4
S&P Credit Market Services Europe Limited	Professional services rendered	4,396	4,056	-
	Amount receivable	659	706	621
	Reimbursement of expenses	4	-	-
Standard & Poor's Financial Services, LLC	Professional services rendered	11,384	11,401	-
	Amount receivable	-	18	18
	Subscription fees	-	5	-
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	646	498	-
	Amount receivable	52	52	-
Standard & Poor's Hong Kong Limited	Professional services rendered	235	195	-
	Amount receivable	17	20	15
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	409	326	-
	Amount receivable	31	32	15
S&P Global Market Intelligence LLC	Subscription fees	219	216	-
	Amount receivable	343	-	-
	Professional services rendered	398	-	-
	Reimbursement of expenses paid	51	-	-
S&P India, LLC	Dividend	8,424	8,736	-
	Share capital outstanding	312	312	312
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	183	204	-
	Amount receivable	16	36	24

		(Rupees in lakhs)		
Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
Standard & Poor's Global Ratings Japan Inc.	Amount receivable	11	15	6
	Professional services rendered	144	122	-
Asia Index Private Limited	Reimbursement of expenses	1	1	-
Standard & Poor's International LLC	Dividend	1,620	1,680	-
	Share capital outstanding	60	60	60
	Professional Services Rendered	7	41	-
	Amount receivable	-	-	4
S&P Global Asian Holdings Pte. Limited	Dividend	2,862	2,968	-
	Share capital outstanding	106	106	106
"S&P Global Inc."	Reimbursement of expenses paid	23	-	-
	Reimbursement of expenses received	-	15	-
	Professional Services Rendered	202	161	-
	Rent expenses	151	81	-
	Amount receivable	28	32	-
S&P Global Market Intelligence Inc.	Professional Services Rendered	-	152	-
	Amount receivable	-	165	-
S&P Global UK Limited	Rent paid	41	-	-
	Amount payable	8	-	-
	Reimbursement of expenses paid	4	-	-
	Amount receivable	303	192	22
	Professional fees paid	110	102	-
	Professional services rendered	362	500	-
S&P Global International LLC	Amount receivable	-	-	25
J.D. Power and Associates (upto September 8, 2016)	Professional services rendered	-	8	-
JM Financial Asset Reconstruction Company Private Limited	Amount receivable (net)	-	-	6
	Professional services rendered	-	57	-
CRISIL Foundation	Donation	815	447	-
	Reimbursement of expenses received	35	-	-
Girish Paranjpe	Sitting fees and commission	7	-	-
Nachiket Mor	Sitting fees and commission	33	30	-
Vinita Bali	Sitting fees and commission	39	33	-
M. Damodaran	Sitting fees and commission	39	34	-
H. N. Sinor	Sitting fees and commission	34	32	-
Ashu Suyash*	Remuneration	596	514	-
Amish Mehta*	Remuneration	325	297	-
	Options granted (nos.)	25,000	-	-
Minal Bhosale*	Remuneration	86	87	-

*Note: As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to directors is not included above.

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37. Operating lease

The Group has taken certain office premises on non cancelable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Lease Payment recognised in the statement of profit and loss	5,853	5,801
<u>Future minimum lease payments :</u>		
Not later than one year	5,248	4,524
Later than one year and not later than five years	6,411	9,819
Later than five years	2,071	3,790
Total	13,730	18,133

38. Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972 The Group provides for gratuity, a defined benefit retirement plan covering eligible employees (completed continuous services of five years or more) of the Group. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment at fifteen days salary of an amount based on the respective employee's salary and tenure of employment with the Group.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense recognised in statement of Profit and Loss and OCI:

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Current service cost	529	465
Interest cost on defined benefit obligation	106	101
Re-measurement - actuarial (gain)/loss - recognised in OCI	(207)	360
Expected return on plan assets - recognised in OCI	(22)	(13)
Past service cost	403	-
Net gratuity benefit expense	809	913
Assumptions		
Interest rate	7.20%	6.50%

Balance Sheet:

Details of provision for gratuity benefit

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Present value of funded obligations	3,972	3,529	2,727
Fair value of plan assets	(2,030)	(1,758)	(1,405)
Net liability	1,942	1,771	1,322

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rupees in lakhs)		
	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Opening defined benefit obligation	3,529	2,727	2,336
Current service cost	529	465	436
Interest cost	216	204	187
Acquisitions (credit)/ cost	14	119	-
Actuarial (gain)/loss	(62)	(11)	179
Actuarial (gain)/loss (financial assumptions)	(145)	371	-
Past service cost - plan amendments	403	-	-
Benefits paid	(512)	(346)	(411)
Closing defined benefit obligation	3,972	3,529	2,727

Changes in the fair value of plan assets are as follows:

Particulars	(Rupees in lakhs)		
	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Opening fair value of plan assets	1,758	1,405	1,324
Expected return on plan assets	22	13	118
Interest income on plan assets	110	103	-
Actuarial gain/ (loss)	-	-	9
Contribution by employer	652	421	365
Asset acquired on amalgamation/ acquisition	-	162	-
Benefits paid	(512)	(346)	(411)
Closing fair value of plan assets	2,030	1,758	1,405

The defined benefit obligation shall mature after December 31, 2017 as follows:

Particulars	Rupees in lakhs
December 31, 2018	350
December 31, 2019	409
December 31, 2020	487
December 31, 2021	564
December 31, 2022 to December 31, 2027	4,367

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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The principal assumptions used in determining gratuity for the Group's plans is as below:

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Discount rate	7.20%	6.50%
Estimated rate of return on plan assets	7.20%	8.00%
Expected employee turnover		
Service years	Rates	Rates
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Increment	10% for first 4 years starting 2017 and 7% thereafter	10% for first 4 years starting 2016 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	654	436

Broad category of plan assets as per percentage of total plan assets of the Gratuity

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Government securities	67.41%	56.05%
Fixed deposit, debentures and bond	2.89%	35.12%
Others	29.70%	8.83%
Total	100.00%	100.00%

The significant actuarial assumptions for the determination of defined benefit obligations are discount rate and salary escalation rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, holding all other assumptions constant.

Discount rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Discount rate	(140)
Effect on DBO due to 0.5% decrease in Discount rate	150

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Salary escalation rate	129
Effect on DBO due to 0.5% decrease in Salary escalation rate	(125)

Other Benefits

The Group has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended December 31, 2017	(Rupees in lakhs) Year ended December 31, 2016
i. Contribution to Provident fund	1,722	1,613
ii. Contribution to other funds	2,863	2,775

The expenses for compensated absences have been recognised in the same manner as gratuity and a provision of Rs. 5,566 lakhs has been made as at December 31, 2017 (Rs. 4,968 lakhs as at December 31, 2016 and Rs. 4,372 lakhs as at January 1, 2016)

39. Earning per share

The following reflects the profit and share data used in the basic and diluted earning per share (EPS) computations:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2017	Year ended December 31, 2016
Net profit for calculation of basic/diluted EPS	30,443	29,433

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2017	Year ended December 31, 2016
Weighted average number of equity shares in calculating basic EPS	71,489,561	71,269,219
<u>Effect of dilution:</u>		
Add: weighted average stock options granted under ESOS	450,874	757,032
Weighted average number of equity shares in calculating diluted EPS	71,940,435	72,026,251

Particulars	(Rupees)	
	Year ended December 31, 2017	Year ended December 31, 2016
Earnings per share : Nominal value of Re.1		
Basic	42.58	41.30
Diluted (On account of ESOS, refer note 44)	42.32	40.86

The following potential equity shares are anti-dilutive and there for excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	(Nos.)	
	Year ended December 31, 2017	Year ended December 31, 2016
Options to purchase equity shares had anti-dilutive effect	60,838	19,870

40. Dividend

Details of Dividend paid on equity shares are as under:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2017	Year ended December 31, 2016
Final dividend for the year 2016 Rs 9 per equity share of Re 1 each (Rs. 10 for the year ended December 31, 2015)	6,420	7,121
Dividend distribution tax on final dividend	1,307	1,450
Interim dividend for the year 2017 Rs 18 per equity share of Re 1 each (Rs. 18 for the year ended December 31, 2016)	12,881	12,834
Dividend distribution tax on interim dividend	2,467	2,613
Total	23,075	24,018

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Proposed dividend

The Board of Directors at its meeting held on February 13, 2018 have recommended a payment of final dividend of Rs. 10 per equity share of face value of Re. 1 each for the financial year ended December 31, 2017.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

41. Acquisition of Pragmatix

On November 15, 2017, CRISIL had entered into a definitive agreement to acquire 100% of the equity shares of Pragmatix Services Private Limited ('Pragmatix'). CRISIL has completed the acquisition of 100% stake in Pragmatix on January 24, 2018. Pragmatix is a data analytics company focused on delivering cutting edge solutions in the 'data to intelligence' lifecycle to the Banking, Financial Services & Insurance (BFSI) vertical. Its big data capabilities and advanced data models provide descriptive, prescriptive and predictive analytics delivered through its proprietary Enterprise Data Analytics Platform. Pragmatix provides solutions across the risk, sales, and finance domains in India, Middle East and North America. The transaction is at a total consideration of upto Rs. 5,600 lakhs. This will enable CRISIL to leverage its technology platform and deep domain expertise to enhance its business intelligence, analytics and risk management offerings for financial sector clients in India and globally.

42. Corporate Social Responsibility (CSR) expenses for the year ended 2017 includes Rs. 734 lakhs (Rs. 616 lakhs for the year ended December 31, 2016) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rs. 684 lakhs (Rs. 629 lakhs for the year ended December 31, 2016). Key CSR activities were "education and women empowerment – financial capability building" and "conservation of environment".

43. Personnel expenses to the extent of Rs. 679 lakhs (Rs. 52 lakhs for the year ended December 31, 2016) is considered for capitalisation as intangible assets.

44. Employee stock option scheme ("ESOS")

The Group has formulated an ESOS based on which employees are granted options to acquire the equity shares of the parent company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Particulars	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	3-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51

* At the end of 3rd, 4th & 5th year in equal tranches

**Weighted average price of options as per Black -Scholes Option Pricing model at the grant date.

The Group had three schemes under which options have been granted in the past. Under ESOS 2011 and ESOS 2012 option vest over three years at each of the anniversaries. All options are exercisable within three years from the date of vesting and are settled in equity on exercise.

Under ESOS 2014 options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	252,700	2,119.67	131,790	1,502.86	1,895,607	1,292.28
Granted during the period	-	N.A.	-	N.A.	38,400	1,970.79
Forfeited during the period	22,000	2,025.20	11,480	1,060.00	188,306	1,217.20
Exercised during the period	3,500	579.88	41,960	1,078.26	323,560	1,217.20
Expired during the period	-	N.A.	-	N.A.	-	N.A.
Outstanding at the end of the period	227,200	2,152.54	78,350	1,767.15	1,422,141	1,337.62
Exercisable at the end of the period	71,840	2,091.32	40,110	1,372.73	298,748	1,217.20

Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	April 19, 2017	2,014.57
	July 18, 2017	1,902.94
	October 17, 2017	1,840.77

Particulars	Range of exercise prices Rupees	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,060.00	105 days
	1,119.85 to 1,997.35	1208 days
	2,025.20 to 2,180.85	1855 days

Share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured:

Variables	ESOS 2014	ESOS 2014
Date of Grant	July 17, 2017	March 9, 2017
Stock Price (Rupees)	1,956.55	1,997.35
Volatility	27.15%	27.85%
Riskfree Rate	6.58%	6.97%
Exercise Price (Rupees)	1,956.55	1,997.35
Expected Life (Time to Maturity)	5.01	5.01
Dividend yield	1.38%	1.15%
Fair value per option	626.51	680.28

The Group has used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The Company considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

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Riskfree rate: The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Expected life of the options: Expected Life of the options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company have calculated expected life as the average of the minimum and maximum life of the options.

Dividend yield: Expected dividend yield has been calculated as an total of Interim and final dividend declared in last year preceding date of Grant.

Cash inflow on exercise of options and weighted average share price at the date of exercise.

Particulars	Year ended December 31, 2017		Year ended December 31, 2016	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	369,020	4,411	122,665	1,294
Exercised during the previous year	550	6	3,590	31
Total	369,570	4,417	126,255	1,325

There are no cash settled plans implemented by the Company and hence there is no further liability booked in the books.

The estimates of future cash inflow that may be received upon exercise of options.

Particulars	Year ended December 31, 2017		Year ended December 31, 2016	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than Two Year	1,609,972	22,831	1,461,007	19,716
Later than Two Year & not later than Five Years	117,719	2,467	819,090	12,117
Total	1,727,691	25,298	2,280,097	31,833

45. Statement pursuant to details to be furnished for subsidiaries as prescribed by Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Rupees in lakhs	As % of consolidated profit or loss	Rupees in lakhs
1	2	3	4	5
Parent: CRISIL Limited	76.68%	81,170	77.94%	23,726
Subsidiaries				
Indian				
1. CRISIL Risk and Infrastructure Solutions Limited	5.70%	6,029	1.79%	544
Foreign				
1. CRISIL Irevna Argentina S.A.	1.28%	1,355	1.07%	325
2. CRISIL Irevna Poland SP.Zo.o.	0.51%	539	0.32%	96
3. CRISIL Irevna UK Limited	27.11%	28,696	27.96%	8,513
4. CRISIL Irevna USA LLC	1.25%	1,321	1.21%	368
5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	0.61%	648	0.58%	176
6. Coalition Development Limited	3.27%	3,462	19.25%	5,861
7. Coalition Development Singapore Pte Limited	0.44%	462	0.78%	238
Total elimination/adjustment	(16.85)%	(18,825)	(30.90)%	(9,404)
TOTAL	100.00%	104,857	100.00%	30,443

- 46.** Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (referred to as 'transferor entities') have been amalgamated with the Company with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme') approved by the Hon'ble Bombay High Court, vide order dated September 8, 2016. Pursuant thereto all assets and liabilities of transferor have been transferred to and vested in the Company retrospectively with effect from April 1, 2016.

On the above amalgamation, goodwill on consolidation pertaining to these entities have been adjusted from the reserves and surplus in accordance with the scheme.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
 Partner
 Membership No.: 42423

M. Damodaran
 Director
 [DIN: 02106990]

Vinita Bali
 Director
 [DIN: 00032940]

Girish Paranjpe
 Director
 [DIN: 02172725]

Martina Cheung
 Director
 [DIN: 07551069]

Date: February 13, 2018
 Place: Mumbai

John L Berisford
 Chairman
 [DIN: 07554902]

Ashu Suyash
 Managing Director and
 Chief Executive Officer
 [DIN: 00494515]

Ewout Steenbergen
 Director
 [DIN: 07956962]

Nachiket Mor
 Director
 [DIN: 00043646]

Amish Mehta
 Chief Financial Officer

Minal Bhosale
 Company Secretary

Date: February 13, 2018
 Place: Mumbai

Consolidated Financial Statements

Form AOC-I

(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/associate companies/joint ventures Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees in lakhs)

Sl. No.	1	2	3	4	5	6	7	8
Name of the subsidiary	CRISIL Risk and Infrastructure Solutions Limited	CRISIL Irevna Argentina S.A.	CRISIL Irevna Poland SP.Zo.o.	CRISIL Irevna UK Limited	CRISIL Irevna USA LLC	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	Coalition Development Limited	Coalition Development Singapore Pte Limited
The date since when subsidiary was acquired/ Investment in subsidiary	4-Aug-00	21-May-07	14-Nov-08	19-Oct-04	19-Oct-04	22-Jul-10	3-Jul-12	3-Jul-12
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017
Reporting currency	INR	ARS	PLN	GBP	USD	CNY	GBP	SGD
Share capital	500	89	9	4,441	-*	247	151	-*
Reserves & surplus	5,529	1,266	530	24,255	1,321	401	3,311	462
Total assets	9,178	1,593	1,237	35,471	13,051	822	8,969	1,342
Total liabilities	9,178	1,593	1,237	35,471	13,051	822	8,969	1,342
Investments	-	-	-	26,662	6	-	-*	-
Turnover	9,793	6,085	3,815	29,717	45,730	1,928	21,293	4,307
Profit before taxation	836	509	140	8,354	665	244	7,296	267
Tax expense	292	184	44	(159)	297	68	1,435	29
Profit after taxation	544	325	96	8,513	368	176	5,861	238
Dividend Paid	-	402	-	-	-	388	7,989	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

*-' in amounts' columns denote amount less than Rs. 50,000

For and on behalf of the Board of Directors of CRISIL Limited

M. Damodaran
Director
[DIN: 02106990]

Vinita Bali
Director
[DIN: 00032940]

Girish Paranjpe
Director
[DIN: 02172725]

Martina Cheung
Director
[DIN: 07551069]

John L Berisford
Chairman
[DIN: 07554902]

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494515]

Nachiket Mor
Director
[DIN: 00043646]

Ewout Steenbergen
Director
[DIN: 07956962]

Minal Bhosale
Company Secretary

Amish Mehta
Chief Financial Officer

Date: February 13, 2018
Place: Mumbai

Independent Auditor's Report

To the Members of CRISIL Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of CRISIL Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity 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 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 December 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information for the year ended 31 December 2016 and the transition date opening balance sheet as at 1 January 2016 prepared in accordance with Ind AS and included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31 December 2016 and 31 December 2015, respectively, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), which were audited by the predecessor auditor, whose reports dated 11 February 2017 and 9 February 2016, respectively, expressed unmodified opinion on those standalone financial statements, and have been adjusted

Standalone Financial Statements

for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 December 2017, in conjunction with our

audit of the standalone financial statements of the Company for the year ended on that date and our report dated 13 February 2018 as per Annexure II expressed unmodified opinion;

- g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 34 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long term contracts including derivative contracts for which there was any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 13 February 2018

Annexure I to the Independent Auditor's Report of even date to the members of CRISIL Limited, on the Standalone Financial Statements for the year ended 31 December 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year by engaging an external expert and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable, having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to a Company covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest;
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
- (c) there is no overdue amount in respect of loans granted to such Company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to loans given, investments made and guarantees and securities given.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of duty of customs, duty of excise and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax, service-tax, and value added tax on account of any dispute are as follows:

Statement of Disputed Dues

Name of the statute	Nature of 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	50	-	AY 2000-01	High Court
		39	-	AY 2001-02	High Court
		46	-	AY 2002-03	High Court
		36	-	AY 2003-04	High Court
		32	-	AY 2004-05	High Court
		29	-	AY 2005-06	High Court
		16	10	AY 2006-07	Commissioner of Income Tax (Appeals)

Standalone Financial Statements

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Amount paid under Protest (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
		832	-	AY 2007-08	High Court
		75	-	AY 2007-08	Commissioner of Income Tax (Appeals)
		851	340	AY 2008-09	Income Tax Appellate Tribunal
		*	-	AY 2008-09	Commissioner of Income Tax (Appeals)
		1,294	714	AY 2009-10	Income Tax Appellate Tribunal
		63	-	AY 2009-10	Commissioner of Income Tax (Appeals)
		859	720	AY 2010-11	Income Tax Appellate Tribunal
		835	331	AY 2011-12	Income Tax Appellate Tribunal
		871	214	AY 2012-13	Income Tax Appellate Tribunal
		140	-	AY 2013-14	Income Tax Appellate Tribunal
		20	3	AY 2013-14	Commissioner of Income Tax (Appeals)
		62	8	AY 2014-15	Commissioner of Income Tax (Appeals)
Income tax Act 1961	Income tax	97	-	AY 2015-16	Commissioner of Income Tax (Appeals)
Bombay Sales Tax Act, 1959	Sales Tax	19	-	FY 2003-04	Asst. Comm. of Sales Tax (Appeals)
		34	-	FY 2004-05	Asst. Comm. of Sales Tax (Appeals)
Finance Act 1994	Service Tax	48	-	FY 2010-11 to 2012-13	Add Comm. of Service Tax

*represent amount lesser than Rs.1 lakhs

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) In our opinion, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act, read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013
- per **Khushroo B. Panthaky**
Partner
Membership No.: 42423
- Place: Mumbai
Date: 13 February 2018

Annexure II to the Independent Auditor's Report of even date to the members of CRISIL Limited on the Standalone Financial Statements for the year ended 31 December 2017

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of CRISIL Limited ('the Company') as at and for the year ended 31 December 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls, based on the internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 the Company's business, including adherence to the 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

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 financial statements, whether due to fraud or error.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR 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 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 December 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandio & Co LLP
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**
 Partner
 Membership No.: 42423

Place: Mumbai
 Date: 13 February 2018

Standalone Balance Sheet

as at December 31, 2017

(Rupees in lakhs)

Particulars	Notes	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	4	4,821	6,008	5,906
(b) Capital work in progress		-	-	13
(c) Intangible assets	5	232	74	10
(d) Intangible assets under development		1,160	192	-
(e) Financial assets				
i. Investments	6	51,294	16,240	17,616
ii. Loans	7	-	7,048	11,751
iii. Other financial assets	8	1,309	3,238	2,008
(f) Deferred tax assets (net)	9	2,710	1,501	1,244
(g) Tax assets	10	2,526	483	20
(h) Other non-current assets	11	365	602	661
2. Current assets				
(a) Financial assets				
i. Investments	6	13,132	42,314	37,065
ii. Trade receivables	12	16,144	18,705	13,077
iii. Cash and cash equivalents	13	3,821	2,080	3,507
iv. Other bank balances	14	505	503	840
v. Loans	15	3,647	1,984	2,518
vi. Other financial assets	16	7,511	5,482	3,283
(b) Other current assets	17	2,448	2,491	1,474
TOTAL ASSETS		111,625	108,945	100,993
EQUITY AND LIABILITIES				
1. Equity				
(a) Equity share capital	18	717	713	712
(b) Other equity	19	80,453	81,630	78,728
2. Non-current liabilities				
(a) Financial liabilities				
i. Other financial liabilities	20	305	73	-
(b) Other non-current liabilities	21	48	16	8
(c) Provisions	22	1,288	1,353	889
3. Current liabilities				
(a) Financial liabilities				
i. Trade payables	23	4,682	3,395	2,427
ii. Other financial liabilities	24	7,263	6,906	4,523
(b) Other current liabilities	25	11,530	10,110	9,896
(c) Provisions	26	5,339	4,749	3,810
TOTAL EQUITY AND LIABILITIES		111,625	108,945	100,993
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Balance Sheet referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

M. Damodaran
Director
[DIN: 02106990]

John L Berisford
Chairman
[DIN: 07554902]

Nachiket Mor
Director
[DIN: 00043646]

Date: February 13, 2018
Place: Mumbai

Vinita Bali
Director
[DIN: 00032940]

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494515]

Amish Mehta
Chief Financial Officer

Girish Paranjpe
Director
[DIN: 02172725]

Ewout Steenbergen
Director
[DIN: 07956962]

Minal Bhosale
Company Secretary

Martina Cheung
Director
[DIN: 07551069]

Standalone Statement of Profit and Loss

for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Notes	Year ended December 31, 2017	Year ended December 31, 2016
Income			
Revenue from operations	27	117,738	112,964
Other income	28	3,594	4,429
Total		121,332	117,393
Expenses			
Employee benefits expenses	29	49,163	45,513
Finance cost	30	41	-
Depreciation and amortisation expenses	4, 5	2,852	2,851
Other expenses	31	34,671	32,195
Total		86,727	80,559
Profit before tax		34,605	36,834
Tax expense	9		
Current tax		12,042	13,399
Deferred tax		(1,163)	(594)
Total tax expense		10,879	12,805
Profit after tax for the year		23,726	24,029
Other comprehensive income (OCI)			
A. Items that will be reclassified to profit or loss:			
The effective portion of gains and loss on hedging instruments in a cash flow hedge		434	(1,459)
Tax effect on above		(150)	505
B. Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		(207)	331
Equity instruments through other comprehensive income		8,336	(518)
Tax effect on above		104	5
Total comprehensive income for the year		15,209	25,165
Earnings per share : Nominal value of Re. 1 per share	41		
Basic		33.19	33.72
Diluted		32.98	33.36
Number of shares used in computing earnings per share			
Basic		71,489,561	71,269,219
Diluted (Refer note 41 and 47)		71,940,435	72,026,251
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements.

This is the Standalone Statement of Profit and Loss referred to in our audit report of even date

 For Walker Chandio & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
 Partner
 Membership No.: 42423

 Date: February 13, 2018
 Place: Mumbai

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 [DIN: 02106990]

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 [DIN: 07956962]

Minal Bhosale
 Company Secretary

Martina Cheung
 Director
 [DIN: 07551069]

Standalone Cash Flow Statement

for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
A. Cash flow from operating activities:		
Profit before tax	34,605	36,834
Adjustments for :		
Depreciation	2,852	2,851
Unrealised foreign exchange gain	161	47
(Profit)/ loss on sale of fixed assets	(69)	(126)
(Profit)/ loss on fair valuation of current investments	(32)	(554)
(Profit)/ loss on sale of current investments	(1,428)	(2,474)
Provision for doubtful debts / bad debts	1,229	1,196
Interest income	(34)	(128)
Interest on loan from subsidiary	(262)	(553)
Dividend on non-current investments	(1,098)	(47)
Share based payment to employees	766	1,164
Operating profit before working capital changes	36,690	38,210
Movements in working capital		
- (Increase)/decrease in trade receivables	1,140	(6,787)
- (Increase)/decrease in other non current financial assets	1,976	(442)
- (Increase)/decrease in other non current assets	237	24
- (Increase)/decrease in other current financial assets	(2,535)	(865)
- (Increase)/decrease in other current assets	49	(846)
- Increase/(decrease) in trade payables	1,315	611
- Increase/(decrease) in provisions	359	1,435
- Increase/(decrease) in other current financial liabilities	386	2,395
- Increase/(decrease) in other current liabilities	1,424	(240)
- Increase/(decrease) in other non current financial liabilities	232	73
- Increase/(decrease) in other non-current liabilities	32	8
Cash generated from operations	41,305	33,576
- Taxes paid	(14,085)	(13,374)
Net cash generated from operating activities - (A)	27,220	20,202
B. Cash flow from investing activities :		
Purchase of property, plant and equipment and intangible assets	(2,860)	(2,052)
Proceeds from sale of property, plant and equipment and intangible assets	138	187
Interest on loan from subsidiary	307	627
Loan repaid by subsidiary	5,907	3,403
Sale proceeds from investments in mutual funds/(Investments in mutual funds)	32,004	(2,649)
Investment in CARE Ratings Limited (formerly known as Credit Analysis and Research Limited)	(43,389)	-
Proceeds from fixed deposits maturity/(Investment in fixed deposits)	(76)	399
Interest income	49	121
Dividend on non-current investments	1,098	47
Net cash generated from/(used in) investing activities - (B)	(6,822)	83

Standalone Cash Flow Statement

for the year ended December 31, 2017 (Contd.)

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
C. Cash flow from financing activities :		
Proceeds on account of share application money	4,417	1,325
Dividend and dividend tax paid	(23,075)	(24,018)
Net cash generated from/(used in) financing activities - (C)	(18,658)	(22,693)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	1,740	(2,408)
Cash and cash equivalents - Opening balance	2,080	3,507
Add : Exchange difference on translation of foreign currency cash and cash equivalents	1	13
Add : Adjustment on account of amalgamation of subsidiaries	-	968
Cash and cash equivalents - Closing balance	3,821	2,080
Net Increase/(decrease) in cash and cash equivalents	1,740	(2,408)
Components of cash and cash equivalents		
Cash on hand and balances with banks on current account	2,071	1,710
Deposits with original maturity of less than three months	1,750	370
Total	3,821	2,080

The accompanying notes are an integral part of the standalone cash flow statement.
 This is the Standalone Cash Flow Statement
 referred to in our audit report of even date.

For Walker Chandio & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
 Partner
 Membership No.: 42423

M. Damodaran
 Director
 [DIN: 02106990]

Vinita Bali
 Director
 [DIN: 00032940]

Girish Paranjpe
 Director
 [DIN: 02172725]

Martina Cheung
 Director
 [DIN: 07551069]

Date: February 13, 2018
 Place: Mumbai

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 [DIN: 00494515]

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 Director
 [DIN: 07956962]

Nachiket Mor
 Director
 [DIN: 00043646]

Amish Mehta
 Chief Financial Officer

Minal Bhosale
 Company Secretary

Date: February 13, 2018
 Place: Mumbai

Statement of Changes in Equity

for the year ended December 31, 2017

A. Equity Share Capital												
Balance as at January 1, 2017			Changes in equity share capital during the year (Refer note 18)			Balance as at December 31, 2017			(Rupees in lakhs)			
713			4					717				
Balance as at January 1, 2016			Changes in equity share capital during the year (Refer note 18)			Balance as at December 31, 2016			(Rupees in lakhs)			
712			1					713				
B. Other Equity												
Particulars	Reserves & Surplus					Items of Other Comprehensive Income (OCI)				Total (Rupees in lakhs)		
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Special Economic Zone reinvestment reserve	Equity Instruments through OCI		Hedge reserve	Other items of OCI
Balance as at January 1, 2017	-	27	4,354	14,115	6,268	(699)	54,249	-	2,303	1,228	(215)	81,630
Profit for the year	-	-	-	-	-	-	23,726	-	-	-	-	23,726
Additions during the year	-	-	4,413	-	-	512	-	-	-	-	-	4,925
Share based payment to employees	-	-	-	-	1,765	-	-	-	-	-	-	1,765
Other comprehensive income	-	-	-	-	-	-	-	-	(8,361)	(284)	127	(8,518)
Final dividend	-	-	-	-	-	-	(6,420)	-	-	-	-	(6,420)
Interim dividend	-	-	-	-	-	-	(12,881)	-	-	-	-	(12,881)
Corporate dividend tax	-	-	-	-	-	-	(3,774)	-	-	-	-	(3,774)
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to SEZ reinvestment reserve	-	-	-	-	-	-	(300)	300	-	-	-	-
Exercise of stock option	-	-	1,311	-	(1,311)	-	-	-	-	-	-	-
Balance as at December 31, 2017	-	27	10,078	14,115	6,722	(187)	54,600	300	(6,058)	944	(88)	80,453

Statement of Changes in Equity

for the year ended December 31, 2017 (Contd.)

Particulars	Reserves & Surplus							Items of Other Comprehensive Income (OCI)				(Rupees in lakhs)	
	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Special Economic Zone reinvestment reserve	Equity Instruments through OCI	Hedge reserve	Other items of OCI	Total	Total
Balance as at January 1, 2016	1,222	27	2,946	13,187	4,725	1,133	53,309	-	1,905	274	-	78,728	
Profit for the year	-	-	-	-	-	-	24,029	-	-	-	-	24,029	
Transferred on amalgamation	(1,222)	-	-	(1,117)	-	-	2,974	-	-	-	-	635	
Additions during the year	-	-	1,324	-	-	(1,832)	-	-	-	-	-	(508)	
Share based payment to employees	-	-	-	-	1,627	-	-	-	-	-	-	1,627	
Other comprehensive income	-	-	-	-	-	-	-	-	398	954	(215)	1,137	
Final dividend	-	-	-	-	-	-	(7,121)	-	-	-	-	(7,121)	
Interim dividend	-	-	-	-	-	-	(12,834)	-	-	-	-	(12,834)	
Corporate dividend tax	-	-	-	-	-	-	(4,063)	-	-	-	-	(4,063)	
Transfer to general reserve	-	-	-	2,045	-	-	(2,045)	-	-	-	-	-	
Exercise of stock option	-	-	84	-	(84)	-	-	-	-	-	-	-	
Balance as at December 31, 2016	-	27	4,354	14,115	6,268	(699)	54,249	-	2,303	1,228	(215)	81,630	

The accompanying notes are an integral part of the standalone financial statements.
 This is the standalone statement of changes in equity referred to in our audit report of even date

For Walker Chandok & Co LLP
 Chartered Accountants
 Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of CRISIL Limited

Khushroo B. Panthaky
 Partner
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 Director
 [DIN: 00043646]

Amish Mehta
 Chief Financial Officer

Minal Bhosale
 Company Secretary

Date: February 13, 2018
 Place: Mumbai

Summary of Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements for the year ended December 31, 2017

1 Corporate information

CRISIL Limited ("the Company" or "CRISIL") is a globally-diversified analytical Company providing ratings and research services. CRISIL is India's leading ratings agency and the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL delivers analysis, opinions, and solutions that make markets function better.

CRISIL Limited is a public limited company, domiciled in India. The registered office of the Company is located at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. The equity shares of the Company are listed on recognised stock exchanges in India- The Bombay Stock Exchange and the National Stock Exchange.

These standalone financial statements for the year ended December 31, 2017 were approved by the Board of Directors on February 13, 2018.

S&P Global Inc. the ultimate holding Company, through its subsidiaries owned 66.71% as on December 31, 2017 of the Company's equity share capital.

2 Summary of significant accounting policies

2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements up to and for the year ended December 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act ('Previous GAAP'). These standalone financial statements are the first financial statements of the Company under Ind AS. In accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the previous presentation of standalone financial statements of share holders total equity as at December 31, 2016 and January 1, 2016 and of the total comprehensive income for the year ended December 31, 2016 of the Company in Note 3 under Previous GAAP to Ind AS.

Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information is presented in Indian rupees.

2.2 Basis of preparation

These standalone financial statements have been prepared under the historical cost convention on an accrual basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services on the transaction 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.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together referred as transferor) have been amalgamated with the Company with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme') approved by the Hon'ble Bombay High Court vide order dated September 8, 2016.

2.3 Use of estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported income and expenses for the years presented. Application of accounting policies that

require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Estimates and assumptions are required in particular for:

- **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**
Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when it is assessed, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.
- **Revenue recognition**
Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.
- **Recognition and measurement of defined benefit obligations**
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. As actuarial valuation involves

making various assumptions that may be different from the actual development in the future, key actuarial assumptions include discount rate, trends in salary escalation, attrition and mortality rate. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Valuation of taxes on income**
Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Uncertain tax position is with regards to items of expense or transaction that may be challenged by tax authorities. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 2.17.
- **Provisions**
Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement obligations and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.
- **Share-based payments**
The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity

Standalone Financial Statements

under “share-based payment reserve”. The amount recognised as an expense is adjusted to reflect the impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

2.4 Property, plant and equipment (PPE)

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalised under property, plant and equipment includes purchase price, duties and taxes, other incidental expenses incurred during the construction / installation stage. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

2.5 Intangibles

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure on development eligible for capitalisation are carried as intangible assets under development where such assets are not yet ready for their intended use.

2.6 Depreciation / amortisation

Based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given below best represent the period over

which management expects to use these assets. Hence in certain class of assets, the useful lives is different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation/amortisation is provided on straight line method (SLM) over useful life.

Type of asset	Estimated useful life
Buildings	20 Years
Furniture and fixtures	10 Years
Office equipment	3 to 10 Years
Computers	3 Years
Vehicles	3 Years
Software	1 to 3 Years

The estimated useful lives of PPE and intangible assets as well as the depreciation and amortisation period are reviewed at the end of each financial year and the depreciation and amortisation method is revised to reflect the changed pattern, if any.

Leasehold improvements are amortised over the lease term or useful life of the asset, whichever is lower, over a period of 1 to 9 years.

2.7 Impairment

a) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount in the statement of profit and loss. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) has no impairment loss been recognised for the asset in the prior years. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or

groups of assets. Value in use is the present value of an asset calculated by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

b) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortised cost e.g., loans, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, ECL is measured at an amount equal to the twelve month ECL unless there has been a significant increase in credit risk from the initial recognition in which case those are measured at lifetime ECL.

2.8 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

2.9 Share capital

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

2.10 Fair value of financial instruments

In determining the fair value of the financial instruments the Company uses variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine the fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All method of accessing fair value results in general approximation of value and such value may never actually be realised. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

2.11 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a) Non-derivatives financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to 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. For financial assets maturing within one year from the balance sheet date, the carrying

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amounts approximate the fair value due to the short maturity of these instruments.

(ii) *Financial assets at fair value through other comprehensive income (FVTOCI)*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) *Financial assets at fair value through profit or loss (FVTPL)*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) *Financial liabilities*

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b) *Derivative financial instruments*

The Company uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value

is positive and as financial liabilities when the fair value is negative.

The Company uses hedging instruments that are governed by the policies of the Company.

Hedge accounting

The Company uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognised immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Company transfers amounts from this reserve to retained earnings if these equity instruments are derecognised. A financial liability (or a part of a financial liability) is derecognised from the

Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.12 Provision, contingent liabilities and contingent assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the note no. 34. Contingent liabilities are disclosed for:

- (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the standalone financial statements.

2.13 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from operations

Income from operations comprises of income from initial rating and surveillance services, global research and analytical services, customised research, special assignments and subscriptions to information products and services, revenue from initial public offering (IPO) grading services and independent equity research (IER) services. Initial

rating fees are deemed to accrue on the date the rating is awarded and a portion of it is deferred basis an estimate that will be attributed to future surveillance recorded equally over 11 months and recognise the deferred revenue ratably over the estimated surveillance periods. Surveillance fee, subscription to information products and services and revenue from IER are accounted on a time proportion basis. Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out. Global research and analytics revenue is recognised based on time and material at the contractual rates as service hours are delivered and direct expenses are incurred. Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income

Dividend Income is recognised when the Company's right to receive payment is established by the balance sheet date.

Profit /(loss) on sale of current investment

Profit /(loss) on sale of current investment is accounted when the sale is executed. On disposal of such investments, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the statement of profit and loss.

2.15 Retirement and other employee benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that

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employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. 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. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

Retirement benefits in the form of Provident Fund is a defined contribution plan and is charge to the Statement of Profit and Loss for each period of service rendered by the employees. Excess or short of contribution is recognised as an asset or liability in the financial statement. There are no other obligations other than the contribution payable to the respective authorities.

Short term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The company presents the leave as a current liability in the balance sheet, to

the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Employee stock compensation cost

The Company recognizes expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

2.16 Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

Exchange difference

In case of long term monetary items the exchange difference is amortised up to the date of settlement of such monetary items and charged to the statement of profit and loss. The unamortised exchange difference is carried to Foreign Currency Monetary Item Translation Difference Account (FCMITDA) under reserves and surplus. Exchange gains and losses arising on settlement of foreign currency denominated long term monetary assets and liabilities are recognised in the statement of profit and loss. (Refer note 3)

2.17 Taxes on income

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

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 or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date,

to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets includes MAT paid in accordance with the tax laws which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.18 Segment reporting policies

The Managing Director and Chief Executive Officer of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108 Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The Company is structured into two reportable business segments – Rating and Research. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognised. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and

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equipment that are used interchangeably among segments are not allocated to reportable segments.

Inter segment transfers:

The Company generally accounts for intersegment services and transfers as if the services or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Recoveries from subsidiaries towards overheads allocated represent amount recovered from subsidiary companies towards sharing Company's common costs.

Unallocated items:

Unallocable income and expenses includes general corporate income and expense items which are not identified to any business segment.

2.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, Employee Stock Option Scheme (ESOS), etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the Company has adopted treasury stock method to compute the new shares that can possibly be created by un-exercised stock options. The net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividend is recognised as a liability on the date of declaration by the Company's Board of Directors.

2.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments

and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, investing and financing activities are segregated.

2.22 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.23 Recent accounting pronouncement

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. These amendments are applicable to the Company with effect from January 1, 2018.

Amendment to Ind AS 7, 'Statement of cash flows'

The amendment to Ind AS 7 requires the entities to provides disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including other changes arising from cash flow and non-cash changes, suggesting inclusion of a reconciliation between the closing balance in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company have evaluated the requirement and determined that it will not have material impact on the standalone financial statements.

Amendment to Ind AS 102, 'Share-based payment'

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards,

modification of cash-settled awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate in the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from date of the modification. Further, the amendment requires the award that includes a net settlements feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company have evaluated the requirement and determined that it will not have material impact on the standalone financial statements.

3 Transition to Ind AS

Exemptions and exceptions availed

The transition as at January 1, 2016 to Ind AS was carried out from the Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 - First time Adoption of Indian Accounting Standards, the reconciliation of equity and total comprehensive income from previous GAAP to Ind AS are explained below:

- a) The Company has elected to continue with the carrying value of all its property, plant and equipment including asset held for sale as recognised in the standalone financial statements as at January 1, 2016 (transition date) to Ind AS measured as per the Previous GAAP and use that as its deemed cost as at the transition date.
- b) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at January 1, 2016, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such intangible assets.
- c) Long term foreign currency monetary items: A first-time adoption may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial

statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Previous GAAP.

- d) Share-based payment exemption: The Company has availed exemption available under Ind AS 101 on application of Ind AS 102, "Share Based Payment", to equity instruments that vested before the date of transition to Ind AS and accordingly the unvested options as on the transition date have been measured at fair value as against intrinsic value previously recognised under the Previous GAAP.
- e) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as Fair Value through Other Comprehensive Income (FVTOCI) on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

- f) The Company has designated various hedging relationships as cash flow hedges under the Previous GAAP. On date of transition to Ind AS, the entity has assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Company continues to apply hedge accounting on and after the date of transition to Ind AS.
- g) The Company has opted to continue with the carrying values measured under the Previous GAAP and use that carrying value as the deemed cost for the investment in subsidiaries on the date of transition to Ind AS.
- h) The Company has opted for transitional relief under Ind AS 101 (paragraph D35AA) while applying Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Paragraph D35AA provides the Company to use the transitional date circumstances to measure such assets or operations at the lower of carrying value and fair value less cost to sell.

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Equity reconciliation

(Rupees in lakhs)			
Particulars	Note	As at December 31, 2016	As at January 1, 2016
Equity under previous GAAP		71,491	67,514
Final dividends (including tax there on)	(a)	7,727	8,571
Impact on account of measuring non-current investments at fair value	(b)	2,995	2,477
Impact on account of measuring current investments at fair value	(b)	554	1,309
Adjustment for straight lining of lease rentals	(e)	1,113	1,281
Share based payments in respect of employees of Group companies	(d)	463	-
Others	(g)	(126)	(151)
Tax adjustments	(h)	(1,874)	(1,561)
Equity as per Ind AS		82,343	79,440
Comprising:			
Paid up equity share capital		713	712
Other equity		81,630	78,728

Profit reconciliation

(Rupees in lakhs)		
Particulars	Note	Year ended December 31, 2016
Net profit as per previous GAAP		25,565
Add / (less) : Adjustments for GAAP differences		
Impact on account of measuring current investments at fair value	(b)	(755)
Remeasurements of net defined benefit liability	(c)	331
Share based payments	(d)	(1,164)
Adjustment for straight lining of lease rentals	(e)	(168)
Others	(g)	24
Tax adjustments on above, as applicable	(h)	196
Net profit before other comprehensive income as per Ind AS		24,029
Other comprehensive income (OCI)		1,646
Tax adjustments on above (OCI)	(h)	(510)
Total comprehensive income as per Ind AS (after tax)		25,165

Notes to reconciliations between previous GAAP and Ind AS

a) Dividend (including dividend tax)

Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established. Under the Previous GAAP, dividend payable is recorded as a liability in the period to which it relates.

That has resulted in an increase of equity by Rs. 7,727 lakhs and Rs. 8,571 lakhs as at December 31, 2016 and January 1, 2016 respectively.

b) Fair valuation of Investments

Under the Previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary, under Ind

AS financial assets other than amortised cost are subsequently measured at fair value.

The Company has made an irrevocable election to present in OCI subsequent changes in fair value of equity investments not held for trading. This has resulted in increase in equity by Rs. 2,995 lakhs and Rs. 2,477 lakhs as at December 31, 2016 and January 1, 2016 respectively and increase in total comprehensive income by Rs. 518 lakhs for the year ended December 31, 2016.

Investment in mutual funds have been classified as fair value through profit and loss and fair value changes are recognised in the statement of profit and loss. This has resulted in increase in equity by Rs. 554 lakhs and Rs.

1,309 lakhs as at December 31, 2016 and January 1, 2016 respectively and decrease in total comprehensive income by Rs. 755 lakhs for the year ended December 31, 2016.

c) Employee benefits

Under the Previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/ assets which is recognised in other comprehensive income in the respective periods. The amount recognised in OCI for the year ended December 31, 2016 was Rs. 331 lakhs.

There is no impact on total comprehensive income and total equity for the year ended and as at December 31, 2016 and January 1, 2016 respectively.

d) Share based payment to employees

Under the Previous GAAP, the cost of equity - settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled employee share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the total comprehensive income for the year ended December 31, 2016 decreased by 1,164 lakhs. There is no impact on total equity as at January 1, 2016, whereas total equity has increased by Rs. 463 lakhs as at December 31, 2016 on account of share

based payment recharge to employees of subsidiary companies.

e) Adjustment for straight lining of lease rentals

Under Ind AS, straight-lining of rentals is not required if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Hence the lease equalisation reserve created as per the Previous GAAP is reversed which resulted in decrease in total comprehensive income for the year ended December 31, 2016 by Rs. 168 lakhs. Total equity has increased by Rs. 1,113 lakhs and Rs. 1,281 lakhs as at December 31, 2016 and January 1, 2016 respectively.

f) Reconciliation of statement of cash flow

There are no material adjustments to the statement of cash flows as reported under the Previous GAAP.

g) Others

Other adjustments include revenue deferred and the impact of discounting of security deposits.

h) Tax adjustments including deferred tax

Tax impact resulted on account of above adjustments lead to decrease in total equity under Ind AS by Rs. 1,874 lakhs and Rs. 1,561 lakhs as at December 31, 2016 and January 1, 2016 respectively, and decrease in total comprehensive income by Rs. 314 lakhs for the year ended December 31, 2016.

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4. Property, plant and equipment

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2017	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2017	Up to January 1, 2017	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2017	As at December 31, 2017
Buildings	10	-	-	-	10	8	2	-	-	10	-
Furniture and fixtures	869	49	-	34	884	190	167	-	14	343	541
Office equipments	1,499	93	-	29	1,563	353	348	-	10	691	872
Computers	2,988	1,126	-	35	4,079	1,161	1,190	-	32	2,319	1,760
Vehicles	409	161	-	63	507	145	147	-	36	256	251
Leasehold improvements	2,956	91	-	-	3,047	866	784	-	-	1,650	1,397
Total tangible assets	8,731	1,520	-	161	10,090	2,723	2,638	-	92	5,269	4,821

For the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Carrying Value				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2016	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2016	Up to January 1, 2016	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2016	As at December 31, 2016
Buildings	10	-	-	-	10	-	8	-	-	8	2
Furniture and fixtures	642	85	154	12	869	-	185	7	2	190	679
Office equipments	1,179	138	191	9	1,499	-	347	8	2	353	1,146
Computers	1,568	1,305	119	4	2,988	-	1,141	23	3	1,161	1,827
Vehicles	239	200	4	34	409	-	151	-	6	145	264
Leasehold improvements	2,268	53	635	-	2,956	-	837	29	-	866	2,090
Total tangible assets	5,906	1,781	1,103	59	8,731	-	2,669	67	13	2,723	6,008

5. Intangible assets

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Gross Block				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2017	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2017	Up to January 1, 2017	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2017	As at December 31, 2017
Software	260	372	-	-	632	186	214	-	-	400	232
Total intangible assets	260	372	-	-	632	186	214	-	-	400	232

For the year ended December 31, 2016

(Rupees in lakhs)

Particulars	Carrying Value				Accumulated Depreciation/Amortisation					Net Block	
	As at January 1, 2016	Additions	Assets acquired on amalgamation	Deductions	As at December 31, 2016	Up to January 1, 2016	For the year	Assets acquired on amalgamation	Deductions	Up to December 31, 2016	As at December 31, 2016
Software	10	146	105	1	260	-	182	5	1	186	74
Total intangible assets	10	146	105	1	260	-	182	5	1	186	74

6. Investments

A. Non-current investments	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
Investments in subsidiaries						
<i>Unquoted equity investments carried at cost (Refer note 33)</i>						
Equity Shares of CRISIL Risk and Infrastructure Solutions Limited of Re. 1 each, fully paid up*	49,999,970	707	49,999,970	707	49,999,970	500
Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up *	5,514,100	11,585	5,514,100	11,585	5,514,100	11,390
Equity Shares of CRISIL Irevna Argentina S.A. of ARS 1 each, fully paid up*	704,018	147	704,018	147	704,018	105
100% Investment in the capital of CRISIL Irevna Information & Technology (Hangzhou) Co., Limited*	-	244	-	244	-	226
Equity Shares of Pipal Research Analytics and Information Services India Private Limited of Rs.10 each, fully paid up (Refer note 46)	-	-	-	-	10,000	1,113
Equity Shares of Mercator Info-Services India Private Limited of Rs. 10 each, fully paid up (Refer note 46)	-	-	-	-	100,000	371
Equity Shares of Coalition Development Systems (India) Private Limited of Rs. 10 each, fully paid up (Refer note 46)	-	-	-	-	50,000	871
Sub - total (a)		12,683		12,683		14,576
Other investments						
<i>Unquoted equity investments carried at fair value through OCI (Refer note 33)**</i>						
Equity Shares of Caribbean Information and Credit Rating Agency of US\$1 each, fully paid up	300,000	150	300,000	45	300,000	38
Equity Shares of National Commodity and Derivative Exchange Limited of Rs.10 each, fully paid up	1,875,000	3,521	1,875,000	3,512	1,875,000	3,002
Sub - total (b)		3,671		3,557		3,040
<i>Quoted equity investments carried at fair value through OCI (Refer note 33)**</i>						
Equity Share of CARE Ratings Limited (formerly known as Credit Analysis and Research Limited) of Rs.10 each, fully paid up***	2,622,431	34,940	1	-	1	-
Equity Share of ICRA Limited of Rs.10 each, fully paid up***	1	-	1	-	1	-
Sub - total (c)		34,940		-		-
Total non-current investments - (a + b + c)		51,294		16,240		17,616

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B. Current investments	As at December 31, 2017		As at December 31, 2016		As at January 1, 2016	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
Investments in mutual funds						
<i>(Unquoted investments carried at fair value through profit and loss)(Refer note 33)</i>						
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100% Dividend Donation	2,500,000	253	-	-	-	-
DSP BlackRock Liquidity Fund - Direct Plan - Growth	104,727	2,558	-	-	-	-
Baroda Pioneer Liquid Fund - Plan B Growth	133,187	2,616	-	-	-	-
Axis Liquid Fund - Direct Growth	137,365	2,602	-	-	295,551	4,866
ICICI Prudential Liquid Fund - Direct - Growth	990,139	2,501	-	-	2,191,978	4,819
Sundaram Money Fund - Direct Plan - Growth	7,226,377	2,602	-	-	15,444,070	4,838
HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option	-	-	-	-	104,807	3,251
HDFC Liquid Fund - Direct Plan - Growth	-	-	-	-	163,297	4,786
IDFC Cash Fund - Growth - Direct Plan	-	-	-	-	267,080	4,821
L&T Liquid Fund Direct Plan - Growth	-	-	-	-	236,799	4,823
SBI Premier Liquid Fund - Direct Plan - Growth	-	-	-	-	208,380	4,861
ICICI Prudential Banking and PSU Debt Plan - Direct - Growth	-	-	9,406,994	1,759	-	-
ICICI Prudential Long Term - Direct - Growth	-	-	23,908,345	4,920	-	-
Axis Short Term Fund - Direct - Growth	-	-	22,922,423	4,147	-	-
Axis Treasury Advantage Fund - Direct - Growth	-	-	259,704	4,704	-	-
HDFC Medium Term Opportunities Fund - Direct - Growth	-	-	8,362,615	1,496	-	-
HDFC Floating Rate Income Fund - Short Term Plan - Direct - Wholesale Option - Growth	-	-	17,613,978	4,907	-	-
Birla Sun Life Floating Rate Fund-Long Term-Regular Plan-Growth	-	-	2,602,688	5,133	-	-
Kotak Banking and PSU Debt Fund - Direct - Growth	-	-	13,201,309	4,836	-	-
DSP BlackRock Ultra Short Term Fund - Direct - Growth	-	-	43,066,267	5,039	-	-
Reliance Banking & PSU Debt Fund - Direct - Growth	-	-	22,092,785	2,579	-	-
Reliance Dynamic Bond Fund - Direct - Growth	-	-	12,203,790	2,794	-	-
Total investments in mutual funds (d)	13,132	42,314	37,065			
Total investments (a + b + c + d)	64,426	58,554	54,681			

The market value of quoted investments is equal to the carrying value

* Includes deemed investment on account of ESOS, share based payment recharge to employees of subsidiary companies (Refer note 3)

** The total dividend recognised pertaining to FVTOCI instruments for the year ended on December 31, 2017 was Rs. 321 lakhs and for the year ended December 31, 2016 was Rs. 47 lakhs. Dividend from equity investments designated at FVTOCI relates to investments held at the end of the reporting period. For all the equity instruments that are classified by the Company as FVTOCI, fair value changes on the instrument, excluding dividends, are recognised in the OCI. The Company recognises dividend in statement of profit and loss under the head "other income".

*** '-' in amounts' columns denote amounts less than Rs. 50,000.

7. Loans

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
<i>Unsecured, considered good, unless otherwise stated</i>			
Loan to subsidiary (Refer note 38)	-	7,048	11,751
Total	-	7,048	11,751

8. Other financial assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
<i>Unsecured, considered good, unless otherwise stated</i>			
Interest accrued on fixed deposits	2	-	3
Security deposits	1,261	3,237	1,930
Deposits with original maturity for more than 12 months (Deposit includes fixed deposits with banks Rs. 39 lakhs (Rs. Nil and Rs. 48 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Company (Refer note 34))	46	1	75
Total	1,309	3,238	2,008

9. Income tax

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Current tax	12,042	13,399
Deferred tax	(1,163)	(594)
Total income tax expense recognised in current year	10,879	12,805

The tax year for the company being the year ending March 31, 2018, the tax expense for the year is the aggregate of the provision made for the three months ended March 31, 2018 and the provisions for the nine months upto December 31, 2017. The tax provision for the nine months has been arrived at using effective tax rate for the period April 1, 2017 to March 31, 2018.

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Profit before tax	34,605	36,834
Enacted income tax rate in India (%)	34.61%	34.61%
Computed expected tax expense	11,977	12,749
Effect of:		
Income exempt from tax	(1,080)	(1,278)
Expenses that are not deductible in determining taxable profit	-	403
Tax expense of prior years	(209)	-
Others	191	931
Total income tax expense recognised in the statement of profit and loss	10,879	12,805

The applicable Indian statutory income tax rates fiscal the year ended March 31, 2018 and March 31, 2017 is 34.61% and 34.61% respectively.

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Deferred tax

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

As at December 31, 2017

(Rupees in lakhs)					
Particulars	Opening Balance	Recognised in profit and loss	Recognised in Other Comprehensive income	Acquisitions/ disposal	Closing balance
Deferred tax liability					
On gains from other investments	691	-	26	-	717
On gains from mutual funds	145	(145)	-	-	-
On gains / losses on forward contract	650	-	(150)	-	500
Gross deferred tax liability	1,486	(145)	(124)	-	1,217
Deferred tax asset					
On lease rent amortisation	27	(1)	-	-	26
On provision for compensated absences	1,149	318	-	-	1,467
On provision for bonus and commission	446	6	-	-	452
On provision for gratuity	425	35	(78)	-	382
On provision for bad debt	473	33	-	-	506
On initial rating fees deferred	251	290	-	-	541
On 40A(ia) and others	30	18	-	-	48
On property, plant and equipment	186	319	-	-	505
Gross deferred tax asset	2,987	1,018	(78)	-	3,927
Net deferred tax asset	1,501	1,163	46	-	2,710

As at December 31, 2016

(Rupees in lakhs)					
Particulars	Opening Balance	Recognised in profit and loss	Recognised in Other Comprehensive income	Acquisitions/ disposal	Closing balance
Deferred tax liability					
On gains from other investments	572	-	119	-	691
On gains from mutual funds	408	(263)	-	-	145
On gains / losses on forward contract	145	-	505	-	650
On property, plant and equipment	147	(147)	-	-	-
Gross deferred tax liability	1,272	(410)	624	-	1,486
Deferred tax asset					
On lease rent amortisation	38	(49)	-	38	27
On provision for compensated absences	1,001	110	-	38	1,149
On provision for bonus and commission	294	123	-	29	446
On provision for gratuity	344	(40)	114	7	425
On provision for bad debt	426	47	-	-	473
On initial rating fees deferred	389	(138)	-	-	251
On 40A(ia) and others	24	5	-	1	30
On property, plant and equipment	-	126	-	60	186
Gross deferred tax asset	2,516	184	114	173	2,987
Net deferred tax asset	1,244	594	(510)	173	1,501

10. Tax assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Non current			
Advance income-tax (net of provision for taxation)	2,526	483	20
Total	2,526	483	20

11. Other non-current assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Prepaid rent	223	453	488
Prepaid expenses	142	149	173
Total	365	602	661

12. Trade receivable

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
<i>Unsecured, considered good, unless otherwise stated</i>			
- Unsecured, considered good (Refer note 37)	16,144	18,705	13,077
- Considered doubtful	1,990	1,649	1,695
Less : Allowance for doubtful trade receivables	(1,990)	(1,649)	(1,695)
Total	16,144	18,705	13,077

13. Cash and cash equivalents

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Balances with banks :			
On current accounts	2,071	1,710	3,442
Deposits with original maturity of less than three months (Deposit includes fixed deposits with banks Rs. Nil (Rs. Nil and Rs. 14 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Company. (Refer note 34))	1,750	370	65
Total	3,821	2,080	3,507

14. Other bank balances

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
On unpaid dividend accounts	64	93	105
Deposit with original maturity for more than 3 months but less than 12 months (Deposit includes fixed deposits with banks Rs. 47 lakhs (Rs. 81 lakhs and Rs. 42 lakhs as at December 31, 2016 and January 1, 2016 respectively) marked as lien for guarantees issued by banks on behalf of the Company. (Refer note 34))	441	410	735
Total	505	503	840

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15. Loans

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Considered good unless otherwise stated			
Loan to subsidiary (Refer note 38)	3,333	1,680	2,273
Loans to employees	314	304	245
Total	3,647	1,984	2,518

16. Other financial assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
<i>Unsecured, considered good, unless otherwise stated</i>			
Advances recoverable in cash or kind (Related party balances - Refer note 37)	2,113	969	813
Application for investment in mutual fund	-	700	-
Security deposits	2,293	43	1,032
Accrued revenue	1,613	1,782	844
Accrued interest on fixed deposit	6	23	12
Interest accrued on loan to subsidiary	42	87	163
Forward contract receivable	1,444	1,878	419
Total	7,511	5,482	3,283

17. Other current assets

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Asset held for sale*	318	318	318
Prepaid rent	230	223	52
Prepaid expense	870	1,391	457
Balances with government authorities	1,030	559	647
Total	2,448	2,491	1,474

* The Company has classified a building premise as asset held for sale at its carrying value Rs. 318 lakhs. The Company has actively marketed the premise. The premise has been classified as unallocable as the Company believes that it is currently not practicable to allocate the premise to any segment.

18. Share capital

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Authorised capital:</u>			
100,000,000 Equity Shares of Re.1 each (100,000,000 equity shares of Re. 1 each as on December 31, 2016 and 100,000,000 equity shares of Re. 1 each as on January 1, 2016)	1,000	1,000	1,000
<u>Issued, subscribed and paid up:</u>			
71,704,928 Equity Shares of Re. 1 each fully paid up (71,335,358 equity shares of Re.1 each as on December 31, 2016 and 71,209,103 equity shares of Re.1 each as on January 1, 2016)	717	713	712
Total	717	713	712

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares

Particulars	As at December 31, 2017	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	713	71,335,358
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 47)	4	369,570
Outstanding at the end of the year	717	71,704,928

Particulars	As at December 31, 2016	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Re. 1 per share)	712	71,209,103
Add : Issued during the year- Under employee stock option scheme (ESOS) (Refer note 47)	1	126,255
Outstanding at the end of the year	713	71,335,358

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Group Holding of the S&P Global Inc.</u>			
31,209,480 equity shares of Re.1 each fully paid held by S&P India, LLC, Fellow Subsidiary (31,209,480 equity shares of Re. 1 each as at December 31, 2016 and as at January 1, 2016)	312	312	312
10,623,059 Equity Shares of Re.1 each fully paid held by S&P Global Asian Holdings Pte. Limited, Fellow Subsidiary (10,623,059 equity shares of Re. 1 each as at December 31, 2016 and as at January 1, 2016)	106	106	106

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(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
6,000,000 Equity Shares of Re.1 each fully paid held by Standard & Poor's International LLC, Fellow Subsidiary (6,000,000 equity shares of Re. 1 each as at December 31, 2016 and as at January 1, 2016)	60	60	60
Total	478	478	478

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at December 31, 2017 Nos.	As at December 31, 2016 Nos.	As at January 1, 2016 Nos.
Equity shares bought back by the Company			
Aggregate number of equity shares bought back by the Company (In last five years)	1,421,932	1,421,932	1,421,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company.	Nil	Nil	Nil

(e) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder	As at December 31, 2017	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.52%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.81%	10,623,059
c) Standard & Poor's International LLC	8.37%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.53%	3,965,000
3. Life Insurance Corporation of India	5.45%	3,908,261

Name of the shareholder	As at December 31, 2016	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.75%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.89%	10,623,059
c) Standard & Poor's International LLC	8.41%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.61%	4,000,000
3. Life Insurance Corporation of India	1.70%	1,213,086

Name of the shareholder	As at January 1, 2016	
	% holding in the class	Nos.
<u>Equity shares of Re. 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.83%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	14.92%	10,623,059
c) Standard & Poor's International LLC	8.42%	6,000,000
2. Jhunjhunwala Rakesh and Rekha	5.62%	4,000,000
3. Life Insurance Corporation of India	1.08%	765,735

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option scheme (ESOS) of the Company (Refer note 47).

(g) Capital management

The Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to its stakeholders. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy. The Company has a overdraft facility with banks to support any temporary funding requirements which has not been utilised as at December 31, 2017.

19. Explanation of reserves:

a) 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 Statement of Profit and Loss.

b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

c) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve

d) Share-based payment reserve

The share-based payment reserve account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

e) Other comprehensive income (OCI)

Other comprehensive income includes equity Instruments through OCI, Hedge reserve and actuarial gains and losses form part of remeasurement of net defined benefit liability/ assets.

Hedge reserve -These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes.

f) Foreign currency monetary items translation

Exchange differences arising on translation of the long-term monetary assets is accumulated in separate reserve within equity. The cumulative amount is reclassified to the statement of profit and loss over the life of the monetary asset on a straightline basis.

g) Capital redemption reserve

The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings in 2015. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

h) Special Economic Zone (SEZ) reinvestment reserve

The Special Economic Zone (SEZ) reinvestment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10 AA(1)(ii) of the Income Tax Act, 1961. The reserve should be utilised by the Company for acquiring new plant and machinery for the purpose of business in terms of Section 10 AA(2) of the Income Tax Act, 1961.

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20. Other financial liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Employee related payables	156	-	-
Sundry deposits	149	73	-
Total	305	73	-

21. Other non-current liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Unearned revenue and fees received in advance	48	16	8
Total	48	16	8

22. Provisions

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Non current</u>			
Gratuity (Refer note 40)	1,288	1,353	889
Total	1,288	1,353	889

23. Trade payables

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Total outstanding dues of micro enterprises and small enterprises (Refer note 48)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,682	3,395	2,427
Total	4,682	3,395	2,427

24. Other financial liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Employee related payables	7,199	6,813	4,418
Unpaid dividend (Investor education and protection fund will be credited as and when due)	64	93	105
Total	7,263	6,906	4,523

25. Other current liabilities

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Statutory liabilities	1,674	1,260	937
Unearned revenue and fees received in advance	9,856	8,850	8,959
Total	11,530	10,110	9,896

26. Provisions

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
<u>Current</u>			
Compensated absences	4,709	4,326	3,425
Gratuity (Refer note 40)	630	423	385
Total	5,339	4,749	3,810

27. Income from operations

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Ratings services	48,029	46,768
Research services	69,709	66,196
Total	117,738	112,964

28. Other income

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Interest on bank deposits	34	128
Interest on loan to subsidiary	262	553
Profit on sale of fixed assets	69	126
Interest income on financial assets carried at amortised cost	254	263
Dividend on non-current investments	1,098	47
Profit on sale of current investments	1,428	2,474
Profit on fair valuation of current investments	32	554
Miscellaneous income	417	284
Total	3,594	4,429

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29. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Salaries, wages and bonus	45,476	41,658
Share based payment to employees	766	1,164
Contribution to provident and other funds	1,564	1,417
Contribution to gratuity fund (Refer note 40)	972	529
Staff training and welfare expenses	1,527	1,178
Less : Recoveries from subsidiaries towards overhead allocated	(1,142)	(433)
Total	49,163	45,513

30. Finance cost

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Interest expense on bank overdraft	41	-
Total	41	-

31. Other expenses

(Rupees in lakhs)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Repairs and maintenance - Buildings	1,266	1,288
Repairs and maintenance - Others	782	784
Electricity	1,024	944
Communication expenses	784	768
Insurance	74	56
Rent (Refer note 39)	4,455	4,292
Rates and taxes	12	16
Printing and stationery	267	272
Conveyance and travelling	2,632	2,397
Books and periodicals	637	540
Vehicle expenses	5	4
Remuneration to non-whole time directors	152	129
Business promotion and advertisement	89	137
Foreign exchange loss	717	398
Professional fees	15,090	12,899
Associate service fee	4,124	4,167
Software purchase and maintenance expenses	750	764
Provision for doubtful debts / bad debts	1,229	1,196
Corporate social responsibility (CSR) expenses (Refer note 43)	727	604
Donation	97	200
Auditors' remuneration (Refer note 35)	57	76
Recruitment expenses	245	383
Miscellaneous expenses	279	138
Less : Recoveries from subsidiaries towards overhead allocated	(823)	(257)
Total	34,671	32,195

32. Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 33. The main types of risks are market risk (foreign currency exchange rate risk and price risk), business and credit risks and liquidity risk. The Company has in place a robust risk management policy with overall governance and oversight from the Audit Committee and Board of Directors. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

The policies for managing specific risk are summarised below:-

32.1 Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD), EURO and Pounds Sterling (GBP). As of December 31, 2017 and December 31, 2016, we have entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given under note 33.

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Financial		Financial	
	Assets	Liabilities	Assets	Liabilities
USD	10,857	82	6,957	52
GBP	6,264	-	5,369	-
EURO	1,043	-	793	-
Others	44	17,032	8	1,106

Particulars	As at December 31, 2016 (Foreign currency in '000)		As at December 31, 2016 (Rupees in lakhs)	
	Financial		Financial	
	Assets	Liabilities	Assets	Liabilities
USD	13,330	135	9,053	92
GBP	16,887	-	14,184	-
EURO	1,187	10	841	7
Others	965	12,952	332	817

For the year ended December 31, 2017, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by +/- Rs. 598 lakhs (+/-1.77%). For the year ended December 31, 2016, operating margins would increase/decrease by Rs. 1,175 lakhs (+/- 3.33%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. None the less, the analysis above is considered to be representative of the Company's exposure to currency risk.

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in 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.

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The Company is exposed to price risk arising mainly from investments in mutual funds recognised at FVTPL. The details of such investment are given under note 6. If the prices had been higher/lower by 5% from the market prices existing as at the reporting date, profit would increase/decrease by Rs. 657 lakhs and Rs. 2,116 lakhs for the year ended December 31, 2017 and for the year ended December 31, 2016 respectively.

The Company is also exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. The details of such investment are given under note 6. If the equity prices had been higher/lower by 5% from the market prices existing as at December 31, 2017, OCI for the year ended December 31, 2017 would increase/decrease by Rs.1,747 lakhs.

32.2 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 asset. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The short term treasury position of the company is given below:

Particulars	(Rupees in lakhs)	
	As at December 31, 2017	As at December 31, 2016
Trade receivables	16,144	18,705
Cash and cash equivalents	3,821	2,080
Other bank balances	505	503
Investments in mutual funds	13,132	42,314
Total	33,602	63,602

Financial liabilities maturing within one year:

Particulars	(Rupees in lakhs)	
	As at December 31, 2017	As at December 31, 2016
Trade payables	4,682	3,395
Others	7,263	6,906
Total	11,945	10,301

32.3 Business and credit risks

To mitigate the risk arising from high dependence on any one business for revenues, the Company has adopted a strategy of diversifying in new products/services and into different business segments. To address the risk of dependence on a few large clients and a few sectors in the business segments, the Company has also actively sought to diversify its client base and industry segments.

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Bank balances are held with only high rated banks.

(Rupees in lakhs)		
Receivables	As at December 31, 2017	As at December 31, 2016
<= 6 months	15,601	18,338
> 6 months but <= 1 year	2,533	2,016
> 1 year	-	-
Provision for doubtful receivables	(1,990)	(1,649)

33. Financial instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2017 are as follows:

(Rupees in lakhs)								
Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
<u>Investments</u>								
Quoted equity investments	-	-	-	34,940	-	-	34,940	34,940
Unquoted equity investments	-	-	-	3,671	-	-	3,671	3,671
Mutual funds	-	-	13,132	-	-	-	13,132	13,132
Cash and cash equivalents	3,821	-	-	-	-	-	3,821	3,821
Other bank balances	505	-	-	-	-	-	505	505
Trade receivables	16,144	-	-	-	-	-	16,144	16,144
Loans	3,647	-	-	-	-	-	3,647	3,647
Other financial assets	7,376	-	-	-	-	1,444	8,820	8,820
Total	31,493	-	13,132	38,611	-	1,444	84,680	84,680
Liabilities								
Trade payables	4,682	-	-	-	-	-	4,682	4,682
Other financial liabilities	7,568	-	-	-	-	-	7,568	7,568
Total	12,250	-	-	-	-	-	12,250	12,250

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The carrying value and fair value of financial instruments by categories as at December 31, 2016 are as follows:

(Rupees in lakhs)								
Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	-*	-	-	-*	-*
Unquoted equity investments	-	-	-	3,557	-	-	3,557	3,557
Mutual funds	-	-	42,314	-	-	-	42,314	42,314
Cash and cash equivalents	2,080	-	-	-	-	-	2,080	2,080
Other bank balances	503	-	-	-	-	-	503	503
Trade receivables	18,705	-	-	-	-	-	18,705	18,705
Loans	9,032	-	-	-	-	-	9,032	9,032
Other financial assets	6,842	-	-	-	-	1,878	8,720	8,720
Total	37,162	-	42,314	3,557	-	1,878	84,911	84,911
Liabilities								
Trade payables	3,395	-	-	-	-	-	3,395	3,395
Other financial liabilities	6,979	-	-	-	-	-	6,979	6,979
Total	10,374	-	-	-	-	-	10,374	10,374

The carrying value and fair value of financial instruments by categories as at January 1, 2016 are as follows:

(Rupees in lakhs)								
Particulars	Amortised cost	Financial assets/ liabilities at FVTPL		Financial assets/ liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory			
Assets								
Investments								
Quoted equity investments	-	-	-	-*	-	-	-*	-*
Unquoted equity investments	-	-	-	3,040	-	-	3,040	3,040
Mutual funds	-	-	37,065	-	-	-	37,065	37,065
Cash and cash equivalents	3,507	-	-	-	-	-	3,507	3,507
Other bank balances	840	-	-	-	-	-	840	840
Trade receivables	13,077	-	-	-	-	-	13,077	13,077
Loans	14,269	-	-	-	-	-	14,269	14,269
Other financial assets	4,872	-	-	-	-	419	5,291	5,291
Total	36,565	-	37,065	3,040	-	419	77,089	77,089
Liabilities								
Trade payables	2,427	-	-	-	-	-	2,427	2,427
Other financial liabilities	4,523	-	-	-	-	-	4,523	4,523
Total	6,950	-	-	-	-	-	6,950	6,950

* '-' in amounts' columns denote amounts less than Rs. 50,000.

Fair value hierarchy

For financial reporting purpose, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value as at December 31, 2017, December 31, 2016 and January 1, 2016.

Particulars	(Rupees in lakhs)								
	As at December 31, 2017			As at December 31, 2016			As at January 1, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:									
A Investments at FVTPL									
1. Mutual Funds	13,132	-	-	42,314	-	-	37,065	-	-
B Investments at FVTOCI									
1. Quoted equity shares	34,940	-	-	-*	-	-	-*	-	-
2. Unquoted equity shares	-	-	3,671	-	-	3,557	-	-	3,040
C Forward contracts receivable	-	1,444	-	-	1,878	-	-	419	-

* '-' in amounts' columns denote amounts less than Rs. 50,000.

Derivative financial instruments and hedging activity

The Company's risk management policy is to hedge substantial amount of forecast transactions for each of the major currencies presently US\$, GBP £ and Euro €. The hedge limits are governed by the risk management policy. The Company uses forward foreign exchange contracts to mitigate exchange rate exposure arising from forecast sales in foreign currencies. All forward exchange contracts have been designated as hedging instruments in cash flow hedges in accordance with Ind AS 109. Details of currency hedge and forward contract value are as under :

As at December 31, 2017

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	27	61,421	41,693	Jan - Dec-18	67.88	1,487	(1,487)
	GBP	14	6,117	5,436	Jan - Dec-18	88.86	(15)	15
	EUR	12	3,661	2,865	Jan - Dec-18	78.26	(28)	28

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As at December 31, 2016

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	27	48,521	34,528	Jan - Dec-17	71.16	742	(742)
	GBP	14	9,071	8,733	Jan - Dec-17	96.27	907	(907)
	EUR	12	4,118	3,280	Jan - Dec-17	79.66	229	(229)

As at January 1, 2016

Type of hedge	Currency	Number of contracts	Nominal value (Foreign currency in '000)	Carrying amount of hedging instrument (Rupees in lakhs)	Maturity date	Weighted average strike price/rate	Changes in fair value of hedging instrument (Rupees in lakhs)	Change in the hedging item used as the basis for recognising hedge effectiveness (Rupees in lakhs)
Cash flow hedge								
i) Foreign exchange forward contracts	USD	15	38,548	26,544	Jan - Dec-16	68.86	116	(116)
	GBP	15	9,211	9,606	Jan - Dec-16	104.30	273	(273)
	EUR	14	4,526	3,428	Jan - Dec-16	75.73	30	(30)

Movement in cash flow hedging reserve

Particulars	(Rupees in lakhs)
	Foreign exchange forward contract
As at January 1, 2016	274
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	3,324
Less: Amounts reclassified to profit or loss	(1,865)
Less: Tax relating to above (net)	(505)
As at December 31, 2016	1,228
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	3,904
Less: Amounts reclassified to profit or loss	(4,338)
Less: Tax relating to above (net)	150
As at December 31, 2017	944

The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. Hedge is broadly classified as revenue hedge.

Revenue hedge: For forecasted revenue transaction, the Company will adopt cash flow hedge and record mark to market through OCI. Effective hedge is routed through OCI in the balance sheet and the ineffective portion is immediately routed through the statement of profit and loss.

Details of unhedged foreign exposure

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency				
Monetary				
USD	10,857	82	6,957	52
GBP	6,264	-	5,369	-
EUR	1,043	-	793	-
Others	44	17,032	8	1,106
Sub-total	18,208	17,114	13,127	1,158
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-
Sub-total	15,466	-	11,720	-
Total	33,674	17,114	24,847	1,158

Particulars	As at December 31, 2016 (Foreign currency in '000)		As at December 31, 2016 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency				
Monetary				
USD	13,330	135	9,053	92
GBP	16,887	-	14,184	-
EUR	1,187	10	841	7
Others	965	12,952	332	817
Sub-total	32,369	13,097	24,410	916
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-
Sub-total	15,466	-	11,720	-
Total	47,835	13,097	36,130	916

Particulars	As at January 1, 2016 (Foreign currency in '000)		As at January 1, 2016 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
Currency				
Monetary				
USD	8,176	50	5,425	33
GBP	18,478	4	18,263	4
EUR	1,317	3	950	2
Others	109	6,512	9	243
Sub-total	28,080	6,569	24,647	282
Investment				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-
Sub-total	15,466	-	11,720	-
Total	43,546	6,569	36,367	282

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34. Details of contingent liabilities and capital commitments are as under :

(Rupees in lakhs)			
Particulars	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Contingent liabilities			
1. Bank guarantee in the normal course of business	2,320	351	1,901
2. Disputed income tax and sales tax demand:			
(i) Pending before appellate authorities in respect of which the Company is in appeal	3,872	4,113	2,275
(ii) Decided in Company's favour by appellate authorities and department is in further appeal	1,185	1,185	352
The Company has given a bank guarantee of Rs. 2,190 lakhs in relation to the tax demands with regards Pipal India, for FY 2007-08 to FY 2011-12			
	7,377	5,649	4,528
Capital commitment			
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Management believes that the ultimate outcome of above matters will not have a material adverse impact on its financial position, results of operations and cash flows. In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various authorities.	142	539	390
The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions of operations in. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands by income tax authorities will not succeed on ultimate resolution other than what has been provided or disclosed herein.			
Total	7,519	6,188	4,918

35. Auditors' remuneration includes :

(Rupees in lakhs)		
Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Audit fees	38	57
In any other matter:		
Certification work	14	16
Out of pocket expenses	5	3
Total	57	76

36. Segment reporting

Business segments:

The Company has two major business segment: Rating and Research. A description of the types of products and services provided by each reportable segment is as follows:

- Rating services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.
- Research segments includes global research and analytical services, industry reports, customised research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

Segment reporting for the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Business segments		Total
	Ratings	Research	
Operating revenue (Refer note 27)	48,029	69,709	117,738
Segment results	15,104	20,142	35,246
Add / (less) Unallocables:			
1. <u>Unallocable income</u>			
Interest income			296
Profit on sale of current investments			1,428
Profit on sale of fixed asset			69
Others*			1,801
2. Unallocable expenditure			(1,383)
3. Depreciation/ Amortisation			(2,852)
Profit before exceptional item			34,605
Exceptional item			-
Profit before tax			34,605
Tax expense			(10,879)
Profit after tax			23,726
Segment assets	7,527	26,902	34,429
Unallocable assets**			77,196
Segment liabilities	12,465	11,471	23,936
Unallocable liabilities**			6,519

Revenue and Total Assets by Geographic Segments

(Rupees in lakhs)

Geography	Revenue	Assets #
India	45,813	83,938
Europe	28,159	15,178
North America	35,796	5,600
Rest of the world	7,970	1,673
Total	117,738	106,389

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Segment reporting for the year ended December 31, 2016

Particulars	Business segments		(Rupees in lakhs)
	Ratings	Research	Total
Operating revenue (refer note 27)	46,768	66,196	112,964
Segment results	14,232	22,608	36,840
Add / (less) Unallocables :			
1. <u>Unallocable income</u>			
Interest income			681
Profit on sale of current investments			2,474
Profit on sale of fixed asset			126
Others*			1,148
2. Unallocable expenditure			(1,584)
3. Depreciation/ Amortisation			(2,851)
Profit before exceptional item			36,834
Exceptional item			-
Profit before tax			36,834
Tax expense			(12,805)
Profit after tax			24,029
Segment assets	6,985	30,296	37,281
Unallocable assets* *			71,664
Segment liabilities	11,837	10,103	21,940
Unallocable liabilities**			4,662

Revenue and Total Assets by Geographic Segments

Geography	Revenue		(Rupees in lakhs)
	Assets #		
India	41,632	70,869	
Europe	32,315	27,187	
North America	32,078	7,538	
Rest of the world	6,939	1,367	
Total	112,964	106,961	

Notes to segmental results :

* Other income which have been allocated to business segments have not been considered in determining unallocable income.

**Assets and liabilities used interchangeably between business segments have been classified as unallocable. The Company believes that it is currently not practical to allocate these assets and liabilities since a meaningful segregation of the available data is not feasible.

#Total asset for the purpose of geographical segment does not include deferred tax asset and tax asset.

The Company recovered certain common expenses from subsidiaries based on management estimates and the same form a part of the segment results.

The top two customers of the research segment contributed to more than 10% of the standalone revenue of the Company. These entities are under common control of the Company.

The following table gives details in respect of revenues generated from top two customers:

Particulars	Year ended		(Rupees in lakhs)
	December 31, 2017	December 31, 2016	
Total revenue from top two customers	43,720	43,726	

37. List of related parties

Particulars	Relationship
Related parties where control exists	
S&P Global Inc.	The Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited	Subsidiary
CRISIL Irevna UK Limited	Subsidiary
CRISIL Irevna US LLC	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Poland Sp. z o.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Subsidiary
Pipal Research Analytics and Information Services India Private Limited	Subsidiary (Refer note 46)
Coalition Development Systems (India) Private Limited	Subsidiary (Refer note 46)
Mercator Info-Services India Private Limited	Subsidiary (Refer note 46)
Coalition Development Limited	Subsidiary of CRISIL Irevna UK Limited
Coalition Development Singapore Pte Limited	Subsidiary of Coalition Development Limited
CRISIL Foundation	Controlled Trust
Other Related parties	
S&P India, LLC	Fellow Subsidiary
Standard & Poor's LLC	Fellow Subsidiary
Standard & Poor's International LLC	Fellow Subsidiary
Standard & Poor's South Asia Services Private Limited	Fellow Subsidiary
S&P Global Asian Holdings Pte. Limited	Fellow Subsidiary
S&P Global Canada Corp.	Fellow Subsidiary
S&P Global International LLC	Fellow Subsidiary
S&P Global UK Limited	Fellow Subsidiary
J.D. Power and Associates	Fellow Subsidiary (up to September 8, 2016)
Standard & Poor's Credit Market Services Europe Limited	Fellow Subsidiary
Standard & Poor's Financial Services, LLC	Fellow Subsidiary
Standard & Poor's Singapore Pte. Ltd.	Fellow Subsidiary
Standard & Poor's Hong Kong Limited	Fellow Subsidiary
Standard & Poor's (Australia) Pty. Ltd.	Fellow Subsidiary
Standard & Poor's Global Ratings Japan Inc.	Fellow Subsidiary
S&P Global Market Intelligence LLC	Fellow Subsidiary
Standard & Poor's Ratings Services	Fellow Subsidiary
Asia Index Private Limited	Fellow Subsidiary
S&P Global Market Intelligence Inc.	Fellow Subsidiary
JM Financial Asset Reconstruction Company Private Limited *	Common Director
Global Healthcare Systems Private Limited *	Common Director
Care India Solutions for Sustainable Development *	Common Director
Key Management Personnel	
Ravinder Singhania	Alternate Director
Girish Paranjpe	Independent Director (with effect from October 17, 2017)
Nachiket Mor	Independent Director
Vinita Bali	Independent Director
M. Damodaran	Independent Director
H. N. Sinor	Independent Director (up to October 25, 2017)
Ewout Steenberghe	Director (with effect from October 17, 2017)
Martina Cheung	Director
John L Berisford	Chairman (with effect from October 17, 2017)
Douglas Peterson	Chairman (up to October 17, 2017)
Ashu Suyash*	Managing Director and Chief Executive Officer
Amish Mehta*	Chief Financial Officer
Minal Bhosale *	Company Secretary

* Related party as per the Companies Act, 2013

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Transactions with related parties

		(Rupees in lakhs)		
Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
S&P Global UK Limited	Professional services rendered	291	317	-
	Amount receivable	288	133	22
S&P Global Canada Corp.	Professional services rendered	124	106	-
	Amount receivable	31	13	4
Standard & Poor's Credit Market Services Europe Limited	Professional services rendered	4,396	4,056	-
	Amount receivable	659	706	621
Standard & Poor's Financial Services, LLC	Professional services rendered	11,384	11,328	-
	Subscription fees	-	5	-
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	646	498	-
	Amount receivable	52	52	-
Standard & Poor's Hong Kong Limited	Professional services rendered	235	195	-
	Amount receivable	17	20	15
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	409	326	-
	Amount receivable	31	32	15
Standard & Poors Global Ratings Japan Inc.	Professional services rendered	144	122	-
	Amount receivable	11	15	6
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	183	204	-
	Amount receivable	16	36	24
S&P Global Market Intelligence LLC.	Subscription fees	86	17	-
S&P India, LLC	Dividend	8,424	8,736	-
	Share capital outstanding	312	312	312
Standard & Poor's International LLC	Dividend	1,620	1,680	-
	Share capital outstanding	60	60	60
S&P Global Asian Holdings Pte. Limited	Dividend	2,862	2,968	-
	Share capital outstanding	106	106	106
S&P Global Inc.	Reimbursement of expenses received	-	15	-
	Amount receivable	-	2	-
Asia Index Private Limited	Reimbursement of expenses	1	1	-
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	18	5	-
	Professional fees	11	4	-
	Expenses recovered	517	486	-

		(Rupees in lakhs)		
Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
CRISIL Irevna UK Limited	Share of overhead expenses received	767	598	-
	Reimbursement of expenses paid	108	73	-
	Amount receivable	226	109	98
	Reimbursement of expense received (ESOS)	109	-	-
	Investment outstanding	707	707	500
	Amount payable	29	12	3
	Professional services rendered	20,153	24,048	-
	Share of overhead expenses received	351	-	-
	Amount payable	-	-	4
	Reimbursement of expenses received	59	19	-
	Amount receivable	1,824	5,307	3,869
	Investment outstanding	11,585	11,585	11,390
CRISIL Irevna US LLC	Reimbursement of expense received (ESOS)	41	-	-
	Loan outstanding	3,333	8,728	14,024
	Loan repaid	5,907	3,403	-
	Interest income	262	553	-
	Interest amount receivable	42	87	163
	Professional services rendered	23,567	19,678	-
	Share of overhead expenses received	452	-	-
	Reimbursement of expenses received	21	5	-
	Reimbursement of expenses paid	4	43	-
CRISIL Irevna Argentina, S.A.	Reimbursement of expense received (ESOS)*	66	-	-
	Amount receivable	5,512	7,417	3,968
	Investment outstanding	147	147	105
	Professional fees	6,079	4,793	-
CRISIL Irevna Poland Sp. z o.o	Amount payable	467	413	306
	Dividend income	402	-	-
	Professional fees	1,823	1,994	-
	Reimbursement of expenses received	8	7	-
	Reimbursement of expense received (ESOS)	4	-	-
	Amount payable	369	162	-
	Amount receivable	8	33	259

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		(Rupees in lakhs)		
Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
Pipal Research Analytics and Information Services India Private Limited (Refer note 46)	Investment outstanding	-	-	1,113
	Professional fees	-	652	-
	Reimbursement of expenses received	-	3	-
	Share of overhead expenses received	-	92	-
	Rent recovered	-	46	-
	Amount receivable	-	-	58
	Amount payable	-	-	226
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Investment outstanding	244	244	226
	Amount payable	272	171	135
	Professional fees	1,928	1,911	-
	Advance recoverable	-	12	12
	Dividend income	388	-	-
Coalition Development Systems (India) Private Limited (Refer note 46)	Investment outstanding	-	-	871
	Reimbursement of expenses received	-	24	-
	Amount receivable	-	-	5
Coalition Development Limited	Professional services rendered	791	480	-
	Share of overhead expenses received	577	-	-
	Reimbursement of expense received (ESOS)	775	-	-
	Reimbursement of expense	1	-	-
	Amount receivable	226	62	-
Mercator Info-Services India Private Limited (Refer note 46)	Investment outstanding	-	-	371
	Reimbursement of expenses received	-	44	-
	Amount receivable	-	-	48
Coalition Development Singapore Pte Limited	Professional services	-	17	-
	Amount payable	-	4	3
	Professional services rendered	3,286	2,456	-
	Amount receivable	469	278	-
	Reimbursement of expense received (ESOS)	3	-	-
JM Financial Asset Reconstruction Company Private Limited	Professional services rendered	-	57	-
	Amount receivable	-	-	6
CRISIL Foundation	Donation	807	435	-
	Reimbursement of expenses received	35	-	-

		(Rupees in lakhs)		
Name of the related party	Nature of transaction	Year ended December 31, 2017	Year ended December 31, 2016	As at January 1, 2016
Girish Paranjpe	Sitting fees and commission	7	-	-
Nachiket Mor	Sitting fees and commission	33	30	-
Vinita Bali	Sitting fees and commission	39	33	-
M. Damodaran	Sitting fees and commission	39	34	-
H. N. Sinor	Sitting fees and commission	34	32	-
Ashu Suyash*	Remuneration	596	514	-
Amish Mehta*	Remuneration	325	297	-
	Options granted (nos.)	25,000	-	-
Minal Bhosale*	Remuneration	86	87	-

*Note: As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to directors is not included above.

38. The Company has provided following loans pursuant to Section 186 of the Companies Act, 2013:

				(Rupees in lakhs)	
Name of the entity	Relationship	Purpose for which the loan to be utilised	Particulars of loans	Amount outstanding as at December 31, 2017	Amount outstanding as at December 31, 2016
CRISIL Irevna UK Limited	100% subsidiary	Acquisition	Loan given by CRISIL to CRISIL Irevna UK Limited for financing acquisition. The loan is repayable on demand. These loans carry interest @ 3 months Libor plus 425 bps.	3,333	8,728

For details of investments and advances provided to related parties refer notes 37.

39. Operating lease

The Company has taken certain office premises on non cancelable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

		(Rupees in lakhs)	
Particulars	Year ended December 31, 2017	Year ended December 31, 2016	
Lease payment recognised in the statement of profit and loss	4,455	4,292	
<u>Future minimum lease payments :</u>			
Not later than one year	4,684	4,002	
Later than one year and not later than five years	5,084	8,229	
Later than five years	2	200	
Total	9,770	12,431	

40. Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972 CRISIL provides for gratuity, a defined benefit retirement plan covering eligible employees (completed continuous services of five years or more) of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment at fifteen days salary of an amount based on the respective employee's salary and tenure of employment with the Company.

Standalone Financial Statements

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense recognised in statement of Profit and Loss and OCI:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2017	Year ended December 31, 2016
Current service cost	497	426
Interest cost on defined benefit obligation	107	103
Re-measurement - actuarial (gain)/loss recognised in OCI	(187)	344
Expected return on plan assets	(20)	(13)
Past service cost	368	-
Net gratuity benefit expense	765	860

Balance Sheet:

Details of provision for gratuity benefit

Particulars	(Rupees in lakhs)		
	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Present value of funded obligations	3,561	3,180	2,350
Fair value of plan assets	(1,643)	(1,404)	(1,076)
Net liability	1,918	1,776	1,274

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rupees in lakhs)		
	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Opening defined benefit obligation	3,180	2,350	2,019
Current service cost	497	426	387
Interest cost	202	190	164
Acquisitions (credit)/ cost	(18)	207	-
Actuarial (gain)/loss	(51)	(4)	-
Actuarial (gain)/loss (financial assumptions)	(136)	348	100
Past service cost - plan amendments	368	-	-
Benefits paid	(481)	(337)	(320)
Closing defined benefit obligation	3,561	3,180	2,350

Changes in the fair value of plan assets are as follows:

Particulars	(Rupees in lakhs)		
	As at December 31, 2017	As at December 31, 2016	As at January 1, 2016
Opening fair value of plan assets	1,404	1,076	992
Expected return on plan assets	20	13	90
Interest income on plan assets	95	88	10
Contribution by employer	605	402	304
Asset acquired on amalgamation/ acquisition	-	162	-
Benefits paid	(481)	(337)	(320)
Closing fair value of plan assets	1,643	1,404	1,076

The defined benefit obligation shall mature after December 31, 2017 as follows:

Particulars	Rupees in lakhs
December 31, 2018	326
December 31, 2019	381
December 31, 2020	452
December 31, 2021	525
December 31, 2022 to December 31, 2027	4,055

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for The Comomoany's plans is as below:

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Discount rate	7.20%	6.50%
Rate of return on plan assets	7.20%	8.00%
Expected employee turnover		
Service years	Rates	Rates
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Increment	10% for the first 4 years starting 2017 and 7% thereafter	10% for the first 4 years starting 2016 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	630	423

Broad category of plan assets as per percentage of total plan assets of the Gratuity

Particulars	Year ended December 31, 2017	Year ended December 31, 2016
Government securities	67.41%	56.05%
Fixed deposit, debentures and bond	2.89%	35.12%
Others	29.70%	8.83%
Total	100.00%	100.00%

The actuarial assumptions for the determination of defined benefit obligations are discount rate and salary escalation rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, holding all other assumptions constant.

Discount rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Discount rate	(130)
Effect on DBO due to 0.5% decrease in Discount rate	139

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Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in Salary escalation rate	120
Effect on DBO due to 0.5% decrease in Salary escalation rate	(117)

Other Benefits

The Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2017	Year ended December 31, 2016
i. Contribution to Provident fund	1,366	1,248
ii. Contribution to other funds	198	169

The expenses for compensated absences have been recognised in the same manner as gratuity and a provision of Rs. 4,709 lakhs has been made as at December 31, 2017 (Rs. 4,326 lakhs as at December 31, 2016 and Rs. 3,425 lakhs as at January 1, 2016).

41. Earning per share

The following reflects the profit and share data used in the basic and diluted earning per share (EPS) computations

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2017	Year ended December 31, 2016
Net profit for calculation of basic/diluted EPS	23,726	24,029

Particulars	(Nos.)	
	Year ended December 31, 2017	Year ended December 31, 2016
Weighted average number of equity shares in calculating basic EPS	71,489,561	71,269,219
<u>Effect of dilution:</u>		
Add: weighted average stock options granted under ESOS	450,874	757,032
Weighted average number of equity shares in calculating diluted EPS	71,940,435	72,026,251

Particulars	Rupees	
	Year ended December 31, 2017	Year ended December 31, 2016
Earnings per share : Nominal value of Re.1		
Basic	33.19	33.72
Diluted (On account of ESOS, refer note 47)	32.98	33.36

The following potential equity shares are anti-dilutive and therefor excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	(Nos.)	
	Year ended December 31, 2017	Year ended December 31, 2016
Options to purchase equity shares had anti-dilutive effect	60,838	19,870

42. Dividend

Details of dividend paid on equity shares are as under:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2017	Year ended December 31, 2016
Final dividend for the year 2016 Rs 9 per equity share of Re 1 each (Rs. 10 for the year ended December 31, 2015)	6,420	7,121
Dividend distribution tax on final dividend	1,307	1,450
Interim dividend for the year 2017 Rs 18 per equity share of Re 1 each (Rs. 18 for the year ended December 31, 2016)	12,881	12,834
Dividend distribution tax on interim dividend	2,467	2,613
Total	23,075	24,018

Proposed dividend

The Board of Directors at its meeting held on February 13, 2018 have recommended a payment of final dividend of Rs.10 per equity share of face value of Re. 1 each for the financial year ended December 31, 2017.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

- 43.** Corporate Social Responsibility (CSR) expenses for the year ended December 31, 2017 includes Rs. 727 lakhs (Rs. 604 lakhs for the year ended December 31, 2016) includes spend on various CSR schemes as prescribed under Section 135 of the Companies Act, 2013. The CSR amount based on limits prescribed under the Companies Act, 2013 for the year was Rs 684 lakhs (Rs 619 lakhs for the year ended December 31, 2016). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment”.

44. Acquisition of Pragmatix

On November 15, 2017, CRISIL had entered into a definitive agreement to acquire 100% of the equity shares of Pragmatix Services Private Limited ('Pragmatix'). CRISIL has completed the acquisition of 100% stake in Pragmatix on January 24, 2018. Pragmatix is a data analytics company focused on delivering cutting edge solutions in the 'data to intelligence' lifecycle to the Banking, Financial Services & Insurance (BFSI) vertical. Its big data capabilities and advanced data models provide descriptive, prescriptive and predictive analytics delivered through its proprietary Enterprise Data Analytics Platform. Pragmatix provides solutions across the risk, sales, and finance domains in India, Middle East and North America. The transaction is at a total consideration of upto Rs. 5,600 lakhs. This will enable CRISIL to leverage its technology platform and deep domain expertise to enhance its business intelligence, analytics and risk management offerings for financial sector clients in India and globally.

- 45.** Personnel expenses to the extent of Rs. 363 lakhs (Rs. 47 lakhs for the year ended December 31, 2016) is considered for capitalisation as intangible assets.

46. Amalgamation

- Pipal Research Analytics and Information Services India Private Limited (Pipal) is engaged in providing low risk IT Enabled Services in the area of corporate research. Coalition Development Systems (India) Private Limited (Coalition India) and Mercator info-Services India Private Limited (Mercator) is engaged in the business of providing Researched Data Processing Services. The Company held 100% voting power of Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator info-Services India Private Limited.
- Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited (together transferor) have been amalgamated with the Company with effect from April 1, 2016 ('appointed date') in terms of the scheme of amalgamation ('the scheme')

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approved vide order dated September 8, 2016, by the Hon'ble Bombay High Court. Pursuant thereto all assets and liabilities of transferor have been transferred to and vested in the Company retrospectively with effect from April 1, 2016.

Pursuant to the scheme coming into effect, all the equity shares held by the Company in Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited stand automatically cancelled.

- c) The amalgamation has been accounted for under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accordingly the assets, liabilities and reserves of Pipal Research Analytics and Information Services India Private Limited, Mercator Info-Services India Private Limited and Coalition Development Systems (India) Private Limited have been accounted at their carrying values.

The difference between the carrying value of investments in the books of the Company and the amount of the share capital of Pipal Research Analytics and Information Services India Private Limited, Coalition Development Systems (India) Private Limited and Mercator info-Services India Private Limited have been adjusted in Capital Reserve / General Reserve as per the scheme.

Accordingly the amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the scheme at the following summarised values :

Particulars	(Rupees in lakhs)		
	Pipal Research Analytics and Information Services India Private Limited	Coalition Development Systems (India) Private Limited	Mercator info-Services India Private Limited
Assets			
Fixed Assets	500	153	494
Current investments	273	-	-
Deferred Tax Assets	126	47	-
Cash and bank balances	354	430	184
Loans and advances	451	299	638
Other Current Assets	2	.*	-
Total Assets	1,706	929	1,316
Less : Liabilities			
Trade payables	221	68	272
Other liabilities	108	44	64
Provisions	148	(3)	39
Total Liabilities	477	109	375
Net Assets	1,229	820	941
Less : Transfer of reserves of Pipal, Coalition India and Mercator	1,228	815	931
Redemption of Share Capital	1	5	10
Less : Cancellation of Company's investment in Pipal, Coalition India and Mercator	1,113	871	371
Balance adjustment on account of amalgamation as at appointed date from :			
Reduction in Reserves:			
Capital reserve	1,112	110	-
General reserve	-	756	361

* '-' in amounts' columns denote amounts less than Rs. 50,000.

47. Employee stock option scheme ("ESOS")

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Details	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	03-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51

* At the end of 3rd, 4th & 5th year in equal tranches

**Weighted average price of options as per Black -Scholes Option Pricing model at the grant date.

The Company had three schemes under which options have been granted in the past. Under ESOS 2011 and ESOS 2012 option vest over three years at each of the anniversaries. All options are exercisable within three years from the date of vesting and are settled in equity on exercise.

Under ESOS 2014 options vest over five years starting from third anniversary of the grant. Options are exercisable within two years from the date of vesting and are settled in equity on exercise.

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	252,700	2,119.67	131,790	1,502.86	1,895,607	1,292.28
Granted during the period	-	N.A.	-	N.A.	38,400	1,970.79
Forfeited during the period	22,000	2,025.20	11,480	1,060.00	188,306	1,217.20
Exercised during the period	3,500	579.88	41,960	1,078.26	323,560	1,217.20
Expired during the period	-	N.A.	-	N.A.	-	N.A.
Outstanding at the end of the period	227,200	2,152.54	78,350	1,767.15	1,422,141	1,337.62
Exercisable at the end of the period	71,840	2,091.32	40,110	1,372.73	298,748	1,217.20

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Particulars	Date	Wtd. avg. exercise price (Rupees)
Weighted average share price at the date of exercise.	April 19, 2017	2,014.57
	July 18, 2017	1,902.94
	October 17, 2017	1,840.77

Particulars	Range of exercise prices (Rupees)	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,060.00	105 days
	1,119.85 to 1,997.35	1208 days
	2,025.20 to 2,180.85	1855 days

Share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured:

Variables	ESOS 2014	ESOS 2014
Date of Grant	July 17, 2017	March 9, 2017
Stock Price (Rupees)	1,956.55	1,997.35
Volatility	27.15%	27.85%
Riskfree Rate	6.58%	6.97%
Exercise Price (Rupees)	1,956.55	1,997.35
Expected Life (Time to Maturity)	5.01	5.01
Dividend yield	1.38%	1.15%
Fair value per option	626.51	680.28

The Company have used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

Volatility: Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The Company has considered the daily historical volatility of the Company's stock price on NSE over the expected life of each vest.

Riskfree rate: The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

Expected life of the options: Expected Life of the options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company has calculated expected life as the average of the minimum and maximum life of the options.

Dividend yield: Expected dividend yield has been calculated as an total of Interim and final dividend declared in last year preceding date of Grant.

Cash inflow on exercise of options and weighted average share price at the date of exercise.

Particulars	Year ended December 31, 2017		Year ended December 31, 2016	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	369,020	4,411	122,665	1,294
Exercised during the previous year	550	6	3,590	31
Total	369,570	4,417	126,255	1,325

There are no cash settled plans implemented by the Company and hence there is no further liability booked in the books.

The estimates of future cash inflow that may be received upon exercise of options.

Particulars	Year ended		Year ended	
	December 31, 2017		December 31, 2016	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than Two Years	1,609,972	22,831	1,461,007	19,716
Later than Two Years & not later than Five Years	117,719	2,467	819,090	12,117
Total	1,727,691	25,298	2,280,097	31,833

- 48.** The Company has a process of identification of 'suppliers' registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmations from suppliers. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006 to whom any amount was payable on account of principal amount or interest, accordingly no additional disclosures have been made.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 42423

Date: February 13, 2018
Place: Mumbai

For and on behalf of the Board of Directors of CRISIL Limited

M. Damodaran
Director
[DIN: 02106990]

John L Berisford
Chairman
[DIN: 07554902]

Nachiket Mor
Director
[DIN: 00043646]

Vinita Bali
Director
[DIN: 00032940]

Ashu Suyash
Managing Director and
Chief Executive Officer
[DIN: 00494515]

Amish Mehta
Chief Financial Officer

Girish Paranjpe
Director
[DIN: 02172725]

Ewout Steenbergen
Director
[DIN: 07956962]

Minal Bhosale
Company Secretary

Date: February 13, 2018
Place: Mumbai

Notice

NOTICE is hereby given that the Thirty-First Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Tuesday, April 17, 2018 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements

To receive, consider and adopt:

- a. the Audited Financial Statements of the Company for the year ended December 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2017, together with the Report of the Auditors thereon.

2. Declaration of dividend

To declare final dividend on equity shares of Rs. 10 per equity share and to approve and confirm the declaration and payment of three interim dividends aggregating to Rs. 18 per equity share for the year ended December 31, 2017.

3. Ratification of the appointment of Statutory Auditors

To ratify the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), Chartered Accountants, as Statutory Auditors of the Company, and to authorise the Audit Committee and the Board of Directors to fix their remuneration, and for this purpose, to pass the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142, and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company be and is hereby ratified, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company and the Audit Committee of the Company be and are hereby authorised to fix their remuneration for the said period and permit reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties.”

4. Re-appointment of Ms. Martina Cheung

To appoint a Director in place of Ms. Martina Cheung (DIN 07551069), who retires by rotation and, being eligible, seeks re-appointment.

Special Business:

5. Appointment of Mr. Ewout Steenbergen as a Director of the Company

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Ewout Steenbergen (DIN 07956962), appointed a Director of the Company by the Board of Directors with effect from October 17, 2017 pursuant to the casual vacancy caused by the resignation of Mr. Douglas Peterson (DIN 05102955) who, in terms of Section 161 of the Companies Act, 2013 holds office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. Appointment of Mr. Girish Paranjpe as an Independent Director of the Company

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Girish Paranjpe (DIN 02172725), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from October 17, 2017 up to October 16, 2022.”

7. To make investments, give loans, guarantees and provide securities beyond the prescribed limits

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and such other provisions as may be applicable, including any

statutory modification or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to make loan(s) and/or give any guarantee(s)/ provide any security(ies) in connection with loan(s) made and/or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate as they may in their absolute discretion deem beneficial and in the interest of the Company, in one or more tranches, up to a maximum amount of Rs. 700 crore (Rupees Seven Hundred crore) over and above 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of the free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013 from time to time.

RESOLVED FURTHER THAT the Board or any Committee thereof and / or Managing Director and / or

any Officer(s) as may be authorised by the Board or any Committee thereof as per the applicable provisions of the Companies Act, 2013 be and are hereby authorised to take, from time to time all decisions and steps in respect of the above loans, guarantees, securities and investments/ acquisitions including the timing, amount and other terms and conditions of such loans, guarantees, securities and investments/ acquisitions and varying the same through transfer, sale, disinvestments or otherwise either in part or in full as they may deem appropriate, and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient in this regard and to exercise all the rights and powers which would vest in the Company in pursuance of such loans, guarantees, securities and investments/ acquisitions."

By order of the Board
For CRISIL Limited

Minal Bhosale
Company Secretary
ACS 12999

Mumbai, February 13, 2018

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The Instrument appointing the Proxy, duly completed, stamped and signed, should reach the Registered Office of the Company not less than forty-eight hours before the time of the Annual General Meeting.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding fifty or such number of members holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

A Proxy shall not have a right to speak at the Annual General Meeting. However, in case a member has not voted through the remote e-voting facility, the proxy may be entitled to vote through an e-poll made available at the venue of the Annual General Meeting.

2. Members / Proxies should bring the duly filled Attendance Slip at the Annual General Meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting. Proxy holder must carry a valid identity proof such as PAN card, passport, Aadhaar card or driving license at the Meeting.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Statement setting out details relating to the Special Business to be transacted at the Annual General Meeting, pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, April 2, 2018 to Tuesday, April 3, 2018 (both days inclusive) for determining the names of members eligible for dividend

on equity shares, if declared at the Annual General Meeting.

6. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid on Monday, April 23, 2018:
 - (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Company and its Registrar and Transfer Agents before Saturday, March 31, 2018; and,
 - (ii) in respect of shares held in electronic form, on the basis of beneficial ownership as per the details furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Saturday, March 31, 2018.
7. Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members are encouraged to use the Electronic Clearing Services (ECS) for receiving dividends. Members desirous of availing ECS facility for payment of dividend may download the required ECS mandate form from the website of the Company, www.crisil.com.
8. The Company has transferred the unclaimed or un-encashed dividends for financial years up to 2010 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account.

Members who have a valid claim to any unclaimed dividends which are not yet transferred, may claim the same from the Company immediately. The detailed dividend history, due dates for transfer to IEPF, and the details of unclaimed amounts lying with the Company in respect of dividends declared since 2011 are available on website of the Company, www.crisil.com.

Also, pursuant to Section 124(2) of the Companies Act, 2013, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company in respect of dividends declared in financial year 2017, on the website of the Company.

9. The certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Scheme – 2011, Employee Stock Option Scheme – 2012 and Employee Stock Option Scheme – 2014 are being implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed by the members of the Company will be available for inspection by the members at the Annual General Meeting.
10. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
11. In accordance with Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report of the Company for the financial year 2017, including the Notice convening the Annual General Meeting, has been emailed to the members whose email addresses are available with the depositories for communication purposes or are obtained directly from the members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014. For other members, who have not registered their email addresses, the Annual Report has been sent at their registered postal address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member. **Members who have not registered their email addresses so far are requested to register them for receiving all communication including Annual Report and other Notices from the Company electronically.**
- The Annual Report of the Company is also available on the website of the Company, www.crisil.com. As per Section 136(1), the physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
13. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days, except Saturdays, from the date hereof up to the date of the Meeting.
14. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready for responding at the Annual General Meeting.
15. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members of the Company so as to facilitate them to cast their vote on all resolutions set forth in this Notice electronically, through e-voting services provided by Karvy Computershare Private Limited. The instructions for e-voting are as under:
- Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'.
 - Enter the login credentials (i.e., user ID & password). Your folio / DP ID - Client ID will be your User - ID.
- | | |
|-----------|---|
| User – ID | For Members holding shares in Demat Form:-
a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
b) For CDSL :- 16 digits beneficiary ID
For Members holding shares in Physical Form :
Event no. followed by Folio Number registered with the Company |
| Password | Your Unique password is printed on the Form / forwarded via email through the electronic notice |
| Captcha | Enter the Verification code, i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |
- The e-voting period shall commence on Friday, April 13, 2018 at 10:00 a.m. and end on Monday, April 16, 2018 at 5:00 p.m. Members, holding shares either in dematerialised form or physical form as on Cut-Off date, Tuesday, April 10, 2018, may cast their vote electronically during this period. The remote e-voting module shall be disabled at 5.00 p.m. on

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April 16, 2018. Once the vote on a resolution is cast by a Member, the Members shall not be allowed to change it subsequently or cast the vote again.

- iv) After entering these details appropriately, click "LOGIN".
- v) Members holding shares in Demat / Physical form will now reach the Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited (KCPL) e-voting platform. The system will prompt you to change your password and update any contact details like mobile number, email ID etc. on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) You need to login again with the new credentials.
- vii) On successful login, the system will prompt to select the 'Event' i.e., 'Company Name'.
- viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and cast your vote earlier for any company, then your existing login ID and password are to be used.
- ix) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
- x) After selecting the resolution you have decided to vote on, click "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click

"OK", else to change your vote, click "CANCEL" and accordingly, modify your vote.

- xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - xii) Corporate / Institutional Members (Corporate/ FIs / FIs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to krchandratreoffice@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
 - xiii) If you are already registered with (KCPL) for e-voting then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
 - xiv) Please contact KCPL's toll free number 1-800-34-54-001 for any further clarifications.
16. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on Tuesday, April 10, 2018 ("Cut-Off Date"). Any person who acquires shares of the Company after dispatch of this Notice and holds shares as of the Cut-Off Date i.e. as on Tuesday, April 10, 2018, may obtain login ID and password by sending a request to evoting@karvy.com with a copy to investors@crsil.com by mentioning her / his Folio No. or DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 17. Members who have not cast their vote by remote e-voting can exercise their voting rights at the Annual General Meeting. The Company will make arrangements for voting at the venue of the Annual General Meeting. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
 18. Dr. K. R. Chandratre, Practicing Company Secretary, has been appointed Scrutiniser for scrutinising the e-voting process in a fair and transparent manner. The Scrutiniser shall, within 48 hours from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes

cast in favour or against, if any, forthwith to the Chairman of the Company.

19. The Results of e-voting and voting at the Meeting, if any, on resolutions shall be aggregated and declared on or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite numbers of votes in favour of the Resolutions.
20. The Results declared, along with the Scrutiniser's Report, shall be placed on the Company's website www.crisil.com and on the website of Karvy within forty-eight hours of the conclusion of the Annual General Meeting of the Company and communicated to the Stock Exchanges where the shares of the Company are listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.
21. The route map of the venue of the Annual General Meeting is appended to this Notice. The prominent landmark near the venue is Mantralaya.
22. **Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, the following information is furnished about the Directors proposed to be appointed / re-appointed:**

1. Ms. Martina Cheung:

Ms. Martina L. Cheung (age 42 years) was appointed as a director of the Company w.e.f. July 19, 2016.

Ms. Cheung is Head of Risk Services. She is responsible for monetising and leveraging S&P Global's significant risk intellectual property (research, content, models, data, analytics and solutions) cross-divisionally to serve clients in managing complex risk challenges. Ms. Cheung's responsibilities also include driving S&P Global's enterprise-wide growth strategy in ESG and Cyber risk.

Previously, Ms. Cheung served as S&P Global's Chief Strategy Officer, where she was responsible for the execution and measurement of S&P Global's growth and performance objectives, positioning the Company for sustainable growth and the continuing expansion of its global footprint. As Chief Strategy Officer, Ms. Cheung was also head of S&P Global Ventures, overseeing investments in early-stage Fintech startups.

Ms. Cheung joined S&P Global in 2010 as Vice President of Operations and was appointed Managing Director of the Global Strategy group in 2012. Prior to joining S&P Global, she worked in the consulting industry, first in Accenture's Financial Services Strategy group and later as a Partner at Mitchell Madison Consulting.

Ms. Cheung holds a bachelor's degree in Commerce and a master's degree in Business Studies from University College, Galway.

Ms. Cheung is also a director of the Company's wholly owned subsidiary, CRISIL Risk and Infrastructure Solutions Limited. Ms. Cheung is a member of Audit Committee of the Board of Directors of CRISIL Limited and is a member of the Corporate Social Responsibility Committee of CRISIL Risk and Infrastructure Solutions Limited. She doesn't hold any shares in the Company.

Ms. Cheung will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which she is a member/Chairperson or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. She does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of Ms. Cheung's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

2. Mr. Ewout Steenbergen:

Mr. Ewout Steenbergen (age 48 years) was appointed on the Board of CRISIL Limited as a director in casual vacancy caused by resignation of Mr. Douglas Peterson.

Mr. Steenbergen is Executive Vice President and Chief Financial Officer (CFO) of S&P Global, where he is responsible for all aspects of the Finance department, focused on growth and sustainable shareholder value. Moreover, he is responsible for Strategy & Corporate Development at S&P Global.

Mr. Steenbergen was appointed CFO of S&P Global in 2016. Previously, he was Executive Vice President and CFO of Voya Financial, Inc.

Prior to his role as Voya's CFO, Mr. Steenbergen was CFO and Chief Risk Officer for ING Asia-Pacific and

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held a number of management roles for ING Group, including serving as regional general manager in Hong Kong and as a Chief Executive Officer of RVS, an ING Group company based in the Netherlands. He has also held other international roles such as CEO of ING's Retail Business in the Czech and Slovak Republics and CEO of ING Nationale-Nederlanden Slovak Republic.

Mr. Steenbergen holds a master's degree in actuarial science from the University of Amsterdam and a master's degree in business administration from the University of Rochester and from Nyenrode University.

Mr. Steenbergen is a member of the Investment Committee and Stakeholders' Relationship Committee of the Board of Directors of CRISIL Limited. He is not a director in any other Indian Company. He is a director in S & P Global Ventures, Inc and on the Board of Directors of the US Fund for UNICEF.

Mr. Steenbergen will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which he is a member/Chairperson or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of Mr. Steenbergen's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

3. Mr. Girish Paranjpe:

Mr. Girish Paranjpe (age 60 years) was appointed on the Board of CRISIL Limited as an additional director, in the capacity of Independent, Non-Executive Director of the Company.

Mr. Paranjpe is a well-rounded business leader with over 3 decades of experience in the technology and other industries, also having good exposure in Financial Services technology.

Mr. Paranjpe served as the Co-CEO of Wipro's IT Business from 2008-2011 and was a member of the Board of Directors of Wipro Ltd. Mr. Paranjpe has had a two decade-long tenure at Wipro Limited, where he lead Wipro's IT business, and held other senior positions at Wipro, as President - Financial Services Consulting and Marketing, Head - Financial Services and CFO – IT business.

More recently, Mr. Paranjpe, was Managing Director for Bloom Energy International, a silicon valley based alternative energy company.

He is currently an Operating Partner at Advent International (a Private Equity firm), where he has oversight of the firm's proposed investments in the IT services sector. He is also the Founding Partner at Exfinity Venture Partners which invests in tech startups.

Mr. Girish Paranjpe is a Fellow Member of the Institute of Chartered Accountants of India and Associate Member of the Institute of Cost and Works Accountants of India.

Mr. Paranjpe is a director in IBS Software Pte Ltd, Edreams Edusoft Pvt Ltd, Vizury Interactive Pvt Ltd, Fitternity Health E-Solutions Pvt Ltd, Happiest Minds Technologies Pvt Ltd and Dixcy Textiles Pvt Ltd. He is also a Chairman of the Audit Committees of IBS Software Pte. Ltd and Happiest Minds Technologies Private Limited.

Mr. Paranjpe is a member of the Audit Committee, Investment Committee and Corporate Social Responsibility Committee of the Board of Directors of CRISIL Limited.

Mr. Paranjpe will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which he is a member/Chairperson or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of Mr. Paranjpe's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

Explanatory statement under Section 102 of the Companies Act, 2013:

Item No. 5:

Mr. Ewout Steenbergen was appointed as a Director of the Company on October 17, 2017 in terms of the provisions of Section 161(4) of the Companies Act, 2013, pursuant to the casual vacancy caused by the resignation of Mr. Douglas Peterson. Mr. Steenbergen accordingly holds office up to the date of this Annual General Meeting, being the term up to which the director in whose place he is appointed,

would have held office. Section 161(4) further provides that appointment of a director casual vacancy be subsequently approved by members in the immediate next general meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Mr. Ewout Steenbergen for the office of Director. A brief resume of Mr. Ewout Steenbergen and other details, as required to be given pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and his other directorships have been given elsewhere in this Notice.

He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way.

The Board of Directors considers it in the interest of the Company to appoint Mr. Ewout Steenbergen as a Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Ewout Steenbergen, is in any way, interested or concerned in this resolution. The Board recommends the resolution set forth in item No. 5 of the notice for approval of the members.

Item No. 6:

The Board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Mr. Girish Paranjpe (DIN: 02172725) on October 17, 2017, as an Additional Director (Independent and Non-Executive) on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013. Mr. Paranjpe holds office up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013. The Company has received notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Brief profile of Mr. Girish Paranjpe and his other directorships has been included in this Notice.

The Company has received a declaration from Mr. Paranjpe stating that he meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Copy of the draft letter of appointment of Mr. Paranjpe is available for inspection at the Registered office of the Company and will also be available for inspection at the Annual General Meeting of the Company.

The Board of Directors considers it in the interest of the Company to appoint Mr. Paranjpe as an Independent Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Paranjpe, is in any way, interested or concerned in this resolution. The Board recommends the resolution set forth in item No. 6 of the notice for approval of the members.

Item no. 7

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security up to the prescribed ceiling of i) Sixty percent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred percent of its free reserves and securities premium account, whichever is more (hereinafter referred to as 'prescribed limits').

Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the above-mentioned limits under the authority of a special resolution passed by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure for investment in new and existing subsidiaries, joint ventures or associates, as well as meeting their corporate requirements, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof or any authorised officer, to make loan, investment or give guarantee or provide security up to an aggregate amount of up to Rs. 700 crore (Rupees Seven Hundred crore), over and above 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of the free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013 from time to time.

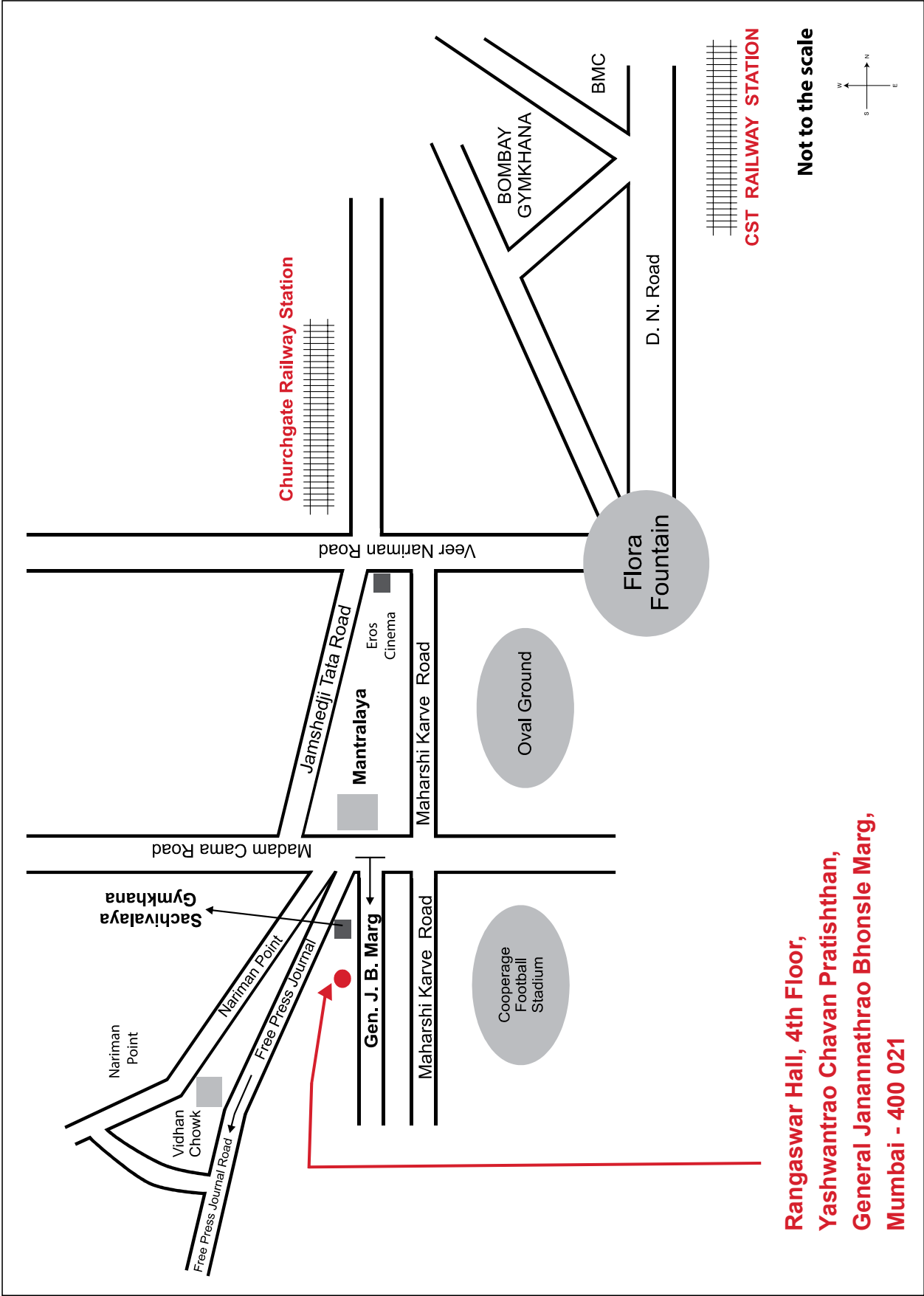
The Board of Directors of the Company recommend the Resolution set out at item no. 7 of the notice for approval of the members. None of the Directors or Key Managerial Personnel of the Company or their relatives, is, in any way, concerned or interested in the resolution.

By order of the Board
For CRISIL Limited

Minal Bhosale
Company Secretary
ACS 12999

Mumbai, February 13, 2018

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



CRISIL LIMITED

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076

Corporate Identification Number (CIN) : L67120MH1987PLC042363

Tel.: 022-33423000 Fax: 022-33423001

Website : www.crisil.com ; e-mail: investors@crisil.com

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013, and Rule 19(3) of the
Companies (Management and Administration) Rules, 2014]

Form of Proxy

Name of Member(s) :

Registered address :

Email ID :

Folio No. / DP ID - Client ID :

I / We, being the Member(s) holding shares of CRISIL Limited, hereby appoint :

1. Name :

Address :

Email ID :

Signature :, or failing him / her

2. Name :

Address :

Email ID :

Signature :, or failing him / her

3. Name :

Address :

Email ID :

Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held on Tuesday, April 17, 2018 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Financial Statements
2. Declaration of Dividend
3. Ratification of appointment of Statutory Auditors
4. Re-appointment of Ms. Martina Cheung

Special Business:

5. Appointment of Mr. Ewout Steenbergen as a Non-Executive Director, liable to retire by rotation
6. Appointment of Mr. Girish Paranjpe as an Independent Director
7. Increasing the limits of investments, loans, guarantees and securities beyond the prescribed limits

Signed this day of, 2018

Signature of Shareholder :

Signature of Proxy holder(s) :

Affix
Re. 1
Revenue
Stamp

Note: This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. The proxy holder may vote through e-poll made available at the venue of the meeting either for or against each resolution, in case the member has not voted through the remote e-voting facility.

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Note

The Annual Report contains forward looking statements based on our current expectations, assumptions, estimates and projections regarding the Company's businesses. These forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminology such as "targets", "believes", "expects", "aims", "assumes", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues", "estimate", "milestone" or other words of similar meaning and similar expressions or the negatives thereof. By their nature, forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by the forward-looking statements. Given the aforementioned uncertainties, prospective or present shareholders / investors and users of this Report are cautioned not to place undue reliance on any of these forward-looking statements. The Company does not undertake to update the forward-looking statements in the future, unless legally required.

Office Locations

Registered Office

CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai,
Mumbai 400 076, India
Phone : +91 22 3342 3000

Asia Pacific

India

Ahmedabad

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Venus Atlantis, Prahladnagar, Satellite,
Ahmedabad 380 015
Phone : +91 79 4024 4500

Bengaluru

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Thapar House, Mezzanine Floor,
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+91 44 4905 3100

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Chennai 600 028
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Uma Chambers, 3rd Floor,
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Mumbai

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Navi Mumbai 400 708
Phone : +91 22 6112 5200 / 4151 6764

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Hiranandani Business Park, Powai,
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Phone : +54 11 4718 5100

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Vicente López, Buenos Aires,
Argentina

CRISIL

An **S&P Global** Company

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