

March 18, 2019

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

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

Dear Sirs,

Sub.: Annual Report including the Notice of 32nd Annual General Meeting

Kindly be informed that the 32nd Annual General Meeting (AGM) of CRISIL Limited will be held on Wednesday, April 17, 2019 at 3.30 p.m. at Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021.

Please find enclosed herewith Annual Report of the Company for the financial year ended December 31, 2018 including the Notice of 32nd AGM.

Kindly acknowledge receipt and inform your members accordingly.

Yours faithfully,  
For CRISIL Limited



Minal Bhosale  
Company Secretary  
ACS 12999

Encl.: a/a

**CRISIL Limited**

Corporate Identity Number: L67120MH1987PLC042363

**CRISIL**

An S&P Global Company

We are **more**

We are **a global  
analytics  
force...**

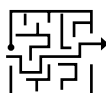
Driven by quants, data scientists, fundamental analysts, technologists and other top-draw talent from around the world.

We empower investors, help shape policies and regulations, and enable clients take informed decisions with conviction.

## ... and we continue to be



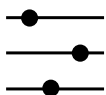
the pioneers and leaders of credit ratings in India. **We also provide market-leading benchmarks and indices.**



the preferred partner for business intelligence by global investment banks. **We also provide high-end research and risk analytics services.**



India's largest, independent research house. **We also provide unmatched, cross-segmental analytics to our clients.**



a credible player in infrastructure advisory in emerging markets. **We also provide India's only investability index for the infrastructure sector.**

We  
are  
**more.**

# Inside the report

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# Message from the Chairman



CRISIL continued to strengthen its presence across markets as a leading, agile and innovative global analytics company, delivering growth and improved profitability.



Indeed, 2018 was a year of big changes both in the Indian and global markets, with its share of changing technologies, regulations and customer needs. All these are not only redefining markets, but also creating opportunities for us.

During the year, CRISIL continued to strengthen its presence across markets as a leading, agile and innovative global analytics company, delivering growth and improved profitability.

Our Ratings business continued to stand tall on the back of analytical rigour, ratings quality and in delivering Essential Intelligence. Coalition deepened its presence across Corporate and Investment Banking by enhancing its niche analytics offerings. India Research continued to leverage its data and analytics platform Quantix to serve emerging needs. Global Research and Analytics achieved good traction with its SMART and SPARC solutions.

Throughout the year, we continued to focus on innovation. For micro, small and medium enterprises, we launched CriSidEx, India's only sentiment index of its kind, and the CRISIL Credit Assessment Score that offers the markets and lenders insights and opinions on credit.

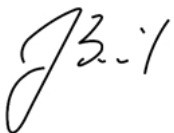
We also sharpened our imprint across industries through a raft of high-impact events and thought-leadership reports. The collaboration between S&P Global and CRISIL continues to progress with several joint events being hosted in India and Singapore.

I am confident that these strategic pursuits powering our transformative journey will enable us to serve new client needs and fuel growth.

Last but not the least, my heartfelt thanks to all our CRISIL employees. It's their hard work and invaluable contributions that have ensured our growth and success.

I look forward to your continued support, and wish you and your families a great 2019.

Warm regards,



**John L Berisford**  
Chairman



# About CRISIL

## Who we are

**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 100,000 customers. Our businesses operate from India,

the United States (US), the United Kingdom (UK), Argentina, Poland, China, Hong Kong, Singapore, and the United Arab Emirates (UAE).

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

**CRISIL's clients range from MSMEs 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

**Our market-leading ratings, benchmarks, analytics and solutions empower lenders, borrowers, issuers, investors, regulators and intermediaries to make decisions with conviction.**

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 John L Berisford

Ms Ashu Suyash

Mr Ravinder Singhania

Ms Vinita Bali

Ms Martina L Cheung

Mr Ewout Steenbergen

Ms Arundhati Bhattacharya

Mr Girish Paranjpe

Mr M Damodaran

### Mr John L Berisford

CHAIRMAN

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

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 the Company. In this role, he was instrumental in creating and executing 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 the Company's focused business unit operating model, while strengthening the human resource 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.

### Mr M Damodaran

DIRECTOR (INDEPENDENT)

Mr M. Damodaran, a former Indian Administrative Service officer, has held a number of important positions in both central and state governments, and in India's financial sector, before demitting office as the Chairman, Securities and Exchange Board of India (SEBI), in February 2008. Prior to that, he was the Chairman of Unit Trust of India and Industrial Development Bank of India, and led the successful restructuring of both these institutions. His earlier positions include Joint Secretary (Banking), Ministry of Finance, Government of India; Joint Secretary, Ministry

of Information and Broadcasting, Government of India; and Chief Secretary, Government of Tripura.

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

At present, he is Advisor in India for the Netherlands-based ING Bank 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. Mr Damodaran is the Chairman of Glocal Healthcare Systems, a pioneering pan-India effort to provide quality healthcare at affordable cost to Indians in underserved rural areas. He is also the Non-Executive Chairman of InterGlobe Aviation Limited.

He was the Chairman of the Government of India-constituted task force for setting up the Resolution Corporation of India. He was also the Chairman of the Committee for Reforming the Regulatory Environment for Doing Business in India, Ministry of Corporate Affairs. He is the Founder Chairman of the Society and Board of Governors of the Indian Institute of Management 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. She brings a global and pragmatic perspective to strategy, marketing, innovation and operations, having worked across countries and continents, with responsibility for global and regional roles.

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. She is a Non-Executive Director on the Global Boards of Smith & Nephew plc, and Bunge Limited. In the recent past, she also served on the Global Boards of Syngenta International AG and GAIN (Global Alliance for Improved Nutrition), a Swiss Foundation, based in Geneva.

In India, Ms Bali serves as a Non-Executive Director on the Board of Syngene International Limited; is a Member of the Board of Governors of Indian Institute of Management - Bangalore; an Advisory Board Member

of PwC and Chairs the CII National Committee on Nutrition.

Ms Bali was 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 forums nationally and internationally and won several awards for her various contributions to business and society.

Ms Bali holds a graduate degree in Economics from the University of Delhi and a Masters in Management from the University of Bombay.

### Mr Girish Paranjpe

DIRECTOR (INDEPENDENT)

Mr Girish Paranjpe has over three decades' experience in technology and other industries along with substantial exposure to financial services technology.

Mr Paranjpe served as the Co-CEO of Wipro's information technology (IT) business during 2008-2011 and was a member of the Board of Directors of

Wipro Limited. Mr Paranjpe had a two decade-long tenure at Wipro Limited, where he led the IT business and held other senior positions, as President, Financial Services Consulting and Marketing; Head, Financial Services; and CFO, IT business.

More recently, Mr Paranjpe was the MD of Bloom Energy International, a Silicon Valley-based alternative energy company.

He is a Founding Partner of Exfinity Venture Partners, which invests in tech startups.

Mr Paranjpe is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India.

### Ms Arundhati Bhattacharya

DIRECTOR (INDEPENDENT)

Ms Arundhati Bhattacharya has 40 years of rich experience in India's financial sector, working across varied roles and diverse national and international locations. She was the first woman Chair of State Bank of India (SBI), a Fortune 500 company, and held the position for four years. Ms Bhattacharya has expertise and

deep understanding of all aspects of banking spanning the domains of credit, forex, treasury, retail operations, mergers and acquisitions, besides the capital and bond markets.

Most significant among her work is the SBI's technology agenda to embrace digital and mobile presence. Under her leadership, the bank was adjudged one of the top three best places to work in India by the leading global job

site 'Indeed'. Other notable initiatives during her chairmanship include overhauling of the bank's risk structure and implementation of various technology tools for this purpose, as well as enhancing enterprise-wide risk awareness and sensitivity. She also engineered the merger of the mother bank with its six associate banks, creating an entity three times the size of its nearest competitor.

Forbes ranked her 25th in its list of 'Most Powerful Women in the World' and 5th in 'Most Powerful Women in Finance' in 2016. She also featured in Fortune's '50 Most Powerful Women in Business' and ranked among the top five in the Asia-Pacific region. She was one of the two Indians among Foreign Policy Magazine's '100 Global Thinkers' in 2014. She ranked 26th in the fourth edition of Fortune's 'World's 50

Greatest Leaders', becoming the only Indian corporate leader to be featured in the list.

Before taking charge as the Chairman, Ms Bhattacharya had a short stint as the MD and CFO of the bank. She was also the MD and CEO of SBI's investment banking arm, SBI Capital Markets. Earlier as the Chief General Manager (New Businesses),

Ms Bhattacharya was involved in setting up several new companies / launching initiatives, including SBI General Insurance, SBI Macquarie Infrastructure Fund and SBI SG Securities Limited.

Ms Bhattacharya has a postgraduate degree in English. She is also an associate of the Indian Institute of Bankers.

### Ms Martina L Cheung

DIRECTOR

Ms Martina L Cheung is the Head of Risk Services, S&P Global. 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 Environmental, social and governance (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 the company's growth and performance objectives, positioning the company for sustainable growth and the continuing expansion of its global footprint. She was also the Head of S&P Global Ventures, overseeing investments in early stage fintech startups.

Ms Cheung joined S&P Global in 2010 as the Vice President of Operations and was appointed the MD 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 the Executive Vice President and CFO of S&P Global. As CFO, Mr Steenbergen is responsible for all aspects of the finance department, focused on growth and sustainable shareholder value. Moreover, he is responsible for strategy and corporate development of Digital Infrastructure and Kensho. He was appointed CFO of S&P Global in 2016. Previously, he was the Executive Vice President and CFO of Voya Financial Inc.

Prior to Voya, Mr Steenbergen was the CFO and Chief Risk Officer for ING Asia-Pacific and held a number of management roles in the ING Group, including serving as the Regional General Manager in Hong Kong and the CEO of RVS, an ING Group company based in the Netherlands.

He has also held other international roles such as the CEO of ING's retail business in the Czech and Slovak Republics and the 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 Nyenrode University.

He also serves on the Board of Directors of the US Fund for the United Nations International Children's Emergency Fund.

## Mr Ravinder Singhanian

ALTERNATE DIRECTOR  
TO MR JOHN L. BERISFORD

Mr Ravinder Singhanian is the Managing Partner of Singhanian & Partners LLP, Solicitors and Advocates.

Mr Singhanian has more than two decades of experience in the legal profession. He ranks amongst the top 100 legal luminaries of India in researches conducted by LexisNexis, and Indian Corporate Counsel Association. He has been consistently

rated as India's top corporate mergers and acquisitions, 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 charter member of TiE, Delhi Chapter. He has

served in board positions in TerraLex Inc., American Bar Association, PHD Chamber of Commerce and Indian Council of Arbitration.

Mr Singhanian holds bachelor's degrees in commerce and law from Shri Ram College of Commerce and Campus Law Centre, Delhi University, respectively. He is admitted to practise law in India and England (solicitor of the Supreme Court of England and Wales). He has authored two books on legal themes.

## Ms Ashu Suyash

MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER

Ms Ashu Suyash is the MD and CEO of CRISIL. She also serves as a member of the Operating Committee for S&P Global. Ms Suyash leads CRISIL's Indian and global businesses, steering its efforts to deliver high quality analytics, opinions and solutions to corporations, investors, financial institutions, policy makers and governments. Ms Suyash has spent 30+ years in the financial services sector.

Prior to joining CRISIL in 2015, she served as the CEO of L&T Investment

Management Limited and L&T Capital Markets Limited. From 2003 to 2012, she was the Country Head and MD of Fidelity's Indian mutual fund business, which she helped set up.

Previously, she held several key positions across the corporate, consumer and investment banking divisions during her 15+ years' stint at Citibank. Over the years, Ms Suyash has been recognised among the top 50 women in business in India and Asia by various publications. Ms Suyash is a chartered accountant and holds a bachelor's degree in commerce. She is a member of the National Executive Committee of the Federation of

Indian Chambers of Commerce and Industry. She is also a member of the Governing Board of National Institute of Securities Markets, established by SEBI. Ms Suyash has a keen interest in the education sector and is on the Advisory Board of the Chartered Institute for Securities & Investment, is associated with the Board of Studies at Narsee Monjee Institute of Management Studies and Narsee Monjee College, Mumbai, and is also on the Advisory Board of Aseema Charitable Trust, a non-governmental organisation that provides education to underprivileged children.

## Senior Management Team

**Ashu Suyash**

Managing Director & Chief Executive Officer

**Amish Mehta**

Chief Operating Officer & President

**Sanjay Chakravarti**

Chief Financial Officer & President

**Anupam Kaura**

Chief Human Resources Officer & President

**Pawan Agrawal**

Chief Risk Officer

**Ramesh Lakshminarayanan**

Chief Technology & Information Officer

**Gurpreet Chhatwal**

President – CRISIL Ratings

**V Srinivasan**

President – CRISIL Global Research & Analytics

**Stephane Besson**

Chief Executive Officer – CRISIL Coalition

**Ramraj Pai**

President – CRISIL

**Ashish Vora**

Business Head – Business Intelligence & Risk Solutions

**Sameer Bhatia**

President – CRISIL Infrastructure Advisory

**Subodh Rai**

Senior Director & Head Analytics – CRISIL Ratings

**Priti Arora**

Business Head – CRISIL Global Analytical Centre & Chief Strategy Officer

## Board Committees

### Audit Committee

**Mr M Damodaran**

Chairman

**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**

Chairman

**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 Chandiook & Co LLP**

### Solicitors

**Wadia Ghandy & Co**

### Bankers

ICICI Bank

Citibank NA

The Hongkong and Shanghai Banking Corporation

Andhra Bank

Indian Overseas Bank

### Share transfer agent

Karvy Fintech Pvt Limited

Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli Financial District

Nanakramguda, Hyderabad - 500 032

Email: einward.ris@karvy.com

Phone No: +91 40 6716 1500

Toll Free No: 1800 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

# At CRISIL, we provide market- leading benchmarks

CRISIL's Coalition Index is known as the authoritative source for benchmark for global investment banking industry.

This year we launched CriSidEx, India's first business sentiment index for MSEs (micro and small enterprises) in partnership with SIDBI (Small Industries Development Bank of India). This composite index – a lead and lag indicator – works as an accurate barometer of the trends on the ground, playing an important role in addressing financial and developmental gaps in the MSE ecosystem.

Similarly, last year, we had introduced CRISIL Infracnvex, an investability index for the infrastructure sector in India to much acclaim. Again an industry first that tracks, measures and assesses the development, maturity and investment attractiveness of infrastructure sector in the country. We are also the leading provider of debt and hybrid indices in India, while our credit ratings have supported growth and transparency in the capital markets over the past 30 years.

In short, our benchmarks are being used as a crucial tool by policy makers, lenders, trade bodies, economists and others to make better financial decisions.

<b>CriSidEx</b>	India's first business sentiment index for MSEs	<b>CRISIL Infracnvex</b>	India's first investability index
<b>CRISIL Inclusix</b>	India's first financial inclusion index	<b>Coalition Index</b>	Performance index for global investment banks

## Independent assessments Reliable analytics

Many industry firsts that matter.

We are **more**



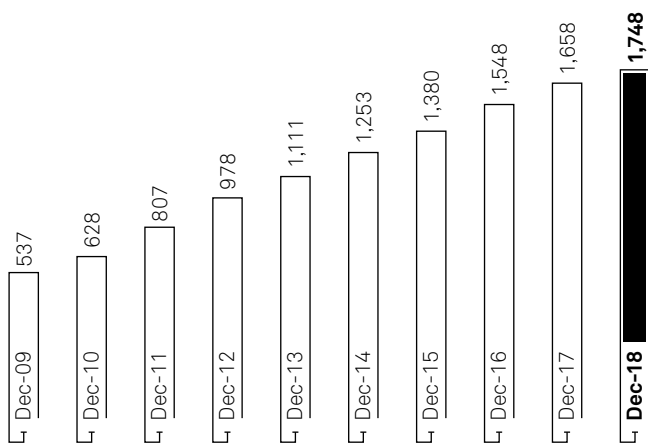
# 01

## Corporate overview

# Performance highlights

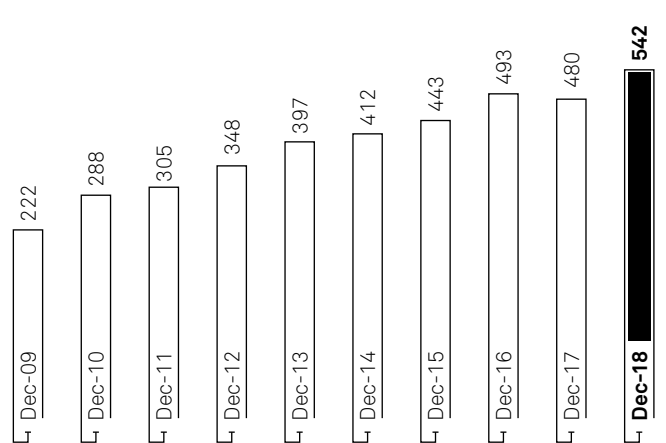
## Income from operations\*

Rs crore



## Profit before depreciation and tax\*

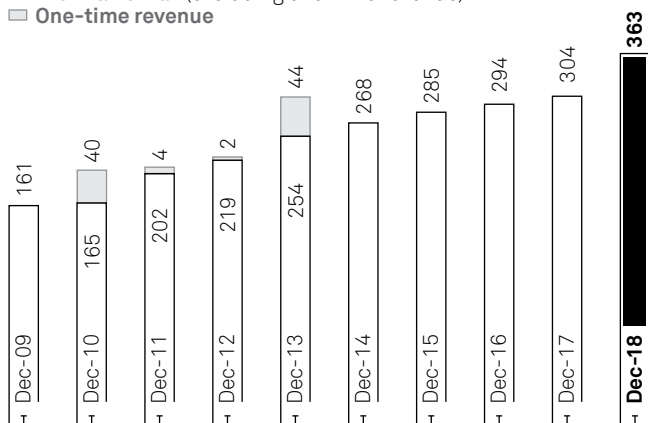
Rs crore



## Profit after tax\*

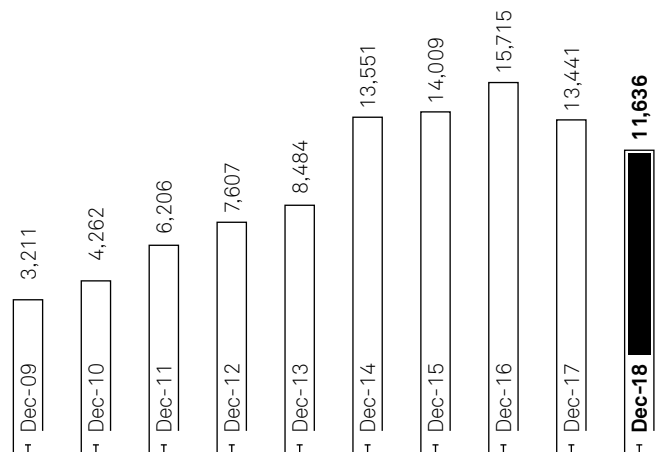
Rs crore

- Profit after tax (excluding one-time revenue)
- One-time revenue



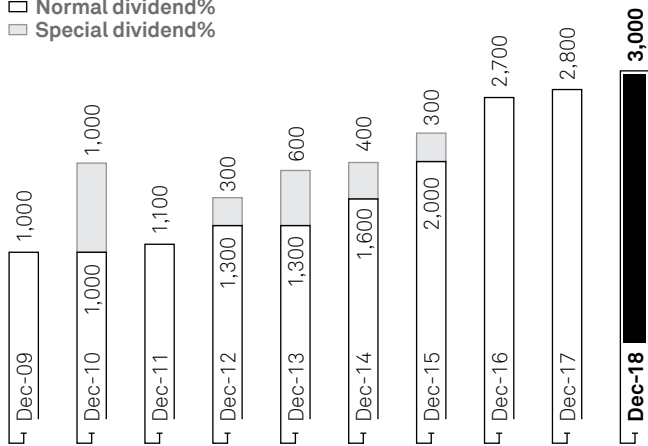
## Market capitalisation

Rs crore

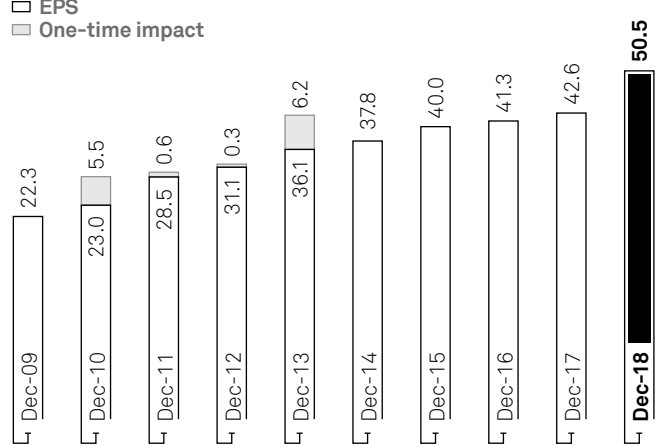


**Dividend**

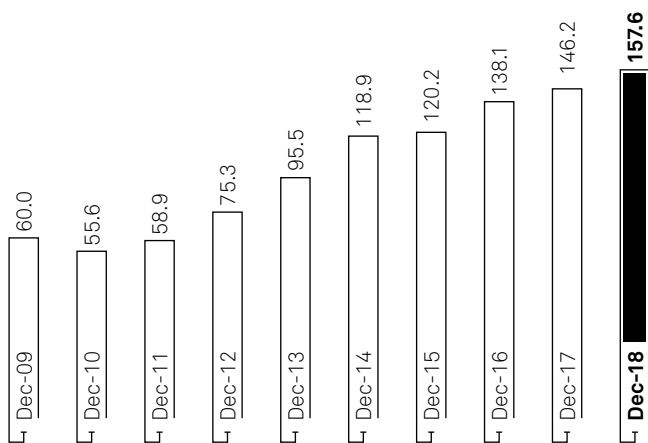
in %

 □ Normal dividend%  
 ■ Special dividend%

**Earnings per share\* (EPS)**

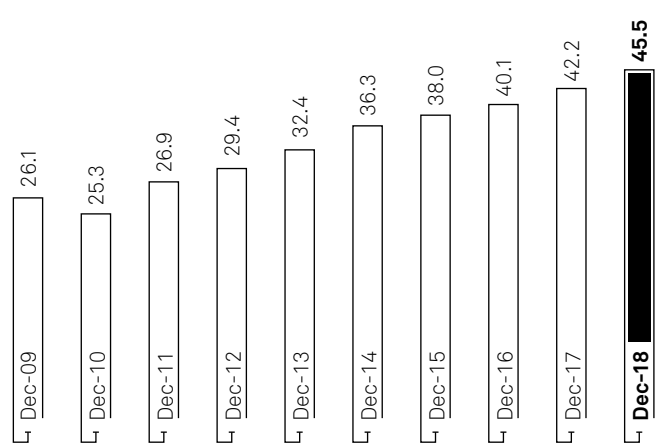
in Rs

 □ EPS  
 ■ One-time impact

**Net worth per share\***

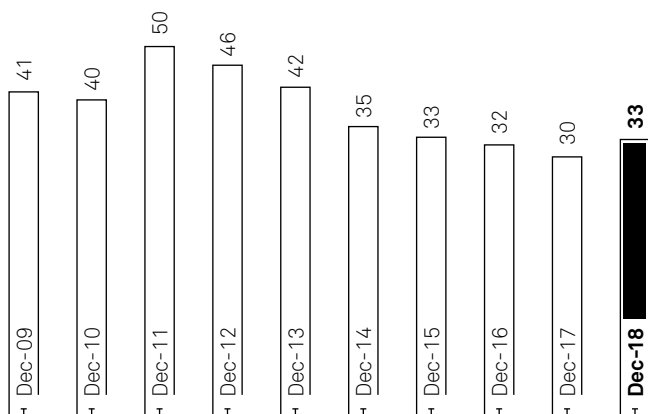
in Rs


**Income per employee\***

Rs lakhs


**Return on average net worth\***

in %



\* Figures for 2018, 2017 and 2016 are as per Ind AS and for the earlier years as per IGAAP

# CRISIL Businesses

## CRISIL Ratings

We have rated more than **28,000 large** and mid-scale corporates and financial institutions.

Our capabilities span the entire range of debt instruments. We improve access to funding for issuers and borrowers, and help optimise their cost of funds. For investors and lenders, we supplement internal evaluation processes and benchmark credit quality across investment options.

We help markets function better and assist regulators in measuring and managing credit risks at a systemic level. Our ratings are used in the computation

of capital adequacy in the banking sector. We have also conducted grading and assessments of over 144,000 micro, small and medium enterprises (MSMEs) in India. Through our Global Analytical Centre (GAC), we provide analytical, research and data services to S&P Global. The center 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 (GR&A)

We are one of the leading providers of high-end research and analytics services to **75 global banks, 50+ buy-side firms, insurance companies** and others.

We are the world's leading provider of equity and fixed-income research to banks, and the foremost provider of end-to-end risk management, analytics and process reengineering services to trading, risk and finance management functions at leading global financial institutions.

We operate from eight research centres across Argentina, China, India and Poland, working with clients across time zones and languages. We support 17 of the top 20 global investment banks, 19 of 35 bank holding companies (BHCs), 4 of

the top 10 asset managers, 4 of the top 15 global insurers, 2 of the top 10 global consultants, and 24 credit risk teams of global banks.

Our rapidly evolving data analytics and automation-based solutions provide clients a distinct competitive edge and enables them in making key strategic and tactical business decisions to drive business objectives such as cost reduction, alpha generation, and increased revenue and assets under management growth.

## CRISIL Coalition

We are a preferred analytics and business intelligence provider to more than **25 corporate and investment banks** globally.

We provide objective research and high-end analytics to support strategic and tactical decision-making across four areas: competitor analytics, financial resources analytics, client analytics and country analytics. Operating from five global locations, our team of industry experts assist clients to increase their revenue share and strengthen the market position.

Our competitor analytics includes revenue and headcount productivity analytics. The financial resources

analytics offering includes operating cost and margin analytics, and Risk Weighted Asset (RWA), exposure and returns analytics. Coalition's client analytics offering includes franchise revenue pools, wallet and share of wallet for both institution and corporate clients. It also includes ranking and gap for institutional clients. The country analytics offering includes franchise revenue pools by product, market concentration and client type, named franchise competitor revenues, and client wallet analytics for entities by country.

## CRISIL Research

We are India's most credible provider of economy and industry research, with coverage across **90+ 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 asset management companies (AMCs) and life insurance companies, and four of the world's leading consulting firms.

We are also the leading provider of valuation of fixed-income securities to AMCs insurance and banking industries, valuing over \$1.68 trillion of Indian debt

securities. We maintain 91 standard and 100+ customised indices in India and 13 standard indices in Sri Lanka. We provide due-diligence and ranking services to AMCs 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 Infrastructure Advisory

We help shape public policy and enable infrastructure development in **emerging countries**

We are a leading advisor to governments and regulators, multilateral agencies, investors and large corporates.

We aid creation of a vibrant ecosystem for infrastructure development through our work in areas of policy and regulatory advisory, public-private partnership frameworks, infrastructure financing mechanisms, business and commercial diligence.

We also offer programme management, including monitoring and evaluation services, and institutional strengthening

for government and infrastructure agencies.

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

CRISIL conducts its infrastructure advisory business through its subsidiary *CRISIL Risk and Infrastructure Solutions Limited (CRIS)*.

## CRISIL Risk Solutions

We have helped over **80 banks and financial institutions** adopt best practices in risk management.

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 Southeast Asia. We have helped over 80 banks and financial institutions adopt best practices in risk management, including providing

solutions to 9 out of the top 10 banks in India, and undertaken risk management assignments across 15 countries.

*CRISIL conducts its risk solutions business through its subsidiary CRISIL Risk and Infrastructure Solutions Limited (CRIS).*

## Pragmatix

We deliver cutting edge solutions in the **'data to intelligence' lifecycle** to the BFSI vertical.

Pragmatix Services Private Limited (Pragmatix), acquired in 2018, is a 100% subsidiary of CRISIL Limited. We are focused on delivering cutting edge solutions in the 'data to intelligence' lifecycle to the banking, financial services and insurance (BFSI) vertical. Our big data capabilities and advanced data models provide descriptive, prescriptive and predictive analytics, which are delivered through the proprietary enterprise data analytics platform, Fulkrum. The platform includes intellectual property in the form of

pre-configured data models, KPIs and algorithms that offer accelerated business solutions.

The analytics and solution offerings span several functional domains including risk and portfolio management, sales and relationship management, pricing efficiency, working capital optimisation, asset management reporting to clients across India, the Middle East and North America. Our clients include retail and commercial banks, financial institutions, asset managers, insurers and telecom companies.

# Reports and publications

## Global markets

### Preparing for Brexit

A deep dive into impact areas and end-to-end implementation



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Global Research & Analytics **CRISIL**  
AN IRIS GROUP COMPANY

**Brexit gauge**  
An impact assessment template for financial institutions  
March 2018

Global Research & Analytics **CRISIL**  
AN IRIS GROUP COMPANY

**Blockchain in trade finance**  
A new paradigm to fight trade-based money laundering  
May 2018

### Blockchain in trade finance

Insights into finding a new paradigm to fight trade-based money laundering

### CRISIL Coalition: Global Transaction Banking League Table

Performance analysis of the 10 largest transaction banks globally

CRISIL Coalition  
Global Transaction Banking League Table – 1H18  
October 2018

COALITION **CRISIL**  
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Global Research & Analytics **CRISIL**  
AN IRIS GROUP COMPANY

**Spotlight on credit risk as cycle shifts**  
Technology and analytics can plug gaps in risk monitoring and boost surveillance  
July 2018

### Spotlight on credit risk as the cycle shifts

Technology and analytics can plug gaps in risk monitoring and boost surveillance

## Indian economy

### Reckoning the rupee's reversion range

Insights on sharp fall of the rupee against the US dollar as global headwinds strengthened and the current account deficit widened

Research **CRISIL**  
AN IRIS GROUP COMPANY

**Reckoning rupee's reversion range**  
There's a 50% chance of 71/\$ by March 2019  
November 5, 2018

### CRISIL India Outlook 2018; The FouRs of Growth

India's growth dynamics in fiscal 2018 and beyond depend on four thrust vectors – resolution of banking sector stress, rural rejuvenation, relentless implementation of reforms, and rising global growth

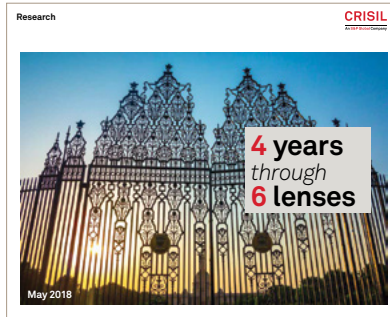
**CRISIL**  
AN IRIS GROUP COMPANY

**The FouRs of Growth**  
March 2018

**INDIA OUTLOOK**

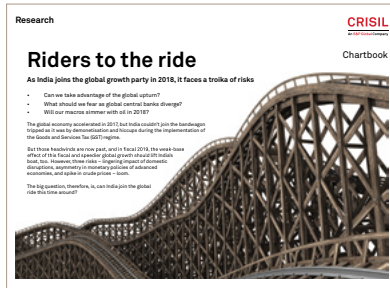
**CRISIL Insight: 4 years through 6 lenses**

Repairs and reforms initiated by the Narendra Modi-led National Democratic Alliance government in the past four years

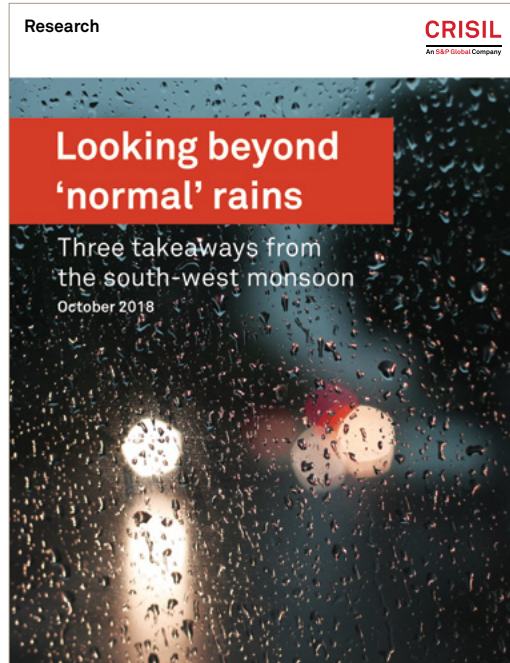


**CRISIL chartbook: Riders to the ride**

As India joined the global growth party in 2018, it faced a troika of risks



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**Looking beyond 'normal' rains**

Insights into the key aspects of monsoon and the rural economy

**Industry & corporates**

**Digital evolution: Can technology be the propelling factor for the industry?**

Joint report with the Association of Mutual Funds in India focusses on the ups and downs of over the past 25 years of the mutual funds industry

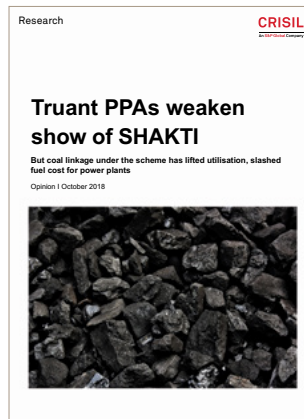


**Securitisation resilient despite roadblocks**

Insights into the securitisation market in India – trends, challenges and way ahead

**CRISIL Yearbook on the Indian Debt Market**

A comprehensive assessment of demand and supply of corporate bonds till fiscal 2023



**Truant PPAs weaken show of SHAKTI**

Focuses on coal linkage under the Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI) II, which has lifted utilisation and slashed fuel cost for power plants

# Franchise highlights

CRISIL hosted its fifth annual bond market seminar themed around **'Bonds of growth: Assessing the demand-supply matrix'** in Mumbai. The seminar also saw the launch of CRISIL Yearbook for the Indian Debt Market 2018.



[Scan to view more](#)



< From left to right: Ms Ashu Suyash, MD and CEO, CRISIL; Shri Ajay Tyagi, Chairman, SEBI; Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs, Ministry of Finance; and Shri HR Khan, former Deputy Governor, Reserve Bank of India, and Chairman, Corporate Bonds and Securitisation Advisory Committee, SEBI

CRISIL SME Ratings in partnership with SIDBI (Small Industries Development Bank of India) **launched CriSidEx, India's first MSE Sentiment Index** in New Delhi. CriSidEx is a unique lag-and-lead indicator offering actionable feedback for the MSE business environment.



[Scan to view more](#)



< Shri Arun Jaitley, Hon'ble Finance Minister, unveils the CriSidEx report along with Ms Ashu Suyash, MD & CEO, CRISIL; and Shri Rajiv Kumar, Secretary, Department of Financial Services, Ministry of Finance

CRISIL hosted the third annual India Outlook seminar on **'The FouRs of Growth'** in Mumbai, providing holistic forecasts and insights on India's macroeconomic indicators, commentary on the expected credit behaviour, and outlook on various sectors and industries.



[Scan to view more](#)



< Mr Gurpreet Chhatwal (centre), President, CRISIL Ratings, moderates a panel discussion on 'Is NCLT the turning point in India's stressed assets saga?'



As the knowledge partner at the Fourth PFRDA Pension Conference, CRISIL Research provided insights on **'Creating an inclusive and sustainable pension system in India: Opportunities and challenges'**. Hon'ble Finance Minister Shri Arun Jaitley released the knowledge report on pension as well as the CRISIL Inclusix report, along with other eminent dignitaries.



CRISIL GR&A hosted a topical luncheon session titled **'Validation of machine learning models for AML'** at ACAMS 23rd Annual International AML & Financial Crime Conference, held in Florida.

- ◀ Hon'ble Finance Minister Arun Jaitley (centre), Ms Ashu Suyash (extreme right), MD and CEO, CRISIL; and other dignitaries at the 4th PFRDA Pension Conference

CRISIL Ratings joins the panel discussion on the topic of **'Banks, Capital Market, Family Offices - Debt Capital for Alternative Lenders'** at the Fintech Conference 2018 organised by Digital Lender Association of India in Mumbai.



- ◀ Mr Krishnan Sitaraman, Senior Director, CRISIL Ratings (second from right) during the panel discussion along with other distinguished panelists

CRISIL GR&A hosts a breakfast roundtable on Meeting the challenges of UMR (uncleared margin rules) in New York in partnership with PRMIA to **discuss the numerous challenges faced by the industry in implementing phases 4 and 5 of the UMR regulation**, and the latest development in collateral management.



Mr Vikas Tyagi, Senior Director, and Mr Manish Kumar, Director, R&A, CRISIL GR&A, presented their views on **'Achieving efficiencies in model risk through standardisation and automation'** at the 12th Edition Model Risk Conference in New York.

- ◀ Deliberations in progress during the roundtable on UMR regulations and implementation challenges

CRISIL Infrastructure Advisory hosted the second edition of CRISIL India Infrastructure Conclave in New Delhi, which focused on **enabling private sector participation in infrastructure build-out.**



From left to right: Shri Amitabh Kant, CEO, NITI Aayog; Shri Suresh Prabhu, Hon'ble Minister of Commerce & Industry and Civil Aviation; Ms Ashu Suyash, MD and CEO, CRISIL; and Mr Sameer Bhatia, President, CRISIL Infrastructure Advisory, launch CRISIL Infrastructure Yearbook 2018

CRISIL GR&A partnered with PRMIA to host roundtables in Boston and Minneapolis on **challenges and impact of implementing current expected credit loss**, a new accounting standard in the US.



Scan to view more



CRISIL GR&A hosted a discussion forum on **'Monitoring credit risk and research portfolios as the credit cycle changes'** in New York.

Mr Abhik Pal, Director, Financial Research, CRISIL GR&A, delivering the opening address on 'Current trends in the credit cycle'

CRISIL Ratings led the dialogue around the non-banking financial company (NBFC) sector and recent market developments through its annual conference in Mumbai, titled **'NBFCs: Evolving landscape and key imperatives'**.



Scan to view more



Ms Ashu Suyash (right), MD and CEO, CRISIL, with keynote speaker Ms Zarin Daruwalla, CEO, Standard Chartered Bank at the NBFC seminar

CRISIL Risk Solutions participated in the Amazon Web Services Summit held in Mumbai, focusing on artificial intelligence, machine learning, Internet of Things, data migration, Big Data and cloud architecture best practices. Mr Ramraj Pai, President, CRISIL, shared his views as a panellist for during session on **'Data-led decisioning for lenders'**.

CRISIL and S&P Global Ratings hosted the annual seminar **'India Credit Spotlight: Growth Prospects Amid Macro Risks'**, in Mumbai. The seminar provided a holistic view on the macroeconomic outlook for fiscal 2019, corporate trends and outlook for the next 12-24 months, and sector views on credit trends for the infrastructure and utilities sectors.



Panel discussion in progress at India Credit Spotlight seminar



As the knowledge partner, CRISIL Research presented findings from the **'AMFI CRISIL Fact Book'** at the AMFI Mutual Fund Summit 2018 held in Mumbai.

Shri Ajay Tyagi (second from left), Chairman of SEBI; Mr Amish Mehta (extreme right), COO & President, CRISIL; and other eminent dignitaries at the AMFI Mutual Fund Summit

CRISIL shares views on the **future of the Indian banking industry** at FIBAC conference, jointly organised by IBA (Indian Bank Association) and FICCI (Federation of Indian Chambers of Commerce and Industry) in Mumbai. The conference highlighted some key emerging issues related to the banking industry and laid a roadmap for its future.



Ms Ashu Suyash, MD and CEO, CRISIL (second from right) joins the discussion at the FIBAC 2018

# Employee engagement initiatives

## Employee connect

Mr Douglas L Peterson, President & Chief Executive Officer, S&P Global, addressed CRISIL and S&P Global India employees at the town hall in Mumbai in September on the topic **'Accelerating growth through Innovation'**. He also used this opportunity to interact with the employees across CRISIL business.



Mr Douglas Peterson interacted with the employees during the floor walk at CRISIL House

CRISIL organised the second edition of **Strategy Jam 2.0** as part of its continuous endeavour to involve employees in shaping the future of the organisation. Several ideas for transforming CRISIL into an agile, innovative, analytics company were received.

**CRISIL Family Day**, themed as 'Futurama', saw participation from over 3,500 plus CRISILites and their families in 10 offices across 7 cities in India. CRISILites across the UK and China also actively participated in the Family Day, bonding with colleagues and their families.

Team CRISIL Poland participated in the **Bieg sierściucha 5 km charity run**, for fundraising to help dogs at animal shelters.

## Recognising talent



The **CEO Awards** celebrate outstanding contributions made by employees, who exemplify the culture of excellence at CRISIL. In 2018, 32 employees were awarded CEO Awards across nine categories.

The CEO Award winners of 2018 with the senior leadership team

## Commitment to diversity and inclusion

CRISIL hosted a high-powered panel discussion themed **'Men as allies: Powering our people to drive success'** as a part of the annual 'Follow the sun' initiative. The insights shared by industry speakers and senior CRISIL leaders were much appreciated.



Panellists share their views during the session

Winspiration, CRISIL's diversity and inclusion platform, hosted a series of lunch and learn sessions, **In Conversation**, during the year. Ms Alka Banerjee, MD, Product Management, S&P Dow Jones Indices; Ms Dimitra Manis, Executive Vice President, Chief People Officer, S&P Global; and others shared their journey, struggles and learnings with all CRISILites.

Teams from offices across Mumbai, Pune, Hangzhou and Wroclaw came together to **celebrate Halloween, Navratri, Diwali and Christmas.**



↑  
Halloween celebrations from China

Ms Ashu Suyash, MD & CEO, CRISIL, featured among **Fortune India's Most Powerful Women in Business in 2018**, for the third time in a row.



↑  
Ms Ashu Suyash (extreme right) is felicitated at Fortune India's Most Powerful Women in Business Awards ceremony

CRISIL was recognised as **one of the 100 Best Companies for Women in India in 2018** by Working Mother Media and Avtar Group for the third 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 in CRISIL.

## Learning & development

CRISIL hosted a dedicated session on **'Reimagining the role of business leaders in risk management'** in Mumbai. The session touched on topics such as, risk identification, evaluation of consistency and automation of controls at an organisational level, best practices in managing risks along with shedding a light on cyber and information security. It also reinforced how adherence to controls in the nature of businesses we operate is significant, and the need to be vigilant and manage risks effectively.



↑  
Mr Pawan Agrawal, Chief Risk Officer, CRISIL shares his views on the fine line of defence at CRISIL

Experts from S&P Global Group shared their **insights on the future of technology and economic trends** with CRISILites in India and Poland. Key speakers included Ms Beth Ann Bovino, Chief Economist, S&P Global; Mr Swamy Kocherlakota, CIO, S&P Global; and Mr Marcin Petykowski, MD & Regional Head, S&P Global Ratings (CEE).



↑  
Ms Beth Ann Bovino addressing the audience

CRISIL continued to host **knowledge-sharing and leadership series, CRISIL Conclave**, in Mumbai. Industry stalwarts like Mr S N Subrahmanyam, CEO & MD, Larsen & Toubro Limited; Dr Indira Rajaraman, member of India's 13th Finance Commission, and Ms Zarin Daruwala, CEO, Standard Chartered Bank, spoke on a variety of topics including 'Imagineering our tomorrow', and 'State of Indian economy' and others.

Mr Prakash Iyer, motivational speaker, leadership coach and best-selling author, felicitated the graduating batch of **CRISIL Certified Analyst Programme (CCAP)**. This is 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.

## At CRISIL, technology and analytics have taken centre stage

Advances in technology and changing regulations are disrupting markets everywhere. And intense competition and evolving business landscapes are changing the needs and expectations of clients.

To be future-ready and to meet emerging needs, CRISIL develops and also invests in transformative platforms, solutions and analytics such as:

<b>QUANTIX</b>	Integrated web platform that offers banks unmatched cross-segmental data and analytics	<b>SMART</b>	Financial research platform powered by cognitive automation
<b>FULKRUM</b>	Enterprise data platform	<b>SPARC</b>	Counterparty credit risk assessment platform
<b>smefirst</b>	Delivering high quality SME credit analytics	<b>Expected Loss Scale</b>	Sharper credit assessment of infrastructure projects
<b>Murex Model Validation</b>	Testing and documentation of third-party vendor models	<b>CECL Modeling Platform</b>	Ready-to-use credit risk models for CECL implementation
<b>Model Infinity</b>	End-to-end model inventory and lifecycle management		

## Where deep analytics meets institutional intelligence

Clarified perspectives.  
Amplified client value proposition.

We are **more**

# 02

**Corporate  
social responsibility**

# Corporate social responsibility

In five years, CRISIL Foundation has established a solid base through its flagship projects - **Mein Pragati** for financial inclusion and **CRISIL RE** for environment conservation. The corporate social responsibility (CSR) initiative of CRISIL is now focused on the sustainability and long-term impact of these initiatives.

## 1. Mein Pragati: Assam and Rajasthan



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, culminating in improved financial well-being.

^ A Sakhi in Assam updates members of an SHG about new welfare and financial schemes

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

To expand the project’s geographical footprint, Mein Pragati was launched in eastern Rajasthan (Alwar, Dausa and Sikar) in May 2016, in association with implementation partner, Humana People to People India.

Phase I of the programme resulted in empowering 100,000 women in rural Assam and 60,000 women in rural Rajasthan. As the programme enters its second phase, the focus is now on driving long-term behavioural change, through a community cadre on a sustainable basis.

### Establishing a robust cadre of community workers, Sakhis, for continual doorstep handholding support

The Sakhi cadre has been created to drive long-term behavioural change in managing money by (i) addressing last-mile constraints in accessing financial services; (ii) improving households’ access to government schemes and programmes; and (iii) strengthening livelihood access for women in households.

Over the past one year, CRISIL has developed best practices to build capacities of Sakhis. We defined criteria to select Sakhis, and devised a robust orientation-cum-induction

programme to hone their soft skills along with knowledge of key concepts of financial products and services. The best practices also include:

- Creating a ‘basket of services’ offered by Sakhis based on extensive field research
- Training Sakhis to provide and/or facilitate financial linkages at the last mile
- Developing a rate card for the basket of services, whereby Sakhis recover a nominal fee for their services



**Early signs of success**

There is high demand for Sakhis' basket of services. The cadre is trusted, and is the key channel promoting government schemes, validating their acceptance by the community.

In fact, the community cadre has emerged as a powerful model of convergence – the Sakhis are the primary point of contact for linkages to financial products and services, as also to government welfare schemes.

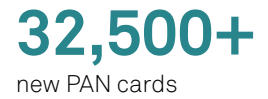
The Sakhi model for community outreach has demonstrated efficacy. Online training and certification modules based on best practices observed in the field, can enable scale-up of the model nationwide.

**Impact and outreach as on December 31, 2018**

**Sakhi cadre**



**Linkages enabled by Sakhis' basket of services**



\* Government scheme linkages include social security schemes such as Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Ujjwala Yojana, and Sukanya Samridhi Yojana, and job card, weaver card, disability card and so on.



^ A field officer and Sakhis introduce new schemes to villagers in Morigaon, Assam

## 2. MoneyWise centres for financial literacy



A community meeting in progress in Haryana to raise awareness about the services provided at the MoneyWise centres for financial literacy

CRISIL Foundation was the only corporate CSR arm selected by the Reserve Bank of India (RBI), to implement a pilot project for financial inclusion in 2017 – MoneyWise centres for financial literacy (CFLs).

Under this three-year pilot project, CRISIL Foundation set up 20 CFLs across six districts in Haryana and Maharashtra. These centres successfully completed one year of operations in October 2018. Since inception, the centres have reached over 175,450 villagers through training and awareness camps. The centres

have received a footfall of over 10,314 villagers seeking resolutions to their queries/issues related to financial products and services, as well as avail of financial products and services, both of which indicate (the centres') growing popularity.

The MoneyWise CFLs are hubs, actively supporting lead banks, National Bank for Agriculture and Rural Development and local stakeholders, and are an integral part of the financial inclusion eco-system. As the programme design is based on a hub and spoke model, over 250 members from the local, rural communities are being trained as rural financial advisors to provide hand-holding support in their respective communities.

### Outreach (January–December 2018)

#### Haryana and Maharashtra



**175,450**

people reached out



**10,314**

walk-ins to CFL offices



**48,975**

applications mobilised for banking services (bank account opening, PMSBY, PMJJBY, digital linkages, Aadhaar seeding, etc.)



**39,000+**

financial linkages facilitated (bank account opening, PMSBY, PMJJBY)



**6**

districts



**20**

blocks



**888**

villages

#### Gram Shakti: Addressing the need to strengthen the community worker edifice

Gram Shakti is a first-of-its-kind mobile-based learning programme to create a trained cadre of community workers to promote financial inclusion. The application is customised in regional languages with interactive and engaging learning content.

CRISIL launched this certification programme in June 2018, leveraging its experience of building a trained cadre of Sakhis in Assam and Rajasthan as well as rural financial advisors in Haryana and Maharashtra. While the certification is already rolled out in

Assam, Haryana and Maharashtra, a launch in Rajasthan will follow soon. The first batch of Gram Shakti certified community workers will graduate in March 2019.

**3. Content-driven partnerships for outreach**

Having set up and scaled projects across geographies and target groups over the past five years, CRISIL Foundation leverages its knowhow in financial capability building to contextualise learning experiences for holistic interventions, as a technical support partner.

**Customising content for regional consumption:** In 2018, CRISIL Foundation signed memorandums of understanding (MoUs) with Mahila Arthik Vikas Mahamandal (MAVIM), ITC Ltd and Madhya Pradesh State Rural Livelihoods Mission (MPSRLM), to customise Mein Pragati training modules for regional relevance.

The partnership with ITC/ MPSRLM currently spans across 11 districts in Madhya Pradesh. In Maharashtra,

the partnership with MAVIM covers two districts. Both partnerships are expected to scale in the near future.

**Optimising existing infrastructure to channel content for increased outreach:** With an eye on optimising existing infrastructure for outreach, CRISIL Foundation signed an MoU with DHRUV, a Tata Trust project, to televise edutainment programmes through set-top boxes for a nominal fee.



Members of the Moneywise Gram Samiti in Karanja block, Washim District

## 4. CRISIL RE

CRISIL RE is the flagship environment conservation programme targeted for cities – Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai and Pune.

CRISIL Foundation identifies plantation sites and assesses the need for waste management in urban areas where it has large offices. CRISIL RE also leverages CRISIL's vibrant workforce as 'agents of change', who enthusiastically completed 184 activities, including tree plantation and maintenance, and beach clean-ups, in 2018.

**Tree audit to monitor and measure impact of environment conservation activities:** CRISIL Foundation undertook a comprehensive exercise in collaboration with The Centre for Environmental Research & Education

India, an NGO focused on environment-based research, to audit and geo-tag trees planted since 2015 across India. Close to 10,000 trees were geo-tagged since 2015. The exercise revealed that the plantation sites will offset 3,921.12 metric tonne of carbon dioxide over the next 15 years (equivalent to offsetting carbon emission of 795 individuals). As on date, CRISIL planted 76% native species and 24% non-native species. Along with conventional environment benefits, native trees also preserve and promote flora and fauna in the catchment areas.



^ A volunteer waters trees as part of ongoing maintenance activities at Chaturshringhi Hills in Pune

Trees planted

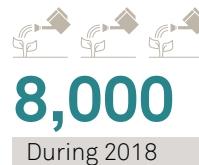


During 2018

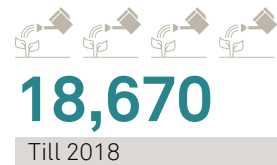


Till 2018

Trees maintained



During 2018



Till 2018



^ Volunteers make compost from dried leaves, to maintain plantations at Aravali BioDiversity Park in Gurugram

**Impact**

CRISIL Foundation will offset **3921.12 metric tonne** of carbon dioxide over 15 years with the plantation of **16,205 native trees** in six cities across India.

**Volunteers involved**

CRISIL employees



During 2018



Till 2018

Family and friends



During 2018



Till 2018

**Change the Scene : A social impact incubator**

In 2016, CRISIL RE launched a social impact incubator, Change the Scene, with the objective of designing scalable solutions to resolve challenges in communities. The third edition of Change the Scene saw 11 projects across six cities selected for funding and implementation. The project's focus included women's empowerment, environment conservation, disability inclusion, and livelihood/income enhancement.

**Winning entries in 2018**

- **Aarohan** - Incubated to enhance the livelihood of underprivileged women with increased sales of handmade products through a new product line.
- **GATI** - Incubated to empower underprivileged women as driver-partners for cab aggregators

**Emergency response: Kerala**

In the wake of the unprecedented floods in Kerala, over 523 employees (including five based overseas) contributed Rs 23.80 lakh for the

distribution of intermediate relief kits. CRISIL Foundation collaborated with Hope Foundation to distribute the relief kits to 383 families in three villages - Panamaram, Thalappuzha and Mananthavady in Wayanad district, Kerala.

CRISIL matched the amount donated by employees and contributed Rs 24.98 lakh towards the relief operations of Kerala, taking the overall support to Rs 48.78 lakh. Amount contributed by CRISIL is being used to renovate three schools in Wayanad district, for the benefit of over 1,700 students.



^ A wall painting by volunteers will raise awareness about environment conservation among commuters at the Keelkattalai Bus Terminus, Chennai

## At CRISIL, diversity and inclusion shape our thinking

To serve a diverse and complex world better, CRISIL believes in fostering an inclusive culture. Our 3,700+ strong workforce, comprising people of varied age, gender, skills, experience, educational qualifications and nationality, is at the core of our competitive advantage. It has helped broaden our perspective, providing a better understanding of client requirement, and fuelled innovation at the workplace.



**36%**

of workforce are  
women



**88%**

of workforce are  
millennials



**32**

nationalities  
represented in  
the workforce



**1800+**

financial analysts



**130+**

technologists and  
data analysts

### The way we work

Diversity is essential.

# We are **more**

# 03

## Statutory reports

# Directors' Report

Dear Member,

The Directors are pleased to present to you the 32nd Annual Report of CRISIL Limited, along with the audited financial statements, for the year ended December 31, 2018.

## Financial performance

A summary of the Company's financial performance in 2018:

(Rs crore)

Particulars	Consolidated		Standalone	
	2018	2017	2018	2017
Total income	1,821.90	1,683.84	1,270.86	1,224.59
Profit before interest, depreciation, exceptional items and taxes	544.64	480.66	410.42	374.27
Finance cost	2.23	0.41	1.18	0.41
Deducting depreciation of	42.82	46.64	28.67	27.81
Profit before tax	499.59	433.61	380.57	346.05
Deducting taxes of	136.49	129.18	103.04	108.79
Profit after tax	363.10	304.43	277.53	237.26
Other comprehensive income	(94.63)	(77.42)	(99.51)	(85.17)
Total comprehensive income	268.47	227.01	178.02	152.09
<b>Appropriations are:</b>				
Final dividend	*71.73	**64.20	*71.73	**64.20
Interim dividend	136.79	128.81	136.79	128.81
Corporate dividend tax	42.86	37.74	42.86	37.74
Special Economic Zone reinvestment reserve	1.50	3.00	1.50	3.00
General reserve	-	-	-	-

\*Final dividend for 2017: Rs 10 per equity share of Re 1 each

\*\*Final dividend for 2016: Rs 9 per equity share of Re 1 each

The financial statements for the year ended December 31, 2018, 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. 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

Consolidated total income for 2018 was Rs 1,821.90 crore, 8% higher than Rs 1,683.84 crore in the previous year. Overall expenses were Rs 1,322.31 crore as against

Rs 1,250.23 crore in the previous year. Profit before tax was Rs 499.59 crore as against Rs 433.61 crore in the previous year. Profit after tax was Rs 363.10 crore as against Rs 304.43 crore in the previous year.

### b) Standalone operations

Standalone total income for 2018 was Rs 1,270.86 crore, compared with Rs 1,224.59 crore in the previous year. Overall expenses were Rs 890.29 crore as against Rs 878.54 crore in the previous year. Profit before tax was Rs 380.57 crore as against Rs 346.05 crore in the previous year. Profit after tax was Rs 277.53 crore as against Rs 237.26 crore in the previous year.

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

### Dividend

The Directors recommend for approval of the members at the Annual General Meeting to be held on April 17, 2019, payment



of final dividend of Rs 11 per equity share of face value of Re 1 each for the year under review. During the year, the Company paid three interim dividends, first and second interim dividends of Rs 6 each and third interim dividend of Rs 7 per equity share of face value of Re 1 each. The total dividend will be Rs 30 per share on a face value of Re 1 per share in 2018 as against a total dividend of Rs 28 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 410,854 equity shares to eligible employees on exercise of options granted under the Employee Stock Option Scheme of the Company. At the end of the year, CRISIL's issued, subscribed and paid-up capital was 72,115,782 equity shares of Re 1 each.

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

Particulars	No. of shares allotted	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, 2018	-	71,704,928
Allotment of shares to employees on February 13, 2018 pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	21,101	71,726,029
Allotment of shares to employees on April 17, 2018 pursuant to exercise of options granted under Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	80,920	71,806,949
Allotment of shares to employees on July 17, 2018 pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	238,413	72,045,362
Allotment of shares to employees on October 16, 2018 pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	70,420	72,115,782
Capital at the end of the year, i.e. as on December 31, 2018	-	72,115,782

## 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.

## Review of Operations

### A. Ratings

#### Highlights

- Announced 2,976 new bank loan ratings (BLRs) in 2018; total BLRs outstanding exceeded 11,000
- Conducted over 19,000 gradings and assessments in the MSME sector
- Assigned rating to India's first toll-operate-transfer (TOT) road project; also rated the first transaction comprising pass through certificates (PTCs) backed by education loan receivables – the newest asset class to be securitised in India

- Successful onboarding of large corporate entities and launch of new products (Independent Credit Evaluation – ICE) supported revenue growth; continued to maintain market share and retained the premier position in the corporate bond market despite intense competition
- Conducted a series of high-profile franchise activities during the year that were extensively covered by the media and well-appreciated by stakeholders
- Global Analytical Centre (GAC) continued to enhance partnership with S&P Global Ratings services on key surveillance and analytical domains.
- Launched CriSidEx, India's first sentiment index for MSEs developed jointly by CRISIL and SIDBI

### Business environment

A sharp drop in corporate bond issuances, amid rising yields and a temporary liquidity crunch following the default by a large non-bank outweighed signs of an improvement in investor sentiment during 2018, keeping the business environment at the world's fastest-growing major economy

-muted. Even though capital market activities were subdued because of hardened yields, demand for bank credit grew driven by higher working capital requirements (necessitated by rise in commodity prices) and shift in demand from the capital market to bank loans (given slower interest rate transmission).

On the regulatory front, the Securities and Exchange Board of India (SEBI) announced a series of changes pertaining to enhancing disclosure requirements by credit rating agencies (CRAs) as well as issuers and measures to expand the debt capital market. These measures are expected to raise industry standards and broaden the domestic corporate bond market. CRISIL welcomes these initiatives as structurally positive. Enhanced disclosures by issuers will increase transparency and assist CRAs and debt market investors to closely monitor the performance of issuers and take timely decisions.

Further, the SME segment in India has witnessed massive digital transformation with the introduction of the Goods and Services Tax (GST) and other government-led digital initiatives. CRISIL remained well-equipped to address the changing customer requirements through its platform, smefirst.com, and various other digital offerings.

## Operations

CRISIL Ratings maintained its market leadership in 2018 driven by new client acquisitions and healthy traction in new products. As many as 2,976 new BLRs and over 19,000 SME gradings and assessments were conducted in the year. Ratings have been assigned to more than 28,000 large and mid-size corporates till date and the performance of over 144,000 SMEs were assessed. Fewer issuances in the corporate bond market, primarily on account of hardened yields, remained a challenge. However, focus on high-growth segments and existing relationships helped us secure our bond market share. Further, we onboarded 150+ new large corporate clients and gained positive revenue traction in stressed assets. Despite intense competition, we were able to maintain our market share in the BLR space, in terms of new quantum rated.

On the innovation front, CRISIL Ratings continues to be a torchbearer in the industry. In 2018, we assigned rating to India's first TOT road project. We also rated PTCs backed by education loan receivables. In another first, we assigned credit opinion to capital protection available to alternate investment fund unitholders. We were also the first to rate the resolution plan of a stressed asset, develop a detailed criteria and methodology, in line with the latest RBI circular on 'Resolution of Stressed Assets – Revised Framework.' We received an encouraging response on the same.

CRISIL Ratings maintained its multifaceted approach towards stakeholder relationship management. In addition to consistent engagement with issuers, we expanded our structured platform to interact with investors in deepening the relationship and understanding their perspective on the credit environment. To strengthen our involvement with issuers and investors, we collaborated with their senior

management, delivered sectoral presentations and leveraged the digital channel to share our thought leadership reports and periodical publications regularly.

We strengthened our market presence by hosting web conferences on trending topics and featuring on premier news channels. We also engaged with industry associations by participating in panel discussions, taking up speaking assignments, and being the knowledge partner at various conferences. We published the fourth edition of 'CRISIL Inclusix' report that weighs three service providers (banks, insurers and microfinance institutions) on four dimensions (branch, credit, deposit and insurance).

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

We organised the fifth edition of its Annual Bond Market seminar themed 'Bonds of growth: Assessing the demand-supply matrix'. The highlights of the seminar were the keynote addresses by Shri Ajay Tyagi, Chairman, SEBI; Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs, Ministry of Finance; and Shri HR Khan, Former Deputy Governor, RBI and Chairman of SEBI's Corporate Bonds & Securitisation Advisory Committee. The dignitaries also launched The CRISIL Yearbook on the Indian Debt Market, 2018 at the seminar. Our analysis was well received by all stakeholders, including regulators and policy makers.

Further, CRISIL Ratings successfully hosted an investor discussion forum on the Non-Banking Finance Company (NBFC) sector themed as 'Evolving landscape & key imperatives'. During the forums, CRISIL presented insights on the sector, recent market developments and asset liability maturity management. Additionally, CRISIL partnered with S&P Global Ratings to organise highly engaging forums for the investor community where opinions on the global economy, the credit quality of India Inc. and the investment outlook were discussed.

In order to deepen our engagement with the existing as well as prospective clients located in Tier 2 regions, we hosted the Ratings Regional Conclave, to present our views on relevant industry trends and have close discussions with clients. The franchise and outreach activities witnessed encouraging response from stakeholders comprising clients, investors and regulators.

Rated the first transaction comprising PTCs backed by education loan receivables – the newest asset class to be securitised in India.

CRISIL SME business also made considerable progress to sustain consistency in revenues and reduction of costs, post the National Small Industries Corporation (NSIC) subsidy withdrawal. Initial traction was witnessed in newly launched products for bulk originations through lenders such as CRISIL Credit Assessment Score (CCAS), Enhanced Due-Diligence (EDD) and i-Check. The institutional SME (ISME) business has been identified as one of the growth drivers for the SME business and exhibited robust growth in 2018 with addition of various new clients across industries and increased share of wallet from existing clients.

Further, in the near to medium term, smefirst.com, our digital portal for the SME sector, is expected to be one of the important growth contributors to the SME business. With enhanced focus on digital lending, smefirst.com will act as a one-stop solution for lenders, SMEs and corporates to meet their assessment requirements. The ISME business with its robust pipeline is expected to provide stability to the overall SME business. In continuation with last year's trend of aligning offerings to market requirements, we also launched a new product, SME Compare, a peer comparison tool for SMEs, accessible on smefirst.com.

The year saw us launching CriSidEx, India's first sentiment index for MSEs. This was launched by Honourable Finance Minister Arun Jaitley. This lead and lag indicator is jointly developed by CRISIL and SIDBI. We also launched WE-Check, a free digital verification and assessment service dedicated to women entrepreneurs, in association with NITI Aayog.

GAC continued to partner with S&P Global Ratings Services on key surveillance and optimisation initiatives in the data and analytical domains and enhanced its support to the risk and control functions. With increasing focus on automation and optimisation, GAC stepped up its efforts on the ongoing process improvement and automation by leveraging new age technologies. With continued focus on strengthening the first line of defence, GAC undertook several initiatives to strengthen the internal controls framework. GAC's adoption of lean management tools, work standardisation and process re-engineering initiatives resulted in consistent support levels across diverse geographies and asset classes.

## B. Research

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

#### Highlights

- Made strong headway in Europe with the addition of clients in previously uncharted geographies - Austria, Belgium and South Africa
- Added new logos in the buy-side, regional sell-side and credit risk segments
- Continued efforts to develop and evolve automation and data analytics offerings to meet rapidly changing client needs

- Expanded our offering portfolio with the addition of Current Expected Credit Loss (CECL) modeling and Target Review of Internal Models (TRIM) support, while the productisation agenda continued to progress with the launch of several tools and automated solutions

#### Business environment

Regulatory headwinds continue to lash the banking and financial services space. New regulations in the form of Markets in Financial Instruments Directive II (MiFID II) had an impact on market conditions. While it triggered a decline in business from traditional bulge bracket banks, it has opened up diverse opportunities with regional banks in the US and in the buy-side space.

As firms continue to search for differentiation in the quality of research, demand for specialised research and consequently niche research providers, has increased. Amid these changes, demand from the buy-side continues to increase as firms look to bridge the gap within equity and fixed income, and commodities research. In the credit risk space, banks are looking for cost-effective risk assessment solutions with soaring demand for credit risk surveillance and monitoring solutions, adoption of analytics and automation and improvements within the credit risk workflow.

Clients are also taking a measured approach towards adoption of data analytics solutions. Analytics are being integrated into the buy-side investment process, supported by a shift towards 'quantamental' (a merger of computer and human based decision-making). In credit risk, there is an appetite for solutions such as the early warning system and front-to-back automation of processes such as credit risk of low default portfolios (LDP). Analytics in sell-side research is cleaving the big and small players, with the former stepping up investments in analytics-based offerings significantly.

Europe continued to be under the regulatory radar, especially with respect to model risk management guidelines as part of the TRIM and the biennial European Central Bank stress testing exercise. As such, market appetite for Risk & Analytics' (R&A) stress testing, model validation and regulatory change management remained strong. Adoption of advanced automation and analytics solutions using Machine Learning (ML), Artificial Intelligence (AI) and Big Data are strategic investment areas for major banks. In response, the business has been working on repackaging our current service offerings

GR&A focused its efforts on developing and evolving automation and data analytics offerings to meet rapidly changing client needs.

as modular solutions powered by ML, AI and Big Data. In the US, dilution of the existing regulatory requirements adversely impacted demand for our modeling and stress testing services.

On the flip side, newer regulations such as CECL and Uncleared Margin Rules (UMR) are nearing their implementation deadline and market demand for process re-engineering and business transformation services has been increasing.

### Operations

The Financial Research business continued to see good traction in the buy-side, regional sell-side, data analytics, credit risk and SPARC verticals, through addition of new logos in these segments. The highlight was the addition of one of the largest global banks for a bilateral credit risk engagement and the acquisition of one of the world's largest professional services company as a client for high-end research services.

We also gained new clients for our research automation platform, SMART and expanded engagements with the existing clients. However, gains in these segments were offset, to an extent, by a decline in the traditional bulge bracket client segment which continues to weather adverse market conditions. Within data analytics, we scoped out projects for credit risk-related automation, completed natural language processing (NLP)-based buy-side research assignments and provided alternative data related analytics assignments for the sell side. All three areas saw increased interest as measured by a pick-up in the number of discussions with banks and asset managers.

The Financial Research business steered many innovations in 2018, including: credit risk automation that covers the early warning system (a platform that automatically generates red flags against stressed constituents of a loan portfolio by combining data feeds from disparate internal and external sources), rating process automation for regulated funds, Tableau dashboards for real time reporting and analytics and automated surveillance for negative news; environmental, social and governance (ESG) research support to investment banks, asset managers and other sell-side and buy-side players for ESG investing; public finance automation (an end-to-end automated platform for customised scorecard generation and surveillance for US public finance entities), and automation of the MCG credit rating process through SMART allowing for advanced analytics and automated forecasting.

This has improved efficiency and analytical capabilities. The vertical won marquee global clients from the banking and affiliate industries during the year – including a premier global investment bank, one of the world's largest professional service provider, a top global insurer and a leading exchange and clearing firm.

The R&A business witnessed good cross-selling and subsequent expansion of the range of services provided to some of our largest clients, as well as the addition of several new clients across the trading, risk and finance management functions. Some of the innovations driven by the R&A business include tools and utilities such as CECL modeling platform

(an analytical suite of ready-to-use credit risk models and methodologies for CECL implementation); Alert classification and clearing tool to automate the process of classifying and clearing alerts generated by the anti-money laundering (AML) systems of banks; and Risk Data Aggregation (RDA) to enable aggregation of data across divisions and databases and to run analytics on the same. It also innovated in project / knowledge management (PM/KM) framework with the launch of Tactical tool to provide a real-time view of the project health through an interactive dashboard – RAG (Red-Amber-Green) reports across all accounts were published starting June.

The marquee client wins for R&A included a leading online broker, one of the largest clearing exchanges in the world, and a large global insurer. In continuation of our efforts to groom the workforce, GR&A facilitated a comprehensive and dynamic in-house training programme, imparting the latest relevant technical and soft skill training to ensure holistic development of our talent pool. In 2018, we also developed our franchise through hosting and participating in a series of conferences, round-tables, webinars with senior client stakeholders, and publishing market relevant thought leadership research articles across topical market themes such as Brexit, CECL, Recovery and Resolution Planning, UMR and multiple use-cases of emerging technologies like Machine Learning and Blockchain for the Financial Services industry. The thought leadership initiatives produced incisive output in the form of playbooks, whitepapers and supporting franchise activities.

## B.2 India Research

### Highlights

- Retained its dominant and premium position in the flagship Industry Research business with the launch of its advanced 'Cutting Edge platform' and topical new reports
- Witnessed healthy revenue growth in the Customised Research business on the back of significant traction in the automobiles, commodities and energy sectors
- With strong brand equity and relationship with investment banks, the business won mandates across sectors for providing the 'Industry Chapter' for Draft Red Herring Prospectus (DRHP) filings
- Continued to be the largest provider of fixed income indices in India; consolidated our position by launching 39 new debt and five new hybrid indices, taking the total to 91

Healthy revenue growth in the Customised Research business was driven by traction in the automobiles, commodities and energy sectors.

- Received positive response our new product Quantix, a comprehensive and high-end data analytics tool with an extensive database of 50,000+ companies
- Launched a state-of-the-art Learning Management System (LMS portal) to provide a complete e-learning solution and onboarded three large clients

### Business environment

Volatility was the new normal in 2018. Most asset classes – equity and debt, primarily – oscillated between highs and lows through the year.

Volatility in the macroeconomic environment and increased competition proved favourable for the India Research business. The year also witnessed large-scale defaults, which underscored the need for enhanced prognosis and comprehensive analytical solutions.

An evolving business environment brought to the fore the need to upskill the talent pool amongst client companies.

### Operations

Uncertainty in the macroeconomic environment and volatility in asset classes augured well for the India Research business. Upturn in the capital expenditure cycle, rise in commodity prices and increasing competition boosted demand for bespoke research. Mandates for the 'Industry Chapter' in DRHP filings brought in additional revenue.

In the backdrop of mounting defaults, banks and NBFCs have increased focus on risk mitigation and identifying early warning signals. Customers demand a comprehensive data solution (structured and unstructured data) that can be integrated into their workflow and help them with better analytics. Quantix, our new product, caters to this need with its advanced tool and analytics and comprehensive database of 50,000+ companies.

In the Fixed Income Research business, we consolidated our strong position in the valuation space by winning mandates from general insurers and corporates. We continue to be the largest provider of fixed income indices in India and have launched 39 new debt and five new hybrid indices, taking the total to 91.

In mutual fund research, we enhanced our presence with corporate treasuries and exempted provident fund trusts, helping them review portfolio performance and monitor risks.

There is a constant need to upskill the talent pool at the NBFCs, small finance banks (SFBs) and other banks - especially in the public sector - given the large number of senior level retirements. Our Training business has been catering to these requirements through open house and customised programmes. We launched 48 unique open house programmes and an eLearning course that will enable a much larger user base to benefit from CRISIL's expertise in credit and risk management.

CRISIL Centre for Economic Research (C-CER) launched the Macro Plus training programme this year. We conducted six such programmes, of which two were in collaboration with the fixed income team. The programmes not only saw massive participation by clients' senior management teams, but also received encouraging response from them.

Further, we continued to focus on franchise and thought leadership activities by conducting distinctive research on contemporary issues. We released 36 high impact reports, 38 bylines, 29 press releases and also held marquee events including India Outlook 2018, Fourth Pension Conference, CNBC Mutual Fund Awards, AMFI Annual Summit and Trustee Seminar by SEBI.

Some of our prominent high impact research reports covered pertinent issues concerning stakeholders, clients, market participants and policymakers. Topics covered included – assessment of four years of the Modi government; evaluation of the impact of global risks – rising oil prices, monetary tightening and trade wars – on the Indian economy; impact of rains on farmers' profitability and inflation; and understanding the trajectory of the rupee amid the turmoil.

The India Research team participated in over 40 leading industry conferences and panel discussions and hosted events and webinars on a variety of topics.

### B.3. CRISIL Coalition

#### Highlights

- Added six new clients, including regional players
- Extended outreach by presenting views to 200+ Executive Committees at banks and meeting with the heads of Global Markets (GM), Investment Banking (IB) and Transaction Banking (TB) divisions across all large banks
- Deployed automation tools and re-engineered parts of operations to increase the operating leverage across offerings
- Referenced in 350+ articles across 90+ global publications and in 75+ investor relations presentations made by leading global banks

CRISIL Coalition developed new and more granular IP to cater to newer clients such as regional banks.

**Business environment**

The main clients for CRISIL Coalition are global corporate and investment banks (CIBs). Global CIBs had a challenging year in 2018, with revenues remaining flat. This was mainly driven by declining revenues in Fixed Income and partially offset by growth of 5-10% in Transaction Banking revenues. The Coalition IB Index, which tracks performance of top 12 global investment banks, remained flat on account of steady performance across both global markets and investment banking divisions in 2018. The Coalition TB Index, which tracks the performance of top 12 largest global transaction banks, increased on account of better performance in cash management.

**Operations**

We embarked on several initiatives to enhance our market relevance and connect with customers. These initiatives included reaching out to prospective clients, including regional players. In 2018, CRISIL Coalition added six new logos to its impressive list of global corporate and investment banks. New and more granular Intellectual Property (IP) was developed to cater to newer clients such as the regional banks.

We reinforced our leadership with the top 15 banks by meeting most of the heads of CIB and all heads of GM/IB businesses, in addition to presenting to 200+ Executive Committees at various banks. More than 90+ publications globally carried our views and quoted these during the year. We were referenced by leading global banks in 75+ investor relations presentations.

On the operations side, the focus has been on enhancing productivity through increased automation and digitisation. We developed and deployed an application for automated printing of client presentations, having undertaken efforts to digitise the research value chain. This will enable better data discovery in research and analytics. CRISIL Coalition obtained the coveted SSAE16 SOC2 Type II certification in 2018. The certificate attests and describes the operating effectiveness of controls designed and implemented to protect data and IP.

**C. Advisory**

**C.1. CRISIL Infrastructure Advisory**

**Highlights**

- Strong order book on the back of a good year for new business despite slowdown on new government programmes
- Deeper presence and client relationships at the state level
- Increased share of business from international markets - Asia and Africa
- Hosted the second edition for CRISIL India Infrastructure Conclave along with publication of CRISIL India Infrastructure Yearbook and CRISIL InfracInvex – the country’s first investability index

**Business environment**

The infrastructure sector had a challenging year in India. As expected, the government shifted its focus from new flagship programmes to implementation and monitoring of the existing schemes such as Smart Cities mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Bharatmala, Ude Desh Ka Aam Nagrik (UDAN) and Saubhagya. This slowed down business momentum for Infrastructure Advisory, especially during the second half of the year.

Reeling under pressures of stressed balance sheets and a risk-averse financial sector, private investments in infrastructure development were few and far between - down to a decadal low of below 25%. The Indian government, on its part, continued to shore up infrastructure spending, with a higher budget allocation for the sector and supported the existing programmes.

A significant initiative during the year was the first successful monetisation transaction taken up by the National Highways Authority of India, where a few operational road stretches were offered to private bidders under the TOT model. A significant premium on asset valuation bodes well for the government, which can target monetisation of operational infrastructure assets as a resource mobilisation tool to shore up the infrastructure spending budgets without adversely impacting fiscal deficit, at the central and state levels.

**Operations**

Despite the slowdown, Infrastructure Advisory business managed to strengthen its order book, by winning several new assignments - including a couple of large-value multi-year implementation support and programme management mandates. Some of the prestigious ones included programme management for the Bharatmala Pariyojana, programme and design management for a smart city, electricity distribution improvement programme in Uttar Pradesh, transaction advisors for auction of major and minor minerals in Chhattisgarh and advisory support on city gas distribution.

We deepened our international presence by winning mandates in the emerging markets of Asia and Africa, including Indonesia, Vietnam, Tanzania, Ghana and Bangladesh. International mandates included support to the World Bank public private partnership (PPP) programme for urban local bodies in

We deepened our international presence, with marque wins in Tanzania (PPP programme for urban local bodies), Indonesia (water supply improvement project) and other countries.

Tanzania, water supply improvement project in Indonesia and developing an international reference tool for infrastructure project preparation for the Global Infrastructure Hub.

CRISIL Infrastructure Advisory successfully hosted the second edition of CRISIL India Infrastructure Conclave, themed 'Enabling private sector participation in the infrastructure build-out'. Regulators, policymakers and industry leaders from the infrastructure domain came together to discuss and identify viable models and strategic interventions to revive and scale private investment in infrastructure. Shri Suresh Prabhu, Minister of Commerce & Industry and Civil Aviation, GoI, was the keynote speaker and Shri Amitabh Kant, CEO NITI Aayog, was the guest of honour. Several dignitaries and speakers also participated. The event received good media coverage.

## C.2. CRISIL Risk Solutions

### Highlights

- Our efforts in the international markets, especially in collaboration with S&P Global, have led to 37% of revenues coming from that geography
- Expanded our solutions with successful implementation of the Expected Credit Loss (ECL) model and building new scoring models

### Business environment

The weak credit environment has made for a compelling pitch for our risk solution products including the risk assessment model (RAM), the early warning system and portfolio evaluation and monitoring. Despite demand with both public and private financial institutions, we are treading cautiously as implementation and timeline challenges exist.

In the overseas markets, we deepened our collaboration with S&P Global to leverage its client franchise and offer combined solutions, synching its risk scorecard with our technology platform.

We have worked, and are working, closely with banks in India for early warning systems and reporting requirements

Delayed decisioning at client end and increasing competition impacted conversions and price points during the year. The business continues to focus on product development and tapping clients in newer markets to serve the needs for risk management and mitigation.

### Operations

We successfully launched and implemented our ECL offering under the new International Financial Reporting Standards regime to financial institutions in India and overseas.

Our product development efforts continue and we are hopeful of launching ICON (new-age RAM) in early 2019.

Our franchise initiatives included webinars on a variety of topics, including 'Evolution of early warning system for lenders',

'Risk-based pricing: Framework and impact of IND-AS 109' and 'Transition to IFRS 9: Overcoming Practical Roadblocks'. We also participated in the AWS Summit in Mumbai and shared our views on 'Data-Led Decisioning for Lenders'. We spoke at the Fintech Summit on 'Effective credit assessment for small businesses using innovative methodologies'. We also conducted a knowledge-sharing session on early warning practices for the CRO forum in Colombo, Sri Lanka, which was appreciated by bankers.

## C.3. Pragmatix

### Highlights

- Completed the Pragmatix acquisition, enhancing our traditional strengths in risk solutions and repositioning our business as a comprehensive advanced analytics solutions provider.
- Expanded our Middle East franchise significantly during the year; International revenues are now ~78% of total revenues.
- Continued to focus on improving and expanding our solution suite with new business solutions addressing needs in pricing, working capital and digital lending areas; all available on our common platform, Fulkrum.

### Business environment

The demand for Business Intelligence (BI) and analytical solutions continues to be strong. Spend in these areas across all geographies is robust. We made significant gains with key customers across India and the Middle East. Our total revenue growth was over 50% during the 12 months ended December 31, 2018, and the environment continues to present significant growth opportunities for the business over the near future.

### Operations

In 2018, the Pragmatix business saw good growth and continued to maintain excellence in execution and client satisfaction.

Pragmatix also remains focused on expanding the technology capabilities and increasing client footprint.

Completed the Pragmatix acquisition, enhancing our traditional strengths in risk solutions and repositioning our business as an advanced analytics solutions provider.

## D. Franchise collaboration with S&P Global

In 2018, we deepened our outreach engagement with S&P Global across different geographies. Sustaining our annual joint flagship platform, India Credit Spotlight, we hosted seminars across Mumbai and Singapore on 'Growth prospects amid macro risks'. The seminar was appreciated by investors and issuers alike.

As a part of our joint outreach initiatives, S&P Global and CRISIL hosted an exclusive investor briefing aimed at engaging with the investor community. The event had presentations on the global economic outlook by Dr Paul Gruenwald, Chief Economist, S&P Global Ratings and the Indian economic outlook by CRISIL's Chief Economist Mr Dharmakirti Joshi.

Additionally, S&P Global and CRISIL Research jointly hosted the S&P-CRISIL Economist forum. Dr. Paul Gruenwald, Managing Director & Chief Economist, S&P Global Ratings presented on 'Global growth, trade & the Belt Road Initiative (BRI)'.

Mr Dharmakirti Joshi, Chief economist, CRISIL, was also one of the eminent panellists at the Commodity Market Insights Forum organised by S&P Global Platts in Mumbai and Delhi.

Further, we organised two forums jointly with S&P Global Ratings exclusively for the investor community where key personnel from the mutual funds, insurance and wealth management institutions participated. We discussed opinions on the global economy, the credit quality of India Inc. and the investment outlook.

At the S&P Global - CRISIL Exclusive Briefing, Ms Beth Ann Bovino, US Chief Economist, S&P Global Ratings shared her views on 'US economic outlook: Sailing on in the rough global seas.' She also shared insights on the US business cycle, impact of trade wars, twin deficits in the US, the US Federal Reserve's monetary policy under new leadership and long-term economic growth concerns.

## E. Human Resources

The Human Resources team made good strides in 2018. At the closure of its financial year, CRISIL's headcount was 3,796, including all wholly owned subsidiaries.

### Highlights

#### Diversity and inclusion

- Diversity of the workforce has always been our strength. Spanning knowledge areas, age, gender, skills, experience and nationality, we have employees representing 32 nationalities.
- Women comprise about 36% of CRISIL's workforce. Our programme 'Winspiration' continues to provide different interventions for our colleagues, encouraging and fostering their growth.
- Our programme on maternity benefits allows working mothers the flexibility to manage their children at their convenience.

- Our analyst certification programme continues to move from strength to strength. In 2018, we tied up with IIM Calcutta to introduce new perspectives and give an added edge to our analysts.

#### Employee engagement

Our annual engagement survey, 'VIBE', is now aligned with our parent company, S&P Global, allowing us to benchmark with global best practices.

To constantly improve employee experience, we launched 'ECHO', a programme aimed at connecting with new recruits and employees who have resigned through a neutral and independent firm with the aim of obtaining candid feedback, enabling us to make a tangible difference.

Millennials make up about 88% of our workforce. To empower employees to voice their opinions and collaborate with their colleagues, we introduced CRISBuzz, a new social collaboration platform. The mobile app-based platform makes optimal use of technology allowing employees to share and express on the go.

Employee health and well-being is another important area for us. Our annual health check programme was very well received among employees of all age groups.

CRISIL Conclave – our platform to create leadership development and instill innovative thinking, continued to provide an opportunity for employees to interact and learn from leaders from different walks of life .

The Reward & Recognition programme endeavoured to motivate employees with annual awards for excellence, quarterly rewards for service excellence and spot recognition programmes.

Our stock incentive programme was leveraged for rewarding and retaining our high-potential employees and senior leadership.

#### Fostering a positive work environment

To foster a positive work environment, free from harassment of any nature, we institutionalised the Prevention of Sexual Harassment (POSH) framework, through which we address complaints related to sexual harassment. Our policy guarantees discretion and non-retaliation to complainants. We

To empower employees to voice their opinions and collaborate with their colleagues, we introduced CRISBuzz, a new social collaboration platform.



follow a gender neutral approach in handling complaints and we are compliant with the law of the land that we operate in.

### Talent development

CRISIL believes in lifelong learning for its employees and competency development is a key focus area for us. Our Learning and Organisation Development department is at the forefront to nurture a culture of learning. We launched a new learning management tool this year, 'YOUiverse'. Through this, we have been able to make learning more intuitive and interactive. Through mobile-based programmes, employees are now able to learn on the go.

We have also facilitated a programme on managerial effectiveness, through which managers are coached on specific situations to get the best from their teams and build strong working relationships.

### Directors

Members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment to the Company and devote adequate time to the meetings and preparation.

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. An annual planner of topics to be discussed at the Board through its quarterly meetings is pre-discussed by the Directors. 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 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 Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

The agenda for the Board and committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision. For the past three 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 six times in financial year 2018 - on February 13, April 17, June 22, July 17, October 16 and December 14. The maximum interval between two meetings did not exceed 120 days.

The Company's Nomination & Remuneration Policy formulated under Section 178(3) of the Companies Act 2013, covers roles,

responsibilities, criteria and procedures towards key aspects of Board governance including the size and composition, criteria for Directorship, terms and 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 Schemes. The policy includes the scope and terms of reference of the Nomination & Remuneration Committee. The policy is available at <https://crisil.com/en/home/investors/corporate-governance.html>.

### Directorship changes

#### End of tenure of directorship

Dr. Nachiket Mor's tenure as an Independent Director of the Company ended on July 23, 2018. Dr. Mor had taken office as a Non-Executive, Independent Director of CRISIL in July 2008 and demitted office after completion of 10 years. CRISIL's Directors place on record their sincere appreciation for the strong support, advice and guidance provided by Dr. Mor to CRISIL and its management, which was immensely valuable to drive the Company's growth and performance.

#### Appointment

Ms Arundhati Bhattacharya was appointed as Additional Director (Independent) with effect from October 16, 2018. The Company received a notice under Section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of Ms Bhattacharya to the office of Director.

#### Re-appointment

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr John Berisford retired by rotation and being eligible has sought re-appointment.

Brief profiles of Ms Arundhati Bhattacharya and Mr John Berisford 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 SEBI (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 by the Directors during the Board evaluation process, the following Non-Executive Directors are Independent:

- a) Mr M. Damodaran
- b) Ms Vinita Bali
- c) Mr Girish Paranjpe
- d) Ms Arundhati Bhattacharya

## Committees of the Board

The Board has five committees:

- 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.

### Annual evaluation by the Board

During the year, the Board carried out an annual evaluation of its performance as well as 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 the Board, committees, Chairman and individual Directors. The Chairman's performance evaluation was carried out by Independent Directors at a separate meeting. The questionnaire and evaluation process was reviewed in the context of amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 brought about by the Kotak Committee recommendations, which require the Board to confirm fulfilment of the independence criteria by Independent Directors and their independence from management.

The questionnaire for Board evaluation is prepared taking into consideration various aspects of the Board's functioning such as Board members' understanding of their roles and responsibilities; Board meetings and the reporting process; time devoted by the Board to the 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.

Performance of the committees 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 that key improvement areas emerging through this exercise and action plans to address these are in progress.

During 2018, the Company actioned the feedback from the Board evaluation process conducted in 2017. Suggestions were incorporated by reshaping the Board meeting schedule to allow sufficient discussion time for strategic matters and categorisation of the meeting agenda for better time

allocation. Certain strategic discussions brought to the fore were around long-term strategy of core businesses, technology, data-driven intellectual property generating products, regulatory changes, and operational strategy. Expert speaker sessions covering emerging and relevant themes were planned in parallel with the Board meetings. Succession planning at Board and Senior Management level was given extensive time and focus by the Nomination and Remuneration Committee as well as the Board.

### Risk Management Policy, compliance framework and internal control adequacy

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding 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.

Significant audit observations and follow-up actions thereon are reported to the Audit Committee. To ensure independence of audits, internal auditors report directly to the Audit Committee. Both internal and statutory auditors have exclusive executive sessions with the Audit Committee regularly. In addition, during the year, 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 a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Mitigation plans for key risks identified by the businesses and functions are implemented and reviewed consistently. These are discussed at the meetings of the Audit Committee and the Board. These have also been reported and discussed in detail in the Management Discussion and Analysis Report, annexed to the Annual Report.

The financial services industry continues to focus on cyber risk and information security and so does CRISIL. The management implemented several actions in 2018 to strengthen cyber security by enhancing intrusion detection systems, installing a next generation firewall and a new cybersecurity solution and upgraded data loss prevention systems. A cyber response strategy defining roles and responsibilities was outlined and focused cyber and phishing training was conducted during the year.

Initiatives such as secure printing, disablement of user's general ability to upload data through the web by implementing a filtering solution and a tool for network advanced threat protection were implemented during 2017 and 2018 to enhance controls on information security.

An organisation-wide Business Continuity Project (BCP) was completed to align it with ISO 22301:2012 Societal Security -- Business Continuity Management System (BCMS). This initiative intended to strengthen the resilience of the organisation across all businesses. BCMS enables an acceptable level of service

during disaster; protects and supports employees, assets and business; reduces risk; and enables the Company to meet statutory, regulatory and contractual obligations. Business Impact Analyses (BIA) and Function Recovery Plans (FRP) were conducted across businesses and functions. BCP testing of key business units is scheduled in the current year.

The Company has a comprehensive framework for monitoring compliances with applicable laws. Functional teams operate as the first line of defence. Their procedures and actions are periodically subject to audit and test procedures monitoring adherence of the system. The Company introduced an additional IT-enabled tool to monitor compliances and augment a robust 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 2018.

#### Directors' responsibility statement

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

#### Changes to key managerial personnel

During the year, Mr Amish Mehta transitioned from his role of Chief Financial Officer to a new role as Chief Operating Officer. The Board approved continuation of Mr Amish Mehta as Key Managerial Person of the Company in terms of Section 203 of the Companies Act, 2013. Mr Sanjay Chakravarti was appointed as Chief Financial Officer with effect from February 13, 2018.

#### 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. 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 and have rolled out a policy which aims at improving environmental performance of CRISIL. Our efforts in this direction centre around making efficient use of natural resources, elimination of waste and promoting recycling of resources.

Initiatives taken in the area of environment protection during 2018 are mentioned under Principle No. 6 in the Business Responsibility 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, approve activities to be undertaken by the Company towards CSR, and monitor implementation of projects and activities undertaken by the Company towards CSR.

The CSR Policy of the Company is available at <https://crisil.com/en/home/investors/corporate-governance>. Further details about the initiatives taken by the Company on CSR during the year under review have been appended as Annexure I to the Annual Report.

#### Vigil mechanism

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

#### Subsidiaries

As on December 31, 2018, the Company had two Indian and seven overseas wholly owned subsidiaries. Pragmatix Services Private Limited became a wholly owned subsidiary of CRISIL w.e.f. January 24, 2018. In accordance with Section 129(3) of the Companies Act, 2013, CRISIL has prepared a consolidated financial statement of the Company and all its subsidiaries, which is a part of the Annual Report. A statement containing salient features of the financial statements of the subsidiaries is included in the Annual Report.

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, [www.crisil.com](http://www.crisil.com). Further, as per fourth proviso of the said section, audited accounts of all subsidiaries have also been placed on the website, [www.crisil.com](http://www.crisil.com). Shareholders interested in

obtaining a copy of the audited accounts of the subsidiaries 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 FEMA Regulations with respect to downstream investments.

#### **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 subsidiaries 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 was 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 2018 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), are given in prescribed Form AOC - 2 as Annexure II.

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 Company's website - <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.

#### **Auditors' report**

M/s. Walker Chandiook & Co LLP (an affiliate of Grant Thornton network) is the statutory auditor of the Company. Its report is a part of the Annual Report.

Shareholders of the Company have approved appointment of M/s. Walker Chandiook & Co LLP as the statutory auditor of the Company for five years, i.e. from the conclusion of the 30th Annual General Meeting held on April 20, 2017 until the conclusion of the 35th Annual General Meeting. Consequent to the amendments to Companies Act, 2013, ratification of appointment of the statutory auditor at every Annual General Meeting is no longer required.

#### **Secretarial audit report**

The Board has appointed Makarand M. Joshi & Co., Practising Company Secretaries, to conduct the secretarial audit and their report is appended as Annexure III.

#### **Comments on auditors' report**

There are no qualifications, reservations or adverse remarks or disclaimers made by Walker Chandiook & Co LLP, statutory auditors, in their audit report and by M/s Makarand M. Joshi & Co., Practising Company Secretaries, in their secretarial audit report.

The statutory auditors did not report any incident of fraud to the Audit Committee of the Company in the year under review.

#### **Management discussion and analysis report**

Management 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 the Annual 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 SEBI. The Report on Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is a 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 in the 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 IV 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 will be made available to any shareholder on request.

#### **Employee Stock Option Schemes**

The Company has three Employee Stock Option Schemes. Employee Stock Option Scheme - 2011 (ESOS 2011) was approved by shareholders vide a special resolution passed through postal ballot on February 4, 2011. Employee Stock Option Scheme - 2012 (ESOS 2012) was approved by shareholders vide a special resolution passed through postal ballot on April 10, 2012. Employee Stock Option Scheme

- 2014 (ESOS 2014) was approved by 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 2018, there were no material changes in the Employee Stock Option Schemes of the Company. The Schemes are in compliance with SEBI regulations. As per Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, read with Securities and Exchange Board of India 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 term of Circular No CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, issued by SEBI.

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 SEBI regulations and the resolution passed by members in their general meeting. The certificate will be placed at the ensuing Annual General Meeting for inspection by 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 V. The complete Annual Return is available on the Company's website <https://www.crisil.com/en/home/investors/financial-information/annual-report.html>

#### Financial year

The Company follows 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, MD & CEO; and Mr Sanjay Chakravarti, 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 12, 2019.

#### Statutory disclosures

Directors state that there being no transactions with respect to the following items during the financial year under review, no disclosure or reporting is required with respect to 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 the 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 operations in future
5. Buyback of shares
6. Material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report unless otherwise stated in the report
7. The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013

#### Acknowledgements

The Board of Directors wishes to thank the employees of CRISIL for their exemplary dedication and excellence displayed in conducting all operations. 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, SEBI, the RBI, 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,

Mumbai, February 12, 2019

**John L. Berisford**  
 Chairman  
 (DIN: 07554902)

# Annexure I to the Directors' Report

## 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

### 1. 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:

#### The CSR Policy has the following objectives:

- Strengthen the financial capabilities of socially and economically underprivileged communities
- Conservation of the environment by focusing on relevant programmes 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 the Management Committee, provided that the projects were also covered under Schedule VII of 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 such as 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 such as non-government organisations, for rehabilitation work in disaster affected areas

In March 2013, CRISIL set up the CRISIL Foundation to steer the 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.

Kindly refer to the CSR Policy published on the Company's website - <https://crisil.com/en/home/investors/corporate-governance.html>

### 2. The Composition of the CSR Committee: Ms Vinita Bali (Chairperson), Mr Girish Paranjpe and Ms Ashu Suyash

### 3. Average net profit of the Company for last three financial years (2015-2017): Rs 361.43 crore

### 4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) (2015 -2017): Rs 7.23 crore

### 5. Details of CSR spend during the financial year:

- (a) Total amount spent for the financial year: Rs 7.27 crore. This is higher than the prescribed limit
- (b) Amount unspent, if any: no unspent amount
- (c) 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 programme-wise (Rs crore)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (Rs crore)	Amount spent: directly or through implementing agency*
					Direct expenditure on programmes or projects (rs crore)	Overheads (Rs crore)		
1	Mein Pragati - Assam	Education & Women Empowerment - Financial Capability Building	Assam	1.70	1.62	0.08	1.70	Rashtriya Grameen Vikas Nidhi, Awaaz De, Haqdarshak
2	Mein Pragati - Rajasthan	Women Empowerment - Financial Capability Building	Rajasthan	1.57	1.49	0.08	1.57	Humana People to People India (HPPI) & Directly

(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 programme-wise (Rs crore)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (Rs crore)	Amount spent: directly or through implementing agency*
					Direct expenditure on programmes or projects (rs crore)	Overheads (Rs crore)		
3	CRISIL RE	Environmental Conservation - through volunteerism	Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai, Pune	1.28	1.22	0.06	1.28	United Way of Mumbai, Green Yatra, IAHV
4	Centre for Financial Literacy	Centre for Financial Literacy	Maharashtra / Haryana	0.83	0.79	0.04	0.83	Directly
5	Gram Shakti	Women Empowerment - Financial Capability Building	Assam, Rajasthan, Maharashtra, Haryana	1.16	1.10	0.06	1.16	Directly
6	Other Projects	Education & Women Empowerment - Financial Capability Building	Maharashtra, Rajasthan, Uttarakhand	0.47	0.44	0.03	0.47	MAVIM, Radio Mewat, Radio Vatsagulm, Tata Trust
7	Disaster Relief	Flood Relief Programme	Kerala	0.26	0.26	0.00	0.26	HOPE Foundation
	<b>TOTAL</b>			<b>7.27</b>	<b>6.92</b>	<b>0.35</b>	<b>7.27</b>	

## NGO partners

### A. Financial capability building:

#### Rashtriya Gramin Vikas Nidhi (RGVN)

RGVN was founded in April 1990 as a development support organisation and is registered under the Societies 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.

#### 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. The Organisation comprises five main thematic areas - livelihood & community development, environmental sustainability, micro finance, education and health. HPPI is a member of the Federation for Associations connected to the International Humana People to People Movement.

#### Mahila Arthik Vikas Mahamandal (MAVIM)

Mahila Arthik Vikas Mahamandal (MAVIM) is the State Women's Development Corporation of Government of Maharashtra, established in 1975 on the occasion of International Women's Year. MAVIM has been declared as a nodal agency by the Government of Maharashtra on

January 20, 2003 to implement various women's empowerment programmes through self help groups (SHGs). MAVIM is implementing developmental programmes in all 34 districts of Maharashtra, including Mumbai suburban areas.

### B. Community radio partners:

#### 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 programmes.

#### 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:

#### United Way of 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.

**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.

**International Association for Human Values (IAHV)**

IAHV was created in Geneva in 1997 by His Holiness Sri Sri Ravi Shankar as a global platform for humanitarian initiatives that solve problems by uplifting human values. IAHV implements programmes focused towards disaster, education, environment care, sustainable rural development, women and youth empowerment.

**D. Flood relief:**

**HOPE Foundation**

HOPE Foundation is a society registered in Delhi and is engaged in initiatives involving education, care for orphans

& elderly, skill development, health, disaster relief and livelihood enhancement.

CRISIL Foundation has also collaborated with CERE, I am Gurgaon, and Environment Foundation of India, for environment conservation.

6. **In case the Company has failed to spend 2% 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 CSR Committee of CRISIL Limited

**Ashu Suyash**

MD & CEO  
(DIN: 00494515)

**Vinita Bali**

Chairperson  
CSR Committee  
(DIN: 00032940)

Mumbai, February 12, 2019



# Annexure II 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 arm's 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 / transaction	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 Centre (GR&A)	Ongoing subject to renewal as per contractual terms	Support SPGI and its group in their global operations, consideration of around Rs 179.50 crore in 2018	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 12, 2018	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 206.23 crore in 2018)	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 12, 2018	Nil	Not applicable

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 / transaction	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)
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 221.74 crore in 2018)	Services rendered by CRISIL Irevna US are at ALP and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna US	February 12, 2018	Nil	Not applicable
4	CRISIL Irevna Argentina, SA	Global Research and Analytical Services	Ongoing subject to renewal as per contractual terms	CRISIL Irevna Argentina, SA, is a research centre and provides research services to CRISIL GR&A clients. (Amount invoiced by CRISIL Irevna Argentina to CRISIL Limited is Rs 56.65 crore in 2018)	Services rendered by CRISIL Irevna Argentina, SA, are at ALP and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna Argentina S.A.	February 12, 2018	Nil	Not applicable

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

Mumbai, February 12, 2019

**John L Berisford**  
Chairman  
(DIN: 07554902)

# Annexure III to the Directors' Report

FORM NO. MR. 3

## Secretarial Audit Report

For financial year ended December 31, 2018, [Pursuant to Section 204(1) of the Companies Act, 2013, and Rule 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

We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on December 31, 2018, (hereinafter called the '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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2018, according to the provisions of:

- (i) Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) Depositories Act, 1996, and the regulations and bye laws framed there under;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (external commercial borrowings are not applicable to the Company during the Audit Period);
- (v) Following regulations and guidelines prescribed under the SEBI Act, 1992:

- (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
- (d) SEBI (Share Based Employee Benefits) Regulations, 2014;
- (e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
- (f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) SEBI (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
- (h) SEBI (Buyback of Securities) Regulations, 1998, (Not applicable to the Company during the Audit Period)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Acts, rules, regulations, guidelines and standards made there under.

**We further report that** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof,

on test-check basis, the Company has complied with the following law applicable specifically to the Company:

- SEBI (Credit Rating Agencies) Regulations, 1999
- SEBI (Research Analysts) Regulations, 2014

(All together 'Specific Regulations')

**We 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 are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We 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.

**We further report that** during the audit period:

- A. The Board at its meetings has allotted 4,10,854 equity shares of face value of Re 1 each pursuant to ESOS of the Company
- B. 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 Private Limited by the Company

**For Makarand M Joshi & Co**

**Makarand Joshi**

Partner

FCS No. 5533

CP No. 3662

Place: Mumbai

Date: February 12, 2019

# Annexure IV to the Directors' Report

Disclosures pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the 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, CFO, CEO, company secretary or manager, if any, in the financial year:**

Sr. no.	Name of the director	Ratio of the remuneration to the median remuneration of the employees	2018 remuneration (Rs) <sup>®</sup>	Percentage increase in remuneration	No. of ESOPs granted during 2018
a.	Mr John L Berisford, Chairman, Non-Executive Director	NA*	NA	NA	NA
b.	Dr Nachiket Mor, Independent Director <sup>#</sup>	2.32	2,000,000	-39.39%	NA
c.	Mr M Damodaran, Independent Director	4.56	3,930,000	-0.25%	NA
d.	Ms Vinita Bali, Independent Director	4.80	4,135,000	5.35%	NA
e.	Mr Girish Paranjpe, Independent Director	4.42	3,805,000	421.23% <sup>^^</sup>	NA
f.	Ms Arundhati Bhattacharya, Independent Director <sup>^</sup>	0.92	795,000	NA	NA
g.	Ms Martina Cheung, Non-Executive Director	NA*	NA	NA	NA
h.	Mr Ewout Steenbergen, Non-Executive Director	NA*	NA	NA	NA
i.	Mr Ravinder Singhania, Alternate Director to Mr John L Berisford	NA	NA	NA	NA
j.	Ms Ashu Suyash, MD & CEO	66.34	57,136,811	-4.17%	19,562
k.	Mr Amish Mehta, COO <sup>§</sup>	NA	31,471,380	-3.04%	8,275
l.	Mr Sanjay Chakravarti, CFO <sup>§§</sup>	NA	18,193,708	NA	12,315
m.	Ms Minal Bhosale, Company Secretary	NA	8,551,711	-0.71%	918

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

# Tenure of directorship ended with effect from July 23, 2018

<sup>^</sup> Appointed with effect from October 16, 2018

<sup>§</sup> Transitioned to the role of COO with effect from February 13, 2018

<sup>§§</sup> Appointed as CFO with effect from February 13, 2018

<sup>®</sup> Includes sitting fees relative to meeting attendance for non-executive directors

<sup>^^</sup> Remuneration for 2018 is not comparable with the previous year since Mr Paranjpe joined the board in October 2017 and last year's remuneration is for a part of the year.

**2. The percentage increase in the median remuneration of employees in the financial year:** Median pay has increased by 8.5% in 2018 compared with 2017

**3. The number of permanent employees on the rolls of the Company:** 3796

**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 2018 over 2017 was 8.45%. The decrease in the managerial remuneration of KMPs holding positions since 2017 was 3.51%. This was on account of performance linked variable pay being lower than last year. Further, during 2018, Company has voluntarily nominated additional Senior management personnel as KMPs as permitted under Companies Act 2013 and hence, the managerial remuneration in absolute terms for the 2 years is not comparable.

**5. Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes

# Annexure V to the Directors' Report

## Form No. MGT-9

Extract of annual return as on the financial year ended on December 31, 2018 [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 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 Email: investors@crisil.com
vi. Whether listed (Yes / No)	Yes
vii. Name, address and contact details of registrar and transfer agent, if any	Karvy Fintech Private Limited Unit: CRISIL 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	% of total turnover of the Company
1.	Ratings: Providing credit ratings including bond ratings, bank loan ratings, SME ratings, other grading services	66190	43%
2.	Research: Research services include GR&A 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	57%

### III. Particulars of holding, subsidiary and associate companies as on December 31, 2018:

Sl. no.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
i.	S&P India LLC, 251 Little Falls Drive, Wilmington, DE 19808, USA	Not applicable	Holding company	43.28%	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	15.98%	2(46)
iii.	Standard & Poor's International LLC, 251 Little Falls Drive, Wilmington, DE 19808, USA	Not applicable	Holding company	8.32%	2(46)

Sl. no.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable section
iv.	CRISIL Risk and Infrastructure Solutions Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U72100MH2000 PLC128108	Subsidiary company	100%	2(87)
v.	Pragmatix Services Private Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U67190MH2010 PTC205794	Subsidiary company	100%	2(87)
vi.	CRISIL Irevna UK Limited, C/o Penningtons Manches LLP, 125 Wood Street, London EC2V 7AN	Not applicable	Subsidiary company	100%	2(87)
vii.	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)
viii.	CRISIL Irevna Argentina SA Reconquista 1088, 9th floor Provincia de Buenos Aires, Argentina	Not applicable	Subsidiary company	100%	2(87)
ix.	CRISIL Irevna Poland SP Z oo, Renaissance Business Centre, 6th Floor, Ul Swietego Mikotaja 7, 50 - 125 Wroctaw	Not applicable	Subsidiary company	100%	2(87)
x.	CRISIL Irevna Information Technology (Hangzhou) Co Limited, Room 1606, 16th floor, Hengxin Mansion, Jiangnan Avenue 588, Hangzhou, China	Not applicable	Subsidiary company	100%	2(87)
xi.	Coalition Development Limited, C/o Penningtons Manches LLP, 125 Wood Street, London EC2V 7AN	Not applicable	Subsidiary company	100%	2(87)
xii.	Coalition Development Singapore Pte Limited, 60 Robinson Road, # 11-01, BEA Building, Singapore 068892	Not applicable	Subsidiary company	100%	2(87)

#### IV. Shareholding pattern (equity share capital break-up as percentage of total equity):

##### i) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year*
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	-	-	-	-	-	-	-	-	-
Central govt	-	-	-	-	-	-	-	-	-
State govt(s)	-	-	-	-	-	-	-	-	-
Bodies corp	-	-	-	-	-	-	-	-	-
Banks / FIs	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(1)</b>									

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year*
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies corp	47,832,539	-	47,832,539	66.71	48,732,586	-	48,732,586	67.58	0.87
Banks / FIs	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>47,832,539</b>	<b>-</b>	<b>47,832,539</b>	<b>66.71</b>	<b>48,732,586</b>	<b>-</b>	<b>48,732,586</b>	<b>67.58</b>	<b>0.87</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>47,832,539</b>	<b>-</b>	<b>47,832,539</b>	<b>66.71</b>	<b>48,732,586</b>	<b>-</b>	<b>48,732,586</b>	<b>67.58</b>	<b>0.87</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual funds	1,649,836	-	1,649,836	2.30	826,886	-	826,886	1.15	(1.15)
b) Banks / FIs	220,148	2,000	222,148	0.31	141,384	2,000	143,384	0.20	(0.11)
c) Central govt	-	-	-	-	-	-	-	-	-
d) State govt(s)	-	-	-	-	-	-	-	-	-
e) Venture capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	6,708,346	-	6,708,346	9.36	7,571,371	-	7,571,371	10.50	1.14
g) FIIs/FPI	4,175,818	3,000	4,178,818	5.83	4,164,998	-	4,164,998	5.78	(0.05)
h) Foreign venture capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate investment funds	-	-	-	-	10,826	-	10,826	0.02	0.02
j) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>12,754,148</b>	<b>5,000</b>	<b>12,759,148</b>	<b>17.79</b>	<b>12,715,465</b>	<b>2,000</b>	<b>12,717,465</b>	<b>17.63</b>	<b>(0.16)*</b>
<b>2. Non-institutions</b>									
a) Bodies corp									
i) Indian	1,339,993	3,000	1,342,993	1.88	994,504	-	994,504	1.37	(0.51)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs 1 lakh	4,562,539	119,136	4,681,675	6.53	4,905,835	100,642	5,006,477	6.94	0.41
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,789,369	-	4,789,369	6.68	4,300,261	-	4,300,261	5.96	(0.72)



Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year*
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others (specify)									
Non-resident individuals	260,599	-	260,599	0.36	313,500	-	313,500	0.43	0.07
Clearing members	4,988	-	4,988	0.01	8,112	-	8,112	0.01	0.00
Trusts	659	-	659	0.00	1,919	-	1,919	0.00	0.00
IEPF	32,040	-	32,040	0.04	40,040	-	40,040	0.06	0.02
Foreign nationals	918	-	918	0.00	918	-	918	0.00	0.00
<b>Sub-total (B) (2)</b>	<b>10,991,105</b>	<b>122,136</b>	<b>11,113,241</b>	<b>15.50</b>	<b>10,565,089</b>	<b>100,642</b>	<b>10,665,731</b>	<b>14.77</b>	<b>(0.73)</b>
<b>Total public shareholding (B) = (B)(1)+(B) (2)</b>	<b>23,745,253</b>	<b>127,136</b>	<b>23,872,389</b>	<b>33.29</b>	<b>23,280,554</b>	<b>102,642</b>	<b>23,383,196</b>	<b>32.42</b>	<b>(0.87)</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand total (A+B+C)</b>	<b>71,577,792</b>	<b>127,136</b>	<b>71,704,928</b>	<b>100</b>	<b>72,013,140</b>	<b>102,642</b>	<b>72,115,782</b>	<b>100</b>	<b>-</b>

\* In addition to changes on account of purchase/sale of shares, evident from the different shareholding positions at the 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 ESOS of the Company.

#### (ii) Shareholding of promoters:

Sl. no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	31,209,480	43.52	Nil	31,209,480	43.28	Nil	(0.24)
2.	S&P Global Asian Holdings Pte Limited	10,623,059	14.81	Nil	11,523,106	15.98	Nil	1.17
3.	Standard & Poor's International LLC	6,000,000	8.37	Nil	60,00,000	8.32	Nil	(0.05)
	<b>Total</b>	<b>47,832,539</b>	<b>66.71</b>	<b>Nil</b>	<b>48,732,586</b>	<b>67.58</b>	<b>Nil</b>	<b>0.87</b>

\* In addition to changes on account of purchase of shares, evident from the different shareholding positions at the 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 ESOS of the Company.

#### (iii) Change in promoters' shareholding

During the financial year, S&P Global Asian Holdings Pte Limited acquired 9,00,047 shares of the Company. The percentage change in the promoters' holding is also due to increase in the paid-up share capital of the Company as a consequence of allotment of shares to employees exercising their options under the ESOS of the Company.

## (iv) Shareholding pattern of top 10 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

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*
<b>1</b>	<b>Jhunjunwala Rakesh and Rekha</b>				
	January 1, 2018	3,965,000	5.53*	-	-
	December 31, 2018	3,965,000	5.50*	-	-
<b>2</b>	<b>Life Insurance Corporation of India</b>				
	We combine the folios of Life Insurance Corporation of India to give a fair representation of the total holding.				
	January 1, 2018	3,908,361	5.45*	-	-
	January 5, 2018 - Purchase	29,223	0.04	3,937,584	5.50
	January 12, 2018 - Purchase	8,921	0.01	3,946,505	5.51
	January 19, 2018 - Purchase	35,135	0.05	3,981,640	5.56
	January 26, 2018 - Purchase	21,195	0.03	4,002,835	5.59
	February 2, 2018 - Purchase	10,476	0.01	4,013,311	5.60
	February 9, 2018 - Purchase	55,111	0.08	4,068,422	5.68
	February 16, 2018 - Purchase	45,268	0.06	4,113,690	5.74
	February 23, 2018 - Purchase	10,187	0.01	4,123,877	5.75
	March 2, 2018 - Purchase	1,846	0.00	4,125,723	5.75
	March 9, 2018 - Purchase	37,551	0.05	4,163,274	5.80
	March 16, 2018 - Purchase	26,439	0.04	4,189,713	5.84
	March 23, 2018 - Purchase	19,902	0.03	4,209,615	5.87
	March 30, 2018 - Purchase	6,451	0.00	4,216,066	5.87
	April 6, 2018 - Purchase	20,052	0.03	4,236,118	5.90
	April 10, 2018 - Purchase	12,000	0.02	4,248,118	5.92
	April 13, 2018 - Purchase	28,270	0.04	4,276,388	5.96
	April 20, 2018 - Purchase	68,123	0.09	4,344,511	6.05
	April 27, 2018 - Purchase	78,529	0.11	4,423,040	6.16
	June 1, 2018 - Purchase	13,289	0.02	4,436,329	6.18
	June 8, 2018 - Purchase	21,893	0.03	4,458,222	6.21
	June 15, 2018 - Purchase	9,357	0.01	4,467,579	6.22
	June 22, 2018 - Purchase	29,065	0.04	4,496,644	6.26
	June 29, 2018 - Purchase	8,477	0.00	4,505,121	6.26
	July 6, 2018 - Purchase	13,104	0.02	4,518,225	6.28
	July 13, 2018 - Purchase	34,994	0.05	4,553,219	6.33
	July 20, 2018 - Purchase	88,953	0.12	4,642,172	6.45
	July 27, 2018 - Purchase	21,637	0.03	4,663,809	6.48
	August 3, 2018 - Purchase	27,929	0.04	4,691,738	6.52
	November 23, 2018 - Purchase	11,254	0.02	4,702,992	6.50
	November 30, 2018 - Purchase	32,500	0.04	4,735,492	6.58
	December 7, 2018 - Purchase	12,372	0.02	4,747,864	6.60
	December 14, 2018 - Purchase	17,563	0.02	4,765,427	6.62
	December 21, 2018 - Purchase	2,966	0.00	4,768,393	6.62
	December 28, 2018 - Purchase	2,423	0.00	4,770,816	6.62
	December 31, 2018 - Purchase	470	0.00	4,771,286	6.62
	December 31, 2018	4,771,286	6.62*	-	-
<b>3</b>	<b>General Insurance Corporation of India</b>				
	January 1, 2018	2,670,000	3.74*	-	-
	December 31, 2018	2,670,000	3.70*	-	-
<b>4</b>	<b>Matthews Funds – Various funds</b>				
	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 1, 2018	1,348,110	1.88*	-	-
	May 4, 2018 - Sale	-1,408	-0.01	1,346,702	1.87
	May 11, 2018 - Sale	-5,973	-0.01	1,340,729	1.86

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 18, 2018 - Sale	-6,959	-0.01	1,333,770	1.85
	May 25, 2018 - Sale	-5,454	-0.01	1,328,316	1.84
	June 1, 2018 - Sale	-16,166	-0.02	1,312,150	1.82
	December 31, 2018	1,312,150	1.82*	-	-
<b>5</b>	<b>HDFC Standard Life Insurance Company Limited / HDFCSL shareholders' solvency margin account</b>				
	January 1, 2018	469,699	0.66*	-	-
	January 5, 2018 - Purchase	244	0.00	469,943	0.66
	January 12, 2018 - Sale	-30	0.00	469,913	0.66
	April 10, 2018 - Sale	-11,446	-0.02	458,467	0.64
	November 16, 2018 - Purchase	4,200	0.01	462,667	0.65
	December 31, 2018	462,667	0.65*	-	-
<b>6</b>	<b>Platinum Asia Fund</b>				
	January 1, 2018	4,88,044	0.68*	-	-
	September 28, 2018 - Sale	-2,901	-0.01	4,85,143	0.67
	October 5, 2018 - Sale	-7,488	-0.01	4,77,655	0.66
	October 12, 2018 - Sale	-18,804	-0.02	4,58,851	0.64
	October 19, 2018 - Sale	-17,876	-0.03	4,40,975	0.61
	October 26, 2018 - Sale	-63,633	-0.09	3,77,342	0.52
	December 31, 2018	3,77,342	0.52*	-	-
<b>7</b>	<b>Platinum International Fund</b>				
	January 1, 2018	3,08,294	0.43*	-	-
	December 31, 2018	3,08,294	0.43*	-	-
<b>8</b>	<b>Ishares Core Emerging Markets Mauritius Co</b>				
	January 1, 2018	2,09,204	0.29*	-	-
	January 12, 2018 - Purchase	6,142	0.01	2,15,346	0.30
	January 19, 2018 - Purchase	3,878	0.01	2,19,224	0.31
	January 26, 2018 - Purchase	2,264	0.00	2,21,488	0.31
	February 2, 2018 - Purchase	2,656	0.00	2,24,144	0.31
	February 23, 2018 - Purchase	6,142	0.01	2,30,286	0.32
	March 2, 2018 - Purchase	830	0.00	2,31,116	0.32
	March 9, 2018 - Purchase	332	0.00	2,31,448	0.32
	March 16, 2018 - Purchase	4,814	0.01	2,36,262	0.33
	March 23, 2018 - Purchase	498	0.00	2,36,760	0.33
	March 30, 2018 - Purchase	996	0.00	2,37,756	0.33
	April 6, 2018 - Purchase	2,324	0.00	2,40,080	0.33
	April 10, 2018 - Purchase	996	0.01	2,41,076	0.34
	April 13, 2018 - Purchase	996	0.00	2,42,072	0.34
	April 20, 2018 - Purchase	2,822	0.00	2,44,894	0.34
	April 27, 2018 - Purchase	1,660	0.00	2,46,554	0.34
	July 20, 2018 - Purchase	664	0.00	2,47,218	0.34
	July 27, 2018 - Purchase	1,660	0.01	2,48,878	0.35
	August 3, 2018 - Purchase	7,802	0.01	2,56,680	0.36
	August 10, 2018 - Purchase	1,494	0.00	2,58,174	0.36
	August 31, 2018 - Purchase	1,826	0.00	2,60,000	0.36
	September 7, 2018 - Purchase	664	0.00	2,60,664	0.36
	September 28, 2018 - Purchase	830	0.00	2,61,494	0.36
	October 5, 2018 - Purchase	1,328	0.00	2,62,822	0.36
	November 2, 2018 - Purchase	2,313	0.01	2,65,135	0.37
	November 9, 2018 - Purchase	1,848	0.00	2,66,983	0.37
	November 16, 2018 - Purchase	4,720	0.01	2,71,703	0.38
	November 23, 2018 - Purchase	4,930	0.00	2,76,633	0.38
	November 30, 2018 - Purchase	3,470	0.01	2,80,103	0.39
	December 7, 2018 - Purchase	9,045	0.01	2,89,148	0.40
	December 14, 2018 - Purchase	507	0.00	2,89,655	0.40

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 21, 2018 – Purchase	338	0.00	2,89,993	0.40
	December 31, 2018	2,89,993	0.40*	-	-
<b>9</b>	<b>Aditya Birla Sun Life Trustee Private Limited</b>				
	January 1, 2018	1,83,345	0.25*	-	-
	June 8, 2018 – Purchase	13,513	0.02	1,96,858	0.27
	September 7, 2018 – Purchase	10,800	0.02	2,07,658	0.29
	September 14, 2018 – Purchase	5,945	0.01	2,13,603	0.30
	September 21, 2018 – Purchase	23,800	0.03	2,37,403	0.33
	September 28, 2018 – Purchase	21,146	0.03	2,58,549	0.36
	December 31, 2018	2,58,549	0.36*	-	-
<b>10</b>	<b>Verdipapirfondet Odin Emerging Markets</b>				
	January 01, 2018	0	0.00*	-	-
	January 12, 2018 - Purchase	17,817	0.02	17,817	0.02
	January 19, 2018 - Purchase	1,010	0.01	18,827	0.03
	February 9, 2018 - Purchase	2,383	0.00	21,210	0.03
	February 23, 2018 - Purchase	16,483	0.02	37,693	0.05
	March 2, 2018 - Purchase	36,548	0.05	74,241	0.10
	March 9, 2018 - Purchase	965	0.00	75,206	0.10
	March 23, 2018 - Purchase	24,794	0.04	1,00,000	0.14
	April 6, 2018 - Purchase	5,900	0.01	1,05,900	0.15
	April 10, 2018 - Purchase	1,366	0.00	1,07,266	0.15
	April 13, 2018 - Purchase	16,709	0.02	1,23,975	0.17
	April 20, 2018 - Purchase	215	0.00	1,24,190	0.17
	April 27, 2018 - Purchase	25,810	0.04	1,50,000	0.21
	August 10, 2018 – Purchase	14,899	0.02	1,64,899	0.23
	August 17, 2018 – Purchase	5,553	0.01	1,70,452	0.24
	August 24, 2018 – Purchase	39,751	0.06	2,10,203	0.29
	December 31, 2018	2,10,203	0.29*	-	-

\*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 ESOS of the Company.

#### (v) Shareholding of directors and key managerial personnel:

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

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	(Rs in crore)
				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
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Change in indebtedness during the financial year				
Addition	Nil	95.35	Nil	95.35
Reduction	Nil	95.35	Nil	95.35
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
<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**VI. Remuneration of directors and key managerial personnel**
**A. Remuneration to MD, WTDs and/or managers**

Name of MD/WTD/manager: Ms Ashu Suyash, MD &amp; CEO

Sl. no.	Particulars of remuneration	Name of MD/WTD/manager: Ms Ashu Suyash, MD & CEO	(Rs) Total
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961*	34,886,347	34,886,347
	(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) of 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)	20,500,000	20,500,000
5	Others, please specify (provident fund)	1,710,864	1,710,864
	<b>Total (A)</b>	<b>57,136,811</b>	<b>57,136,811</b>
	No of ESOPs granted during 2018	19,562	19,562
	Ceiling as per the Act		Rs 19.28 crore (being 5% of net profits of the Company as calculated as per Section 198 of the Companies Act, 2013)

\*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.

**B. Remuneration to other directors**

Sl. no.	Name of directors	Particulars of remuneration			Total Amount (Rs)
		Fee for attending board / committee meetings (Rs)	Commission (Rs)	Others, please specify (Rs)	
<b>Independent directors</b>					
1.	Dr Nachiket Mor**	320,000	1,680,000	Nil	2,000,000
2.	Mr M Damodaran	930,000	3,000,000	Nil	3,930,000
3.	Ms Vinita Bali	1,135,000	3,000,000	Nil	4,135,000
4.	Mr Girish Paranjpe	805,000	3,000,000	Nil	3,805,000
5.	Ms Arundhati Bhattacharya <sup>§</sup>	160,000	635,000	Nil	795,000
<b>Non-executive directors</b>					
6.	Ms Martina Cheung	Nil*	Nil*	Nil	Nil
7.	Mr John L Berisford	Nil*	Nil*	Nil	Nil
8.	Mr Ewout Steenbergen	Nil*	Nil*	Nil	Nil
9.	Mr Ravinder Singhanian (Alternate to Mr John 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 July 23, 2018

<sup>§</sup> Appointed as director on October 16, 2018

**Total managerial remuneration**

Sl. no.	Particulars	Amount (Rs)
1.	Remuneration to MD, WTDs and/or managers (as per A above)	57,136,811
2.	Remuneration to other directors (as per B above)	14,665,000
	<b>Total</b>	<b>71,801,811</b>
	Overall ceiling as per the Act (%)	Rs 23.14 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 / manager / WTD:

Sl. no.	Particulars of remuneration	Key managerial personnel*			Total amount
		COO (Mr Amish Mehta) <sup>§</sup>	CFO (Mr Sanjay Chakravarti) <sup>^</sup>	Company Secretary (Ms Minal Bhosale)	
1	Gross salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	24,345,944	14,831,823	6,958,542	46,136,309
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 (variable pay)				
2	Stock option (perquisite value)	Nil	Nil	Nil	Nil
3	Sweat equity	Nil	Nil	Nil	Nil
4	Commission				
	- As % of profit	Nil		Nil	Nil
	- Others (variable pay)	6,362,080	3,003,820	1,381,390	10,747,290
5	Others, please specify (provident fund)	763,356	358,065	211,779	1,333,200
	<b>Total</b>	<b>31,471,380</b>	<b>18,193,708</b>	<b>8,551,711</b>	<b>58,216,799</b>
	No. of ESOPs granted during 2018	8,275	12,315	918	21,508

<sup>§</sup> Transitioned to the role of COO with effect from February 13, 2018

<sup>^</sup> Appointed as CFO with effect from February 13, 2018

\* 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:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act against the Company or its directors or other officers in default, if any, during the year.

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)
<b>A. Company</b>					
Penalty	Not applicable				
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	Not applicable				
Punishment					
Compounding					
<b>C. Other officers in default</b>					
Penalty	Not applicable				
Punishment					
Compounding					

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

**John L Berisford**  
Chairman  
(DIN: 07554902)

Mumbai, February 12, 2019

# 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 to corporates, financial markets and the economy at large. 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 100,000 customers. Our businesses operate from India, the US, the UK, Argentina, Poland, China, Hong Kong, Singapore and the United Arab Emirates.

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.

### Ratings

A sharp drop in corporate bond issuances amid rising yields and a temporary liquidity crunch following the default by a large non-banking finance company (NBFC) outweighed improvement in investor sentiment during 2018. It also kept business environment in the world's fastest-growing major economy muted.

Even though capital market activity was subdued because of rising yields, demand for bank credit grew. It was driven by higher working capital requirements (necessitated by a rise in commodity prices) and shift in demand from the capital market to bank loans (given slower interest rate transmission).

On the regulatory front, the Securities and Exchange Board of India (SEBI) announced a series of changes pertaining to enhancing disclosure by CRAs and issuers and measures to expand the debt capital market.

Further, the small and medium enterprise (SME) segment in India underwent a significant digital transformation with the introduction of Goods and Services Tax (GST) and other government-led digital initiatives.

In this challenging situation, new client acquisitions and healthy traction in new products maintained CRISIL Ratings' market leadership in 2018. As many as 2,976 new bank loan ratings (BLRs) and over 19,000 SME grading and assessments were assigned in the year. Ratings have been assigned to more than 28,000 large and mid-size corporates till date and the performance of over 144,000 SMEs were assessed. Further, we onboarded 150+ new large corporate clients and gained positive revenue traction in rating the resolution plans of stressed assets. Despite intense competition and considerable price erosion, we were able to maintain our market share in the BLR space in terms of the new quantum rated.

In 2018, CRISIL Ratings rated India's first toll-operate-transfer (TOT) road project. We also rated pass-through certificates

(PTCs) backed by education loan receivables. In another first, we assigned a credit opinion to capital protection available to unitholders of an alternative investment fund. We were also the first to rate the resolution plan of a stressed asset and develop detailed criteria and methodology in line with the requirement of the RBI circular on 'Resolution of Stressed Assets – Revised Framework'.

CRISIL SME business also made considerable progress to sustain consistency in revenues and reduction of costs, post the NSIC subsidy withdrawal. Initial traction was witnessed in newly launched products for bulk originations through lenders such as CRISIL Credit Assessment Score (CCAS), Enhanced Due-Diligence (EDD) and i-Check. Institutional SME (ISME) business has been identified as one of the growth drivers for SME business and has exhibited robust growth during the year with addition of various new clients across industries and increased share of wallet from existing clients. We have also made advancements in the domain of education grading.

Further, in near to medium term, smefirst.com, our digital portal for SME sector, is expected to be one of the important growth contributors to the SME business. With enhanced focus on digital lending, smefirst.com will act as a one-stop solution provider for lenders, SMEs and corporates to meet their assessment requirements. ISME business with its robust pipeline is expected to provide further stability to the overall SME business. In continuation with last year's trend of aligning offerings to market requirements, we also launched a new product SME Compare, a peer comparison tool for SMEs, accessible on smefirst.com.

GAC continued to partner with S&P Global Ratings Services on key surveillance and optimisation initiatives in the data and analytical domains and enhanced its support to the risk and control functions. With increasing focus on automation and optimisation, GAC stepped up its efforts on the ongoing process improvement and automation by leveraging new age technologies. With continued focus on strengthening the first line of defence, GAC undertook several initiatives to strengthen the internal controls framework. GAC's adoption of lean management tools, work standardisation and process re-engineering initiatives resulted in consistent support levels across diverse geographies and asset classes

### Research

#### GR&A

Regulations continue to drive both the short and long trends in the BFSI industry. The impact of new regulations that came into effect in 2017 and 2018 has started to materialise. The Markets in Financial Instruments Directive II (MiFID II) regulation has significantly affected the way research is produced, disseminated and consumed, impacting both sell and buy-side ecosystems. The rising cost of unbundled research has also nudged banks to consider a revamp of their overall operational strategy, with increasing preference for

captives to alleviate margin pressures. There is also a growing demand for specialised research to provide differentiated value, ushering in a new wave of niche research providers.

Within the credit ecosystem, there is a requirement of robust, adaptive solutions that provide surveillance and risk monitoring in a cost-effective manner. This is enabled by leveraging the latest technology disruptions in the form of artificial intelligence (AI), machine learning (ML) and advanced analytics. GR&A is striving to meet these requirements.

2018 was a great year for GR&A's foray into the wider European (ex-UK) banking ecosystem. On the back of the TRIM audits conducted this year by the ECB, our Quantitative Research sub-vertical witnessed good traction for our model development, validation, documentation and audit offerings. There is also a growing demand for modular, off-the-shelf solutions across the spectrum of MRM and FCC analytics as an increasing number of smaller, regional banks are being brought under the regulatory radar. Global banks continue to make strategic investments in long-term business transformation and process reengineering initiatives, sustaining demand for our regulatory and non-regulatory change management offerings. We have been witnessing good interest for our data quality and controls, system optimisation (trading and risk) and risk and finance integration services.

CRISIL GR&A continues to be a market leader, providing cutting-edge financial research and risk and 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. It supports 17 of the top 20 global investment banks and provides coverage of over 3,300 stocks and 3,400 credits globally.

### **India Research**

Uncertainty in the macroeconomic environment and volatility in asset classes augured well for the India Research business. Upturn in the capital expenditure cycle, rise in commodity prices and increasing competition boosted demand for bespoke research. Mandates for the 'Industry Chapter' for DRHP filings gave business the extra boost.

In the backdrop of mounting defaults, banks and NBFCs have increased focus on risk mitigation and identifying early warning signals. Customers demand a comprehensive data solution (structured and unstructured data) that can be integrated into their workflow and help them with better analytics. Quantix, our new product, caters to this need with its advanced tool and analytics and comprehensive database of 50,000+ companies.

In the Fixed Income Research business, we consolidated our strong position in the valuation space by winning mandates from general insurers and corporates. We continue to be the largest provider of fixed income indices in India and have launched 39 new debt and five new hybrid indices, taking the total to 91.

In mutual fund research, we enhanced our presence with corporate treasuries and exempted provident fund trusts, helping them review portfolio performance and monitor risks.

There is a constant need for upskilling the talent pool at the NBFCs, SFBs and other banks - especially in the public sector - given the large number of senior-level retirements. Our Training business has been catering to these requirements through open house and customised programmes. We launched 48 unique open house programmes and an e-Learning course that will enable a much larger user base to benefit from CRISIL's expertise in credit and risk management.

C-CER launched the Macro Plus training programme this year. We conducted six such programmes, of which two were in collaboration with the fixed income team. The programmes not only saw massive participation by clients' senior management teams, but also received encouraging response from them.

Further, we continued to focus on franchise and thought leadership activities by conducting distinctive research on contemporary issues. We released 36 high impact reports, 38 bylines, 29 press releases and also held marquee events - India Outlook 2018, Fourth Pension Conference, CNBC Mutual Fund Awards, AMFI Annual Summit and Trustee Seminar by SEBI.

### **CRISIL Coalition**

We embarked on several initiatives to enhance our market relevance and connect with customers. These initiatives included reaching out to prospective clients, including regional players. In 2018, CRISIL Coalition added six new logos to its impressive list of global corporate and investment banks. New and more granular IP was developed to cater to newer clients, such as the regional banks.

We reinforced our leadership with the top 15 banks by meeting most of the heads of CIB and all heads of GM/IB businesses, in addition to presenting to 200+ executive committees at various banks. More than 90+ publications globally carried our views and quoted them during the year. We were referenced by leading global banks in 75+ investor relations presentations.

On the operations side, the focus has been on enhancing productivity through increased automation and digitisation. We developed and deployed an application for automated printing of client presentations, having undertaken efforts to digitise the research value chain. This will enable better data discovery in research and analytics. CRISIL Coalition obtained the coveted SSAE16 SOC2 Type II certification, in 2018. The certificate attests and describes the operating effectiveness of controls designed and implemented to protect data and IP.

### **Infrastructure Advisory**

CRISIL Infrastructure Advisory is a leading advisor to governments and regulators, multilateral agencies, investors and large corporates. We help shape public policy and enable infrastructure development. This year, business momentum slowed significantly with the Indian government focusing more on implementation and monitoring of ongoing flagship programmes such as AMRUT, Smart Cities and Bharatmala. The government continued to account for the lion's share of



investments in infrastructure, with the private sector still shying away from infrastructure development. The latter's share of infrastructure investment fell to a decadal low, below 25%.

Despite the slowdown, the Infrastructure Advisory business strengthened its order book by deepening its penetration in international markets and winning a couple of large-value multi-year implementation support and programme management mandates in India. Some prestigious mandates included programme management of Bharatmala Pariyojana, programme and design management for a smart city, an electricity distribution improvement programme in Uttar Pradesh, acting as transaction advisor for auction of major and minor minerals in Chhattisgarh and advisory support on city gas distribution.

CRISIL Infrastructure Advisory also successfully hosted the second edition of the CRISIL India Infrastructure Conclave in New Delhi in October 2018, themed 'Enabling private sector participation in the infrastructure build-out'. Mr Suresh Prabhu, Minister of Commerce & Industry and Civil Aviation, was the keynote speaker and Mr Amitabh Kant, CEO NITI Aayog, was the guest of honour. Several dignitaries and speakers also participated. The event received good media coverage and significantly improved the franchise and positioning of the business among the key stakeholders.

### Risk Solutions

The weak credit environment has made for a compelling pitch for our risk solution products including the RAM, the early warning system and portfolio evaluation and monitoring. Despite demand with both public and private financial institutions, we are treading cautiously as implementation and timeline challenges exist.

In the overseas markets, we deepened our collaboration with S&P Global to leverage its client franchise and offer combined solutions, syncing its risk scorecard with our technology platform.

Delayed decisioning at client end and increasing competition impacted conversions and price points during the year. The business continues to focus on product development and tapping clients in newer markets to serve the needs for risk management and mitigation.

Despite a challenging year, we have some prominent green shoots. We successfully launched and implemented our Expected Credit Loss (ECL) offering under the new International Financial Reporting Standards regime to financial institutions in India and overseas.

Our product development efforts continue, and we intend to launch ICON, a new-age RAM, in the first half of 2019.

### Pragmatix

The demand for business intelligence & analytical solutions continues to be strong. Spends in these areas across all geographies is robust. We made significant gains with key customers across India and Middle East geographies during the year. The environment continues to present significant growth opportunities for the business over the near future.

The Pragmatix business in 2018 saw good growth and continued to maintain excellence in execution and client satisfaction.

We remain focused on expanding our technology capabilities and deepening presence with clients.

### Analysis of consolidated financial performance and result of operations

The consolidated financial statements include CRISIL Limited's financial statements combined with the financial statements of its wholly owned subsidiaries (Group). Subsidiaries are entities 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 - assets, liabilities, income and expenses - after duly eliminating intra-group balances and transactions and resulting gains/ losses.

The 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 the 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. Management accepts responsibility for the integrity and objectivity of the financial statements as well as for various estimates and judgment used therein.

On January 24, 2018, CRISIL completed the acquisition of 100% stake in 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 BFSI vertical. Pragmatix became a wholly owned subsidiary of CRISIL with effect from the said date. Therefore, the figures for the year ended December 31, 2018, are not comparable with the previous year's figures.

The consolidated financial performance and result of operations are relevant for understanding CRISIL's performance.

#### A. Financial performance

##### 1. Property, plant, equipment and intangible assets

The Group'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 Group's intangible assets - software, customer relationship, technology, database, tradename and platform - are stated at cost of acquisition or construction less accumulated amortisation and impairment losses, if any. The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year.

During the year, the Group capitalised Rs 53.44 crore to its gross block and deducted Rs 4.20 crore from the gross block on disposal of various assets. Capitalised assets include office equipment, computers, software and leasehold improvements to support business expansion and provide for replacement of the existing assets.

Depreciation as a percentage of total income declined by 1% in 2018. The Group expects to fund its investments in fixed assets and infrastructure from internal accruals and liquid assets.

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

Details	As at December 31,		(Rs crore)
	2018	2017	Growth %
Carrying value			
Property, plant, equipment and intangible assets	219.91	161.12	36
Less accumulated depreciation/amortisation	147.23	99.69	48
<b>Net block</b>	<b>72.68</b>	<b>61.43</b>	18
Depreciation/amortisation as % of total income	2%	3%	
Accumulated depreciation as % of gross block	67%	62%	

## 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. The acquisition of Pragmatix resulted in increase in goodwill by Rs 36.21 crore in the consolidated books. The balance growth was owing to translation difference.

## 3. Financial assets

**A. Investments and treasury:** The Group's investments and treasury comprise 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 Group's investments in mutual funds are classified as fair value through profit or loss (FVTPL). The Group's treasury was Rs 389.66 crore as at December 31, 2018, as against Rs 271.44 crore in the previous year. The contribution of cash and cash equivalents to total treasury declined by 2% to 24% for the year ended December 31, 2018. The treasury position is after payouts of dividend of Rs 251.38 crore and payment of Rs 56.00 crore on Pragmatix acquisition.

Category	As at December 31,				(Rs crore)
	2018	%	2017	%	Growth %
Cash and bank balance	94.07	24	71.19	26	32
Fixed deposit	112.56	29	60.92	23	85
Mutual funds	183.03	47	139.33	51	31
<b>Total</b>	<b>389.66</b>	<b>100</b>	<b>271.44</b>	<b>100</b>	

Cash and bank balance include Indian and overseas bank accounts. The latter is maintained to meet the expenditure of overseas operations. The Group's treasury policy calls for investing surplus in combination of fixed deposits with scheduled banks and debt mutual funds.

The Group maintains adequate amount of liquidity/treasury to meet strategic and growth objectives. It has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks.

The Group actively monitors its treasury portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls ensure investments are made as per the policy.

## B. Loans

Loans comprise security deposits and loans to employees. Loans were Rs 45.29 crore as at December 31, 2018, as against Rs 42.39 crore in the previous year.

## C. Trade receivables

Trade receivables at gross levels were Rs 324.70 crore as at December 31, 2018 compared with Rs 284.56 crore in the previous year. Trade receivables constituted 19% of operating revenue compared with 17% the previous year.

The break-up of debtors relating to the segments is tabled below:

Segment	As at December 31,				(Rs crore)
	2018		2017		Growth %
	Amount	%	Amount	%	
Ratings	62.28	19	67.70	14	(8)
Research	203.11	63	181.74	78	12
Advisory	59.31	18	35.12	8	69
<b>Total</b>	<b>324.70</b>	<b>100</b>	<b>284.56</b>	<b>100</b>	

The Group believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debt. Provision for doubtful debt balance was Rs 39.87 crore as at December 31, 2018, as against Rs 24.14 crore in the previous year. The increase in bad debt provision is mainly on account of additional provision for receivables of Rs 16.84 crore in the Advisory segment. Provision for bad debt as a percentage of revenue for the year ended December 31, 2018, was 2% compared with 1% in the previous year.

## D. Other financial assets

Other financial assets comprise advances recoverable, accrued revenue, accrued interest 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. Other financial assets amounted to Rs 94.49 crore for the year ended December 31, 2018, compared with Rs 99.89 crore in the previous year.

### 4. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant, equipment, leave encashment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, business combination, provision for bad debt and deferred initial rating fees. The Group's net deferred tax assets totaled Rs 56.76 crore as at December 31, 2018, as against Rs 34.75 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty sufficient future taxable income will be available against which such deferred tax assets can be realised.

The net advance income tax paid was Rs 44.29 crore as at December 31, 2018, compared with Rs 31.93 crore in the previous year.

### 5. Other assets

Other assets mainly comprise advances to vendors, prepaid expenses and tax credit receivable.

### 6. Equity share capital

The Company's authorised capital is Rs 10 crore, comprising 100,000,000 equity shares of Re 1 per share. During the year, the Company issued and allotted 410,854 equity shares to eligible employees on exercise of options granted under ESOS 2011, 2012 and 2014. Consequently, the Company's issued, subscribed and paid-up capital increased from 71,704,928 equity shares of Re 1 each to 72,115,782 equity shares of Re 1 each.

### 7. Other equity

Other equity was Rs 1,129.04 crore as at December 31, 2018, as against Rs 1,041.40 crore in the previous year. Other equity comprises reserves, surplus and other comprehensive income (OCI).

## 8. Financial liabilities

## A. Trade payables

Trade payables as at December 31, 2018, were Rs 64.77 crore as against Rs 56.72 crore in the previous year. Trade payables include amount payable to vendors for the supply of goods and services.

## B. Other financial liabilities

Other financial liabilities, which include dues to employees, unclaimed dividend, book overdraft and miscellaneous liabilities, were Rs 167.13 crore as at December 31, 2018, as against Rs 152.00 crore in the preceding year.

## 9. Provisions and other liabilities

## A. Provisions

**Provision for employee benefits-** The overall liability was Rs 77.11 crore as at December 31, 2018, compared with Rs 75.08 crore in the previous year. The increase was in line with merit increase.

## B. Others

Other non-financial liabilities include unearned revenue and statutory liabilities. Other liabilities were Rs 174.20 crore as against Rs 152.34 crore in the previous year. The increase was on account of increase in unearned revenue which represents fees received in advance or services have not been rendered.

## B. Results of operations

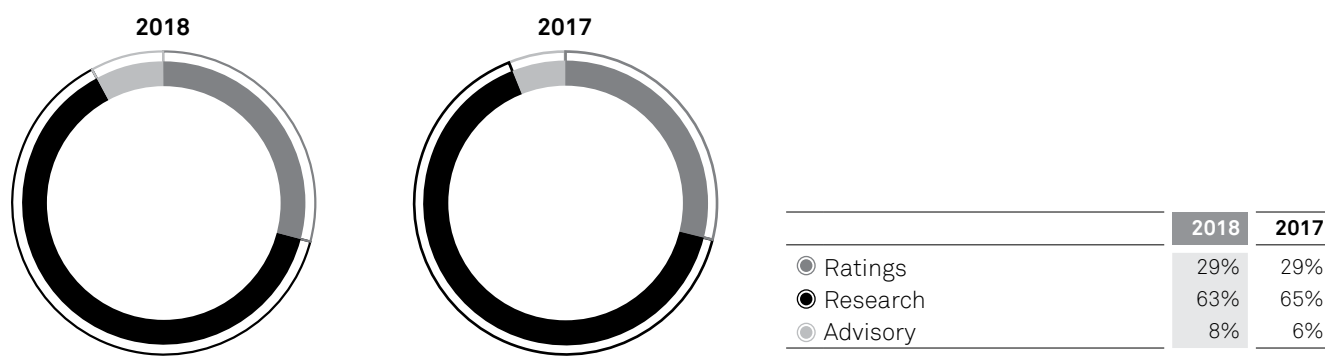
The summary of the operating performance in 2018 is given below:

(Rs crore)

Particulars	Year-ended December 31,			
	2018	% of revenue	2017	% of revenue
<b>Income</b>				
Income from operations	1,748.49	96	1,658.46	98
Other income	73.41	4	25.38	2
<b>Total income</b>	<b>1,821.90</b>	<b>100</b>	<b>1,683.84</b>	<b>100</b>
<b>Expenses</b>				
Personnel expenses	887.36	49	845.93	50
Finance cost	2.23	0	0.41	0
Depreciation	42.82	2	46.64	3
Other expenses	389.90	21	357.25	21
<b>Total expenses</b>	<b>1,322.31</b>	<b>73</b>	<b>1,250.23</b>	<b>74</b>
<b>Profit before tax</b>	<b>499.59</b>	<b>27</b>	<b>433.61</b>	<b>26</b>
Tax expense	136.49	7	129.18	8
<b>Profit after tax</b>	<b>363.10</b>	<b>20</b>	<b>304.43</b>	<b>18</b>

Income from operations grew by 5% in 2018. Operating expenses grew by 6%.

## Segmental revenue analysis



## Segmental results

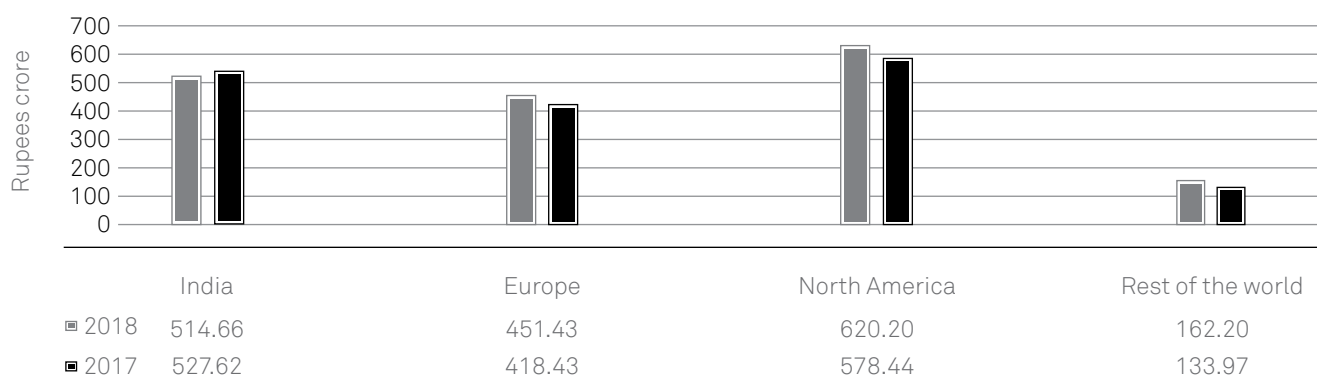
Segmental details	Year ended December 31,		(Rs crore)
	2018	2017	Growth
			%
Revenue			
Ratings	507.30	480.29	6
Research	1,106.01	1,080.39	2
Advisory	135.18	97.78	38
<b>Total</b>	<b>1,748.49</b>	<b>1,658.46</b>	<b>5</b>
<b>Segmental profit</b>			
Ratings	184.17	151.20	22
Research	326.44	308.46	6
Advisory	(8.09)	9.24	(188)
<b>Total</b>	<b>502.52</b>	<b>468.90</b>	<b>7</b>

Ratings segment grew on account of pointed focus on analytical and surveillance quality, client engagement, differentiated positioning and excellence in ratings, along with productivity improvements, which resulted in a healthy growth in revenue and margins. Despite a challenging business environment, Ratings grew at a healthy pace on the back of improved market share through client acquisition.

India Research continued to grow driven by new client additions and mandates stemming from capital market buoyancy and upturn in a few sectors. CRISIL Coalition continued to grow strongly led by client demand for more insights and analytics. The business sharpened focus on products and platforms to take advantage of changing client needs. The GR&A business faced headwinds from maturing regulations in the US and Europe.

Infrastructure Advisory won prestigious mandates from multilaterals and government entities. The segment's results were impacted by an additional provision for receivables of Rs 16.84 crore.

## Revenue by geography



Of the total revenue for the year ended December 31, 2018, exports contributed 71% and domestic services 29%.

## Other income (net)

Other income was Rs 73.41 crore for the year ended December 31, 2018, compared with Rs 25.38 crore in the previous year. The growth is mainly on account of export benefits amounting to Rs 24.93 crore received by the Group in the form of duty-free saleable scrips under the Service Export India Scheme (SEIS) from the government authorities. The Group also accounted for a net foreign exchange gain of Rs 21.26 crore during the year.

## Expense analysis

Total expense in the year was Rs 1,322.31 crore as against Rs 1,250.23 crore in the previous year. The composition of expenses is given below:

Particulars	(Rs crore)			
	Year ended December 31,		Year ended December 31,	
	2018	% of total expense	2017	% of total expense
Personnel expenses	887.36	67	845.93	68
Finance cost	2.23	0	0.41	0
Depreciation	42.82	3	46.64	4
Other expenses	389.90	29	357.25	29
<b>Total operating expenses</b>	<b>1,322.31</b>	<b>100</b>	<b>1,250.23</b>	<b>100</b>

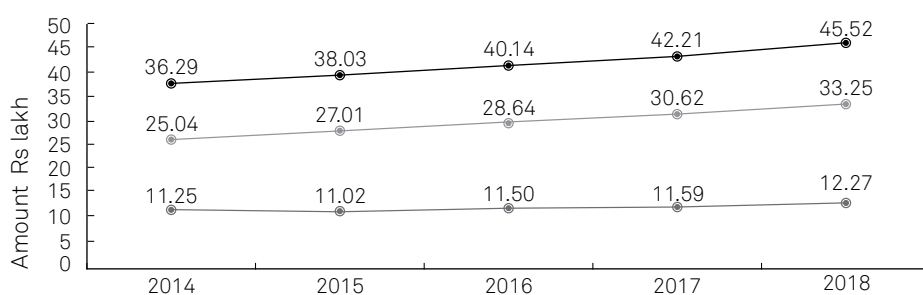
Personnel expense grew by 5% on account of merit increase in the year. Other expenses grew by 9% for the year ended December 31, 2018 owing to the additional provision for receivables of Rs 16.84 crore in the Advisory services segment. Finance cost includes the effect of inflation on the Argentine subsidiary's net monetary position. Finance cost also includes interest expense on bank overdraft in the year.

## Profit and loss ratios

Particulars	2018	2017	2016	2015	2014
Personnel expenses/revenue (%)	49	50	50	49	46
Operating and other expenses/revenue (%)	73	74	73	71	71
Operating profit (PBIDT)/revenue (%)	30	29	31	31	32
Depreciation and amortisation/revenue (%)	2	3	3	3	3
Tax/revenue (%)	7	8	9	8	8
PAT/revenue (%)	20	18	18	20	21

Note: Figures for 2018, 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



	2014	2015	2016	2017	2018
Operating revenue per employee	36.29	38.03	40.14	42.21	45.52
Operating Expense per employee	25.04	27.01	28.64	30.62	33.25
Operating Profit per employee	11.25	11.02	11.50	11.59	12.27

Note: Figures for 2018, 2017 and 2016 are as per Ind AS and for the earlier years as per IGAAP

Operating revenue per employee recorded a growth of 8% on-year. Operating profit per employee increased to Rs 12.27 lakh which was achieved through a combination of revenue growth and increased productivity through effective utilisation of resources.

## Analysis of standalone financial performance and result of operations of CRISIL

### A. Financial performance

#### 1. Property, plant, equipment and intangible assets

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

During the year, the Company capitalised Rs 28.27 crore to its gross block and deducted Rs 2.24 crore from the gross block on disposal of various assets. Property, plant, equipment and intangible assets capitalised during the year include office equipment, computers, software and leasehold improvements to support expansion of the business and provide for replacement of the existing assets.

Depreciation as a percentage of total income remained constant at 2% in the year. The Company expects to fund its investments in fixed assets and infrastructure from internal accrual and liquid assets.

#### b. Current investments and treasury

The Company's investments in mutual funds are classified as Fair Value Through Profit and Loss (FVTPL). The Company's treasury totaled Rs 233.26 crore as at December 31, 2018, as against Rs 174.40 crore in the previous year.

Cash and cash equivalents constituted 21% of the treasury as at December 31, 2018, as against 14% in the previous year. The treasury position is after considering dividend payouts which totaled Rs 251.38 crore and payment of Rs 56.00 crore towards acquisition of Pragmatix.

Category	(Rs crore)			
	As at December 31,			
	2018	%	2017	%
Cash and bank balance	48.86	21	24.71	14
Fixed deposit	1.39	1	18.37	11
Mutual funds	183.03	78	131.32	75
<b>Total</b>	<b>233.28</b>	<b>100</b>	<b>174.40</b>	<b>100</b>

**Note:** The Company's treasury policy calls for investing surplus in a combination of fixed deposits with scheduled banks and debt mutual funds. The Company's treasury position is healthy.

### B. Loans

Loans comprise of security deposits, loans to subsidiary and loans to staff. As at December 31, 2018, the loans receivable amount totaled Rs 45.77 crore.

### C. Trade receivables

Trade receivables at gross levels were Rs 182.37 crore as at December 31, 2018, compared with Rs 181.34 crore in the previous year. Trade receivables as a percentage of operating revenue remained constant at 15%.

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision

At the end of the year, the Company's investments in net property, plant, equipment and intangible assets were Rs 48.72 crore as against Rs 50.53 crore in the previous year.

#### 2. Financial assets

**A. Investments and treasury:** The Company's investments and treasury comprise 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 OCI (FVTOCI).

Investments in subsidiaries are measured at cost. On January 24, 2018, CRISIL completed the acquisition of 100% stake in Pragmatix and it became a wholly owned subsidiary of the Company with effect from the said date. As at December 31, 2018, the cost of investment in subsidiaries stood at Rs 182.83 crore.

### D. Other financial assets

Other financial assets comprise advances recoverable in cash/kind, accrued revenue, accrued interest and forward contract receivable. Other financial assets for the year ended December 31, 2018, amounted to Rs 33.21 crore, compared with Rs 41.67 crore in the previous year.

### 3. Deferred tax assets and advance taxes

Deferred tax assets and liability primarily comprise deferred taxes on property, plant, equipment, leave encashment, accrued compensation to employees, gratuity, fair valuation of quoted/unquoted investments, provision for bad debt and unearned revenue. The Company's net deferred tax assets was Rs 45.40 crore as at December 31, 2018, as against Rs 27.10 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty sufficient future taxable income will be available against which such deferred tax assets can be realised.

The advance income tax paid was Rs 36.18 crore as at December 31, 2018, compared with Rs 25.26 crore in the previous year.

### 4. Other assets

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

### 5. Equity share capital

The Company's authorised capital is Rs 10 crore, comprising 100,000,000 equity shares of Re 1 per share. During the year, the Company issued and allotted 410,854 equity shares to eligible employees on exercise of options granted under ESOS 2011, 2012 and 2014. Consequently, the issued, subscribed and paid-up capital of the Company increased from 71,704,928 equity shares to 72,115,782 equity shares of Re 1 each.

### 6. Other equity

Other equity comprises reserves, surplus and OCI. It was Rs 801.72 crore as at December 31, 2018, as against

Rs 804.53 crore in the corresponding previous year. This was after considering the final and interim dividend payouts amounting to Rs 251.38 crore during the year ended December 31, 2018.

## 7. Financial liabilities

### A. Trade payables

Trade payables amounted to Rs 52.07 crore as at December 31, 2018, as against Rs 46.82 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 unclaimed dividend, book overdraft, dues to employees and sundry deposit payable, were Rs 76.03 crore as at December 31, 2018, as against Rs 75.68 crore in the preceding year.

### 8. Provisions

Provisions comprise provisions for employee benefits. The overall liability was Rs 67.79 crore as at December 31, 2018, as against Rs 66.27 crore at the end of the previous year. Growth was in line with merit increase.

### 9. Other liabilities

Other liabilities mainly represent payables on account of withholding tax, service 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 in 2018 is given below:

(Rs crore)

Particulars	As at December 31,			
	2018	% of revenue	2017	% of revenue
<b>Income</b>				
Income from operations	1,181.99	93	1,177.38	96
Other income	88.87	7	47.21	4
<b>Total income</b>	<b>1,270.86</b>	<b>100</b>	<b>1,224.59</b>	<b>100</b>
<b>Expenses</b>				
Personnel expenses	504.19	40	498.49	41
Finance cost	1.18	-	0.41	-
Depreciation	28.67	2	27.81	2
Other expenses	356.25	28	351.83	29
<b>Total expenses</b>	<b>890.29</b>	<b>70</b>	<b>878.54</b>	<b>72</b>
<b>Profit before tax</b>	<b>380.57</b>	<b>30</b>	<b>346.05</b>	<b>28</b>
Tax expense	103.04	8	108.79	9
<b>Profit after tax</b>	<b>277.53</b>	<b>22</b>	<b>237.26</b>	<b>19</b>



## Revenue analysis

### Other income (net)

Other income during the year increased to Rs 88.87 crore from Rs 47.21 crore in the previous year. This was mainly due to export benefits received amounting to Rs 24.17 crore in the form of saleable scrips from the government, under SEIS. The Company also recorded a foreign exchange (net) gain of Rs 16.75 crore.

### Expense analysis

The total expenses for the year ended December 31, 2018 was Rs 890.29 crore as against Rs 878.54 crore during the corresponding previous year. The growth in other expenses was mainly on account of establishment related expenses. Finance cost incurred was on account of interest expense on bank overdraft during the year.

## 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. The Risk Committee comprising senior members of the leadership team provides governance and oversight on the process. The company has created a specialised role of 'Chief Risk Officer' to drive the risk management agenda.

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 the Rating business. CRISIL's ratings process is designed to ensure that all ratings are based on the highest standards of independence and analytical rigour.

### 2. Foreign exchange earning risk

CRISIL's 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 foreign exchange management policy and process designed to minimise the impact of volatility in foreign exchange fluctuations on earnings.

### 3. Policy risk

In the last two to three years, SEBI, the regulator for CRAs in India, has issued guidelines to mandate more disclosures by CRAs, ensure greater discipline in the rating processes, make rating outlooks compulsory, enhanced norms for functioning of rating committees, underline the process to be adopted in the event of non-cooperation by issuers, introduced independent member in rating committee for appeal cases and segregation of legal entity for regulated and non-regulated businesses. 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 the 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. Further, the company has initiated the process of legal entity restructuring.

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

### 4. People 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, 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.

## 6. Technology-related risks

Information technology (IT) 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.

Inadvertent or deliberate sharing of client confidential data or CRISIL proprietary information by staff is an important risk. The company has put in place 'Data Leakage Prevention' process. Information Security team acts as a second line of defence in driving agenda pertaining to information security training, implementing tools to strengthen information security posture and evaluate areas of vulnerabilities and improve the controls to prevent/detect/neutralise malicious network penetration (cyberattack). The incidents of cyberattacks globally as well as in India have increased. The company continues to evaluate and invest in additional mitigation plans through tools & infrastructure and enhanced monitoring.

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 undertakes projects for technology upgradation 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 the 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 April 23, 2018
2. We have examined the compliance of conditions of corporate governance by CRISIL Limited (the Company) for the year ended December 31, 2018, 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 SEBI (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 Business 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 December 31, 2018

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

For **Walker Chandiok & Co LLP**  
 Chartered Accountants  
 Firm Registration No. 001076N/N500013

Place: Mumbai  
 Date: February 12, 2019

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

# MD & 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 12, 2019

For CRISIL Limited

**Ashu Suyash**  
 MD & 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 has 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.

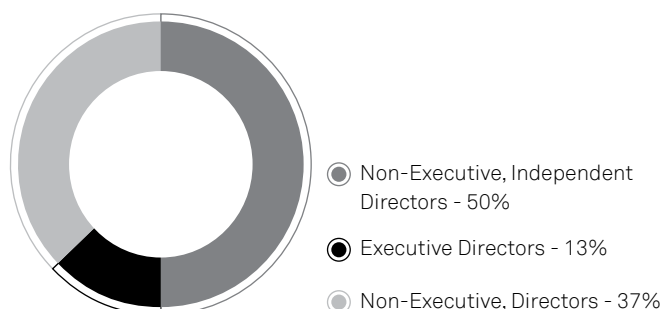
The composition of the Board of Directors of the Company as on December 31, 2018, was as follows:

Category	Name of the Director
Non-Executive Chairman	Mr John L Berisford (DIN: 07554902)
Independent, Non-Executive Directors	Mr M Damodaran (DIN: 02106990) Ms Vinita Bali (DIN: 00032940) Mr Girish Paranjpe (DIN: 02172725) Ms Arundhati Bhattacharya (DIN: 02011213)
Non-Executive Directors	Ms Martina Cheung (DIN: 07551069) Mr Ewout Steenbergen (DIN: 07956962)
MD & CEO	Ms Ashu Suyash (DIN: 00494515)
Alternate Director (alternate to Mr John L Berisford)	Mr Ravinder Singhanian (DIN: 00006921)

#### Notes:

1. Dr Nachiket Mor (DIN: 00043646) demitted office upon completion of his tenure as Independent Director on July 23, 2018.
2. The Board of Directors of the Company has appointed Ms Arundhati Bhattacharya as Additional Non-Executive, Independent Director of the Company with effect from October 16, 2018.

### Percentage of Board positions



### Criteria for Board Membership

The Board has adopted the Nomination and Remuneration Policy to ensure that the Board composition is balanced with the requisite skill sets and 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>.

The brief profiles of Directors forming part of this Annual Report give an insight into the education, expertise, skills and experience of CRISIL Directors. None of the Directors is a relative of an Executive Director or of a Non-Executive Director.

### 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 MD 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 shall hold office for up to two terms of five years each.

### Succession Policy

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment if thought fit, upon expiry of their respective tenures. The Nomination and Remuneration Committee of the Board regularly reviews succession planning and competency planning priorities for the 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 10 public companies. No Director of the Company shall serve on more than 10 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/she 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, 2018, are given below:

Name of the Director	Directorship#	Name of other listed companies where he/she is a Director		Membership of committees*	Chairmanship of committees*
		Company	Type of directorship		
Mr M Damodaran	8	Biocon Limited	Independent Director	5	3
		Larsen & Toubro Limited	Independent Director		
		Tech Mahindra Limited	Independent Director		
		Hero Motocorp Limited	Independent Director		
Ms Vinita Bali	3	Syngene International Limited	Independent Director	1	0
Mr Girish Paranjpe	6	Axis Bank Limited	Independent Director	1	0
Ms Arundhati Bhattacharya	5	Reliance Industries Limited	Independent Director	2	0
		Piramal Enterprises Limited	Independent Director		
		Wipro Limited	Independent Director		
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 Singhania	7	-	-	0	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, 2018

None of the Directors hold any shares in the Company. However, Ms Ashu Suyash, MD & CEO, has been granted 91,069 options under the Company's ESOP Scheme 2014.

## 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, 2018, the Board met six times - on February 13, April 17, June 22, July 17, October 16 and December 14. 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 MD and a team of senior leaders with proper demarcation of responsibilities and authority. The MD 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).

Attendance at the meetings of the Board of Directors was 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
Dr Nachiket Mor <sup>^</sup>	4	4	Yes
Mr M Damodaran	6	4	Yes
Ms Vinita Bali	6	6	Yes
Mr Girish Paranjpe	6	5	Yes
Ms Arundhati Bhattacharya <sup>\$</sup>	2	2	Not applicable
Mr John L Berisford	6	6	Yes
Ms Martina Cheung	6	6	Yes
Mr Ewout Steenbergen	6	4	Yes
Ms Ashu Suyash	6	6	Yes
Mr Ravinder Singhania (Alternate Director)	6	--@	--@

\* Of the above 6 meetings, 4 were scheduled meetings for approval of Financial Results & 2 were additional meetings for various other matters

<sup>^</sup> Ceased to be Director with effect from July 23, 2018

<sup>\$</sup> Appointed on October 16, 2018

<sup>@</sup> Mr Ravinder Singhania did not attend the meetings since the Director for whom he was Alternate Director, attended all the meetings

## Independent Directors Role and Familiarisation Processes

As trustees of shareholders, independent directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance. The Directors' Report contains the disclosures regarding fulfillment of the requisite independence criteria by CRISIL's Independent Directors.

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director, inter alia, explaining 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 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.

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 2018 have been disclosed on the website of the Company at <https://www.crisil.com/en/home/investors/corporate-governance.html>

The above initiatives help the Director to 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.

## 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 determined by the Board, based on Company's performance, prevailing norms and role and contributions of Board members. In term of a shareholders' resolution passed on April 20, 2017, the Company can pay remuneration not exceeding 1% of the net profit to Non-Executive Directors. The Non-Executive Directors have not been granted any stock options of the Company

### 2) Managing Director

Ms Ashu Suyash, our MD 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 MD 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 MD 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. 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. In addition, Ms Suyash has been granted options under the Company's ESOP Schemes as under:

Plan	Date	Nos	Price	Remarks
ESOS – 2014	June 1, 2015	71,507	Rs 2,101.10	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
ESOS – 2014	April 4, 2018	19,562	Rs1,841.35	These options will vest in three equal tranches in second, third and fourth year from the grant and can be exercised after two years from each vesting

The Nomination and Remuneration Committee determines the remuneration of the MD. The detailed policy of the Company on the 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

Name of Directors	Sitting fees	Commission	Rs
			Total
Dr Nachiket Mor <sup>#</sup>	320,000	1,680,000	2,000,000
Mr M Damodaran	930,000	3,000,000	3,930,000
Ms Vinita Bali	1,135,000	3,000,000	4,135,000
Mr Girish Paranjpe	805,000	3,000,000	3,805,000
Ms Arundhati Bhattacharya <sup>^</sup>	160,000	635,000	795,000
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
<b>Total</b>	<b>3,350,000</b>	<b>11,315,000</b>	<b>14,665,000</b>

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

<sup>#</sup> Ceased to be Director with effect from July 23, 2018

<sup>^</sup> Appointed with effect from October 16, 2018

#### Remuneration paid to the MD & CEO for the year ended December 31, 2018

Name	Rs
Salary*	34,886,347
Variable Pay	20,500,000
Provident Fund	1,710,864
Perquisites	39,600
No. of ESOPs granted during 2018	19,562
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.

#### 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, 2018, the Company had the following committees:

1. Audit Committee
2. Investment Committee
3. Nomination and Remuneration Committee
4. Stakeholders' Relationship Committee
5. CSR 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.

##### 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 2018 — on February 12, April 16, June 22, July 16, October 16 and December 14. 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 17, 2018. The composition of the Committee during 2018 and the details of meetings held and attended by the Directors are as under.

Name	Category	Position	Number of meetings during 2018	
			Held during the tenure	Attended out of those held
Mr M Damodaran	Independent, Non-Executive	Chairman	6	5
Ms Vinita Bali	Independent, Non-Executive	Member	6	6
Mr Girish Paranjpe	Independent, Non-Executive	Member	6	6
Ms Martina Cheung	Non-Executive	Member	6	6

The Audit Committee invites the executives of the Company, as it considers appropriate (particularly the head of the finance function), 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 the 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 Whistle blower 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 2018, 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. As a special action, the Committee reviewed the internal audit practices versus international best practices, the themes emerging from audit findings and improvement trends during the year. 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 thereof, 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 once during the year, on July 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	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairperson	1	1
Mr Girish Paranjpe	Independent, Non-Executive	Member	1	1
Mr Ewout Steenbergen	Non-Executive	Member	1	1
Ms Ashu Suyash	MD & CEO	Member	1	1

## 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
- Evaluating Board performance
- Assisting the Board in ensuring diversity of gender, thought, experience, knowledge and perspectives in the Board
- Reviewing and making recommendations to the Board on:
  - the remuneration of the MD, Whole-time Directors and KMPs
  - the total level of remuneration of Non-Executive Directors and individual remuneration of 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 five times in 2018 - on January 8, February 13, April 16, July 16 and December 14. The necessary quorum was present for all the meetings. In terms of its mandate, during 2018, 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 17, 2018. The composition of the Committee during 2018 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairperson	5	5
Mr John L Berisford	Non-Executive	Member	5	5
Mr M Damodaran	Independent, Non-Executive	Member	5	4

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 SEBI (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 2018 - on

February 12, April 16, July 16 and October 15. 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 17, 2018.

The composition of the committee during 2018 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Mr M Damodaran	Independent, Non-Executive	Chairman	4	3
Mr Ewout Steenbergen	Non-Executive	Member	4	4
Ms Ashu Suyash	MD & CEO	Member	4	4

The details of shareholders' complaints received and redressed during the year are given in Section D of the Report.

## 5. CSR Committee

The broad terms of reference of the 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 regulations and the Companies Act, 2013

The Committee met twice in 2018 - on February 12 and June 22. The necessary quorum was present for both the meetings. The composition of the Committee during 2018 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	No. of meetings during 2018	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairman	2	2
Mr Girish Paranjpe	Independent, Non-Executive	Member	2	2
Ms Ashu Suyash	MD & CEO	Member	2	2

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 12, 2018, without the presence of the MD & 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.

## C. Shareholders

### Means of Communication

1. Quarterly and annual financial results are published in 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.

- The Annual Report is circulated to all members and is also available on the Company's website.
- 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.
- The Company website contains information on the businesses of the Company, governance and important policies of the Company.

To serve the investors better and as required under Regulation 46(2)(j) in the Listing Regulations, the designated email address for investor complaints is investors@crisil.com. The email address of grievance redressal division is continuously monitored by the Company's compliance officer.

The Annual Report of the Company for 2018 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 Company encourages its shareholders to subscribe to e-communication from the Company. For this purpose, shareholders are requested to update their email ids in the forms prescribed by their respective depository participants for shares held in demat form and write to the Company's registrar and share transfer agent for email updation for shares held in physical mode.

#### 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 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 in CRISIL ESOS 2014
Thirty First Annual General Meeting	April 17, 2018, 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 making investments, giving loans and providing securities beyond the prescribed limits

#### Postal Ballot

During 2018, 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 SEBI, or any statutory authority on any matter related to the capital markets during the last three years.<sup>1</sup>

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 lakh.

The Company has complied with all the mandatory requirements of the SEBI (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:** The Company's financial statements have unmodified audit opinions
- 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 Whistle Blower Policy**

The Company has a Whistle blower 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 certain cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle Blower 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 SEBI (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**

During 2018, the Company had two of its overseas unlisted subsidiary companies as material subsidiaries in terms of its policy on determination of material unlisted subsidiary

companies. Material subsidiaries are subject to special governance norms in terms of the SEBI (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 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 complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment Act, 2013.

The Company has a 'Policy on Redressal of Sexual Harassment' for CRISIL and its subsidiary companies. As per the Sexual Harassment Act, the policy mandates strict confidentiality and recognises 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, five complaints were received from CRISIL employees, of which three were resolved and two were under investigation as on December 31, 2018. Additionally 1 complaint was received from off-roll personnel which was resolved. No complaints were received in respect of subsidiary companies.

#### **Related Party Transactions Policy**

As required by the SEBI (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 SEBI (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 SEBI (Listing Obligations and Disclosure 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 CFO of the Company to determine materiality of an event or information and for making 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 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, has formulated the 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](http://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, and hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141, dated November 15, 2018, is not applicable.

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 formulated the (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, 9,000 equity shares belonging to five shareholders were lying in the account. During the year, one shareholder claimed 1,000 equity shares from the account, which were transferred to such shareholder 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, 5,000 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, 2018, 3,000 equity shares belonging to three shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on December 31, 2018, shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of its identity to the Company's Registrar & Share Transfer Agent, Karvy Fintech 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 at [www.scores.gov.in](http://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 13 investor complaints through SCORES, all of which were responded to within 15 days of receipt.

### **Transfer of shares in demat mode only**

As per SEBI norms, with effect from April 1, 2019 (or such other date as may be notified), only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only. The Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly to avoid inconvenience. The procedure for dematerialisation has been published on the Company's website at <https://www.crisil.com/en/home/investors/shareholder-services/procedure-for-dematerialisation-of-shares.html>.

### **Updation of KYC details**

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members' register, communications have been sent by the Company to eligible shareholders in this regard. Shareholders are requested to update these details at the earliest.

## D. General Shareholders' Information:

<b>1. Annual general meeting</b>	Date and Time Venue	: April 17, 2019, at 3.30 pm : Rangaswar Hall, 4th Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
<b>2. Calendar for financial reporting</b>	First Quarter ending March 31, 2019 Second Quarter ending June 30, 2019 Third Quarter ending September 30, 2019 Year ending December 31, 2019 Newspapers where the results are published Websites where the financial results, shareholding pattern, annual report, etc., are uploaded	: In April 2019 In July 2019 In November 2019 In February 2020 Business Standard and Navshakti www.crisil.com, www.bseindia.com and www.nseindia.com
<b>3. Proposed final and special dividend</b>		: Final dividend of Rs 11 per share having nominal value of Re 1 each
<b>4. Dates of book closure</b>		: April 2 to 3, 2019 (both days inclusive)
<b>5. Dividend payment date</b>		: April 24, 2019 (if dividend payment is approved at the Annual General Meeting)
<b>6. Listing details</b>		: 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.
<b>7. Stock codes</b>		: NSE – CRISIL BSE – 500092 ISIN: INE007A01025 CIN: L67120MH1987PLC042363
<b>8. Registrars and share transfer agents</b>		: Karvy Fintech Private Limited Unit: CRISIL 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
<b>9. Compliance officer</b>		: Ms Minal Bhosale, Company Secretary, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076 Phone: 022-3342 3000 Fax: 022-3342 3001
<b>10. Depository system</b>		: As on December 31, 2018, 99.86% of the Company's share capital was held in dematerialised form. For any assistance in converting physical shares in electronic form, investors may approach Karvy Fintech Private Limited or Ms Minal Bhosale, Company Secretary, at the addresses given above.

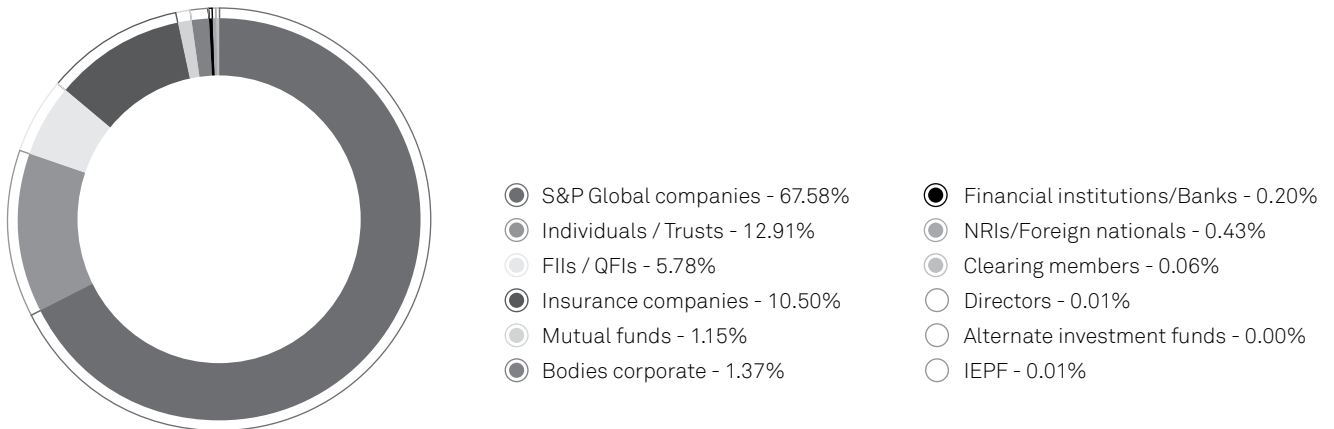
- 11. Electronic clearing service (ECS)** : The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception 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 the 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 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, 2018

Sr. no.	Category	No. of shares	% holding
1	Group holding of S&P Global Inc: <ul style="list-style-type: none"> <li>■ S&amp;P India LLC</li> <li>■ Standard &amp; Poor's International, LLC</li> <li>■ S&amp;P Global Asian Holdings Pte Limited</li> </ul>	48,732,586	67.58
2	Individuals (includes trusts)	9,308,657	12.91
3	FII's / QFI's / FPI's	4,164,998	5.78
4	Insurance companies	7,571,371	10.50
5	Mutual funds	826,886	1.15
6	Financial institutions / banks	143,384	0.20
7	Bodies corporate	994,504	1.37
8	NRIs / foreign nationals	314,418	0.43
9	Directors	-	-
10	Clearing members	8,112	0.01
11	Alternate investment funds	10,826	0.01
12	Investor Education and Protection Fund	40,040	0.06
	<b>Total</b>	<b>72,115,782</b>	<b>100.00</b>

Category-wise shareholding pattern as on december 31, 2018



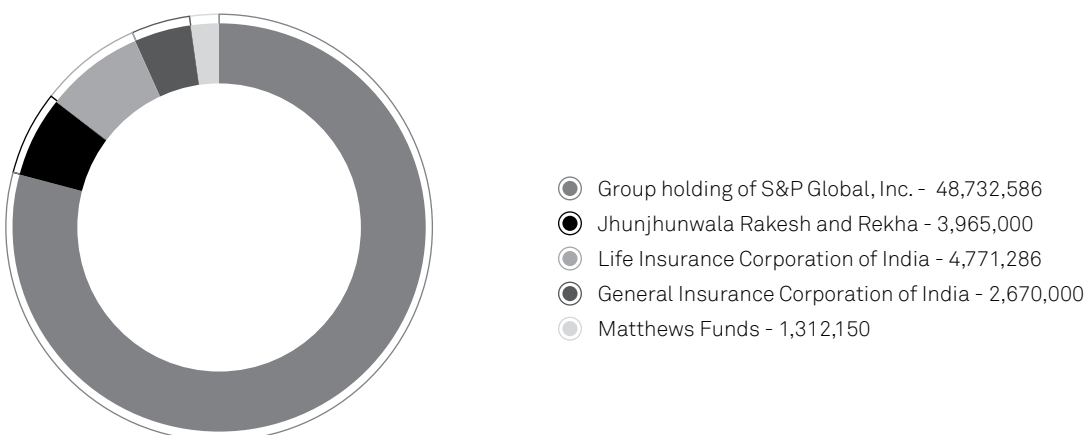
17. Distribution of shareholding as on December 31, 2018

Range of equity shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 – 5,000	27,871	99.16	3,119,922	4.33
5,001 – 10,000	85	0.30	618,050	0.86
10,001 – 20,000	49	0.17	718,807	1.00
20,001 – 30,000	26	0.09	644,126	0.89
30,001 – 40,000	7	0.02	241,135	0.33
40,001 - 50,000	12	0.04	542,774	0.75
50,001 – 1,00,000	24	0.09	1,812,174	2.51
1,00,000 and above	32	0.11	64,418,794	89.33
<b>Total</b>	<b>28,106</b>	<b>100.00</b>	<b>72,115,782</b>	<b>100.00</b>

18. Members holding more than 1% of the paid-up share capital as on December 31, 2018

Sr. No.	Name of the shareholder	No. of shares	% holding
1.	Group holding of S&P Global Inc: <ul style="list-style-type: none"> <li>■ S&amp;P India LLC</li> <li>■ Standard &amp; Poor's International, LLC</li> <li>■ S&amp;P Global Asian Holdings Pte Limited</li> </ul>	48,732,586	67.58
2.	Jhunjhunwala Rakesh & Rekha	3,965,000	5.50
3.	Life Insurance Corporation of India	4,771,286	6.62
4.	General Insurance Corporation of India	2,670,000	3.70
5.	Matthews India Fund / Matthews Asia Funds - India Fund	1,312,150	1.82

Members holding more than 1% as on





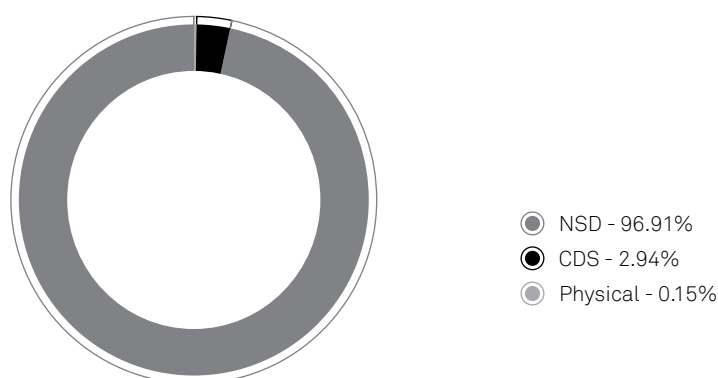
**19. Status report shareholder complaints during the year ended December 31, 2018**

Nature of complaints	No. of complaints received
Outstanding as on January 1, 2018	1
Non-receipt of dividend	14
Non-receipt of shares	0
Non-receipt of Annual Report	13
Complaints received through SCORES/Stock Exchanges/Ministry of Corporate Affairs/ Regulatory Authorities	20
<b>Total</b>	<b>48</b>

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 2019.

**20. Shares held in physical and dematerialised form as on december 31, 2018**

The break-up of physical and dematerialised shareholding as on December 31, 2018 is explained graphically below:

**Distribution of holdings - Demat and physical**


Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, and elimination of any possibility of loss of documents and bad deliveries.

**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	70,968,440	70,968,440
04.01.2012	Extinguishment of shares consequent to buy-back	(-) 910,000	70,058,440
16.04.2012	Allotment of shares to employees on exercise of options granted under ESOS, 2011	(+) 109,950	70,168,390
17.10.2012	Allotment of shares to employees on exercise of options granted under ESOS, 2011	(+) 67,350	70,235,740
18.04.2013	Allotment of shares to employees on exercise of options granted under ESOS, 2011	(+) 270,730	70,506,470
18.10.2013	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 146,420	70,652,890
17.04.2014	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 309,140	70,962,030

17.10.2014	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 3,95,025	7,13,57,055
17.04.2015	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 93,465	71,450,520
16.07.2015	Extinguishment of shares consequent to buy-back	(-) 511,932	70,938,588
17.10.2015	Allotment of shares to employees on exercise of options granted under ESOS, 2011, ESOS, 2012 and ESOS, 2014	(+) 270,515	71,209,103
19.04.2016	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 67,575	71,276,678
14.10.2016	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 58,680	71,335,358
20.04.2017	Allotment of shares to employees on exercise of options granted under ESOS, 2011 and ESOS, 2012	(+) 21,750	71,357,108
18.07.2017	Allotment of shares to employees on exercise of options granted under ESOS, 2012 and ESOS, 2014	(+) 270,417	71,627,525
17.10.2017	Allotment of shares to employees on exercise of options granted under ESOS, 2012 and ESOS, 2014	(+) 77,403	71,704,928
13.02.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2014	(+) 21,101	71,726,029
17.04.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2012 and ESOS, 2014	(+) 80,920	71,806,949
17.07.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2014	(+) 238,413	72,045,362
16.10.2018	Allotment of shares to employees on exercise of options granted under ESOS, 2014	(+) 70,420	72,115,782

## 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's Dividend Policy specifies the financial parameters that will be considered when declaring dividends, internal and external factors and 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://www.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;

- (i) Credit to the bank account via electronic clearing services ECS / National Electronic Clearing Services (NECS) / SWIFT transfer and

- (ii) Despatch of physical dividend warrant,

**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/shareholders-services/faqs.html>) on Investors section of the Company's website, [www.crisil.com](http://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 their 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 IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from IEPF in accordance with such procedure and on submission of such documents as may be prescribed. The details of unclaimed dividend as on December 31, 2018, 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 2011	2.75	275%	16-Apr-2012	18-May-2019
2.	Unclaimed Special Dividend 2011 and 1st Interim Dividend 2012	6.00	600%	16-Apr-2012	18-May-2019
3.	Unclaimed 2nd Interim Dividend 2012	3.00	300%	18-Jul-2012	19-Aug-2019
4.	Unclaimed 3rd Interim Dividend 2012	3.00	300%	17-Oct-2012	18-Nov-2019
5.	Unclaimed Final Dividend 2012	4.00	400%	18-Apr-2013	19-May-2020
6.	Unclaimed 1st Interim Dividend 2013	3.00	300%	18-Apr-2013	19-May-2020
7.	Unclaimed 2nd Interim Dividend 2013	3.00	300%	19-Jul-2013	19-Aug-2020
8.	Unclaimed 3rd Interim Dividend 2013	3.00	300%	18-Oct-2013	18-Nov-2020
9.	Unclaimed Final and Special Dividend 2013	10.00	1000%	17-Apr-2014	18-May-2021
10.	Unclaimed 1st Interim Dividend 2014	3.00	300%	17-Apr-2014	18-May-2021
11.	Unclaimed 2nd Interim Dividend 2014	3.00	300%	18-Jul-2014	18-Aug-2021
12.	Unclaimed 3rd Interim Dividend 2014	4.00	400%	17-Oct-2014	17-Nov-2021
13.	Unclaimed Final & Special Dividend 2014	10.00	1000%	17-Apr-2015	18-May-2022
14.	Unclaimed 1st Interim Dividend 2015	4.00	400%	17-Apr-2015	18-May-2022
15.	Unclaimed 2nd Interim Dividend 2015	4.00	400%	17-Jul-2015	17-Aug-2022
16.	Unclaimed 3rd Interim Dividend 2015	5.00	500%	17-Oct-2015	17-Nov-2022
17.	Unclaimed Final & Special Dividend 2015	10.00	1000%	19-Apr-2016	20-May-2023
18.	Unclaimed 1st Interim Dividend 2016	5.00	500%	19-Apr-2016	20-May-2023
19.	Unclaimed 2nd Interim Dividend 2016	6.00	600%	19-Jul-2016	19-Aug-2023
20.	Unclaimed 3rd Interim Dividend 2016	7.00	700%	14-Oct-2016	14-Nov-2023
21.	Final Dividend 2016	9.00	900%	20-Apr-2017	20-May-2024
22.	Unclaimed 1st Interim Dividend 2017	6.00	600%	20-Apr-2017	20-May-2024
23.	Unclaimed 2nd Interim Dividend 2017	6.00	600%	18-Jul-2017	17-Aug-2024
24.	Unclaimed 3rd Interim Dividend 2017	6.00	600%	17-Oct-2017	16-Nov-2024
25.	Final Dividend 2017	10.00	1000%	17-Apr-2018	17-May-2025
26.	Unclaimed 1st Interim Dividend 2018	6.00	600%	17-Apr-2018	17-May-2025
27.	Unclaimed 2nd Interim Dividend 2018	6.00	600%	17-Jul-2018	16-Aug-2025
28.	Unclaimed 3rd Interim Dividend 2018	7.00	700%	16-Oct-2018	12-Nov-2025

**Notes:**

- Investors are requested to send 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 IEPF**

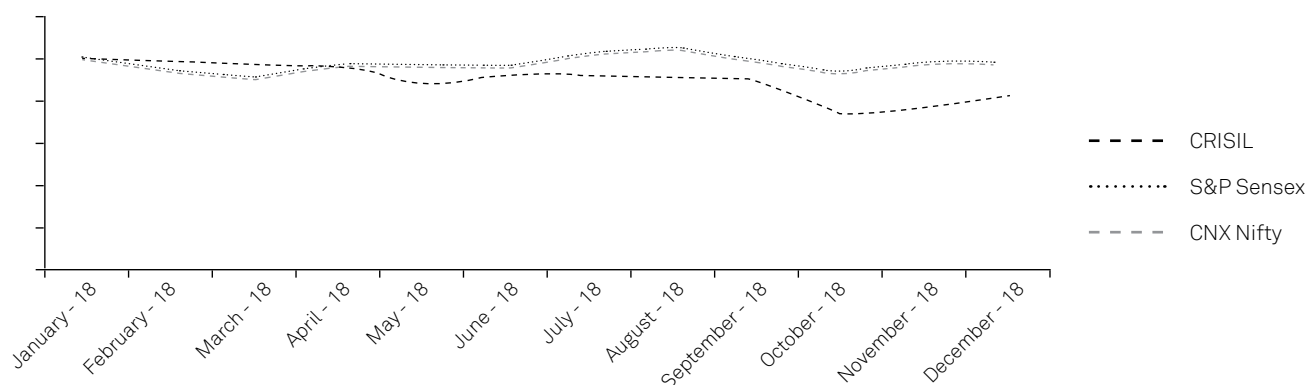
Further pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously to IEPF. The Company transferred 8,000 shares to IEPF during the year. Details of these shares are available on the Company's website [www.crisil.com](http://www.crisil.com).

Further, shares in respect of which dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares, after sending an intimation of the 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](http://www.crisil.com).

### 23. Stock price and movement of the Company's shares on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for the period from January 2018 to December 2018:

BSE			NSE		
Month	High (Rs)	Low (Rs)	Month	High (Rs)	Low (Rs)
January	2,020.00	1,853.05	January	2,013.00	1,850.25
February	2,020.85	1,907.00	February	2,023.00	1,915.00
March	1,970.00	1,875.00	March	1,968.80	1,870.00
April	1,988.00	1,835.00	April	1,990.00	1,833.30
May	2,014.55	1,611.00	May	2,021.70	1,608.60
June	1,862.95	1,695.00	June	1,869.70	1,689.95
July	1,889.90	1,740.00	July	1,844.00	1,733.00
August	1,831.60	1,717.00	August	1,820.00	1,710.00
September	1,825.00	1,702.00	September	1,787.55	1,701.00
October	1,750.00	1,259.00	October	1,740.05	1,335.00
November	1,650.00	1,440.75	November	1,550.00	1,435.40
December	1,649.70	1,464.80	December	1,646.70	1,471.00

Price movement of CRISIL shares in 2018 on NSE and BSE vis-a-vis movement



### 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, 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 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>

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

Mumbai, February 12, 2019

**John L Berisford**  
Chairman

# Annexure I to Corporate Governance Report Dividend Policy

## Policy for determining 'dividend payout' 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 SEBI 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

The Business Responsibility Report articulates CRISIL's activities on sustainability during 2018 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. Policies and practices under each principle are explained in subsequent paragraphs with correlation to the SEBI reporting format, appended at the end of the report.

## Principle No. 1

### Ethics, transparency and accountability

The constantly evolving business environment, increasing scale and rapid technological changes influence our business practices and the way we network with our stakeholders. In keeping with this, in 2018, we reviewed and updated our Code of Ethics policy which contains essential principles and values that underline business interactions across CRISIL and its subsidiaries. The Code of Ethics covers overarching norms for ethical business practices, employee conflicts, non-discrimination, diversity, fair labour practices, workplace safety and conduct, protecting the environment, protecting information and confidentiality, and protecting CRISIL's assets. Individual policies reinforce and articulate detailed practices for certain principles. CRISIL's employees also adhere to the S&P Code of Business Ethics. Both Codes are communicated throughout the organisation and reinforced through training, assessment and affirmation of employees at the time of joining and on an annual basis. Training/certification on Code of Ethics is mandatory for all employees across the organisation, including the senior management.

As a trusted intermediary in the financial market, meeting our own statutory obligations in line with the letter and spirit of the law is fundamental to our business. We have adopted a robust IT-enabled framework which monitors our regulatory obligations and supports the respective teams in tracking compliance with them.

Confidentiality of client information is of utmost importance at CRISIL. The company lays great emphasis on appropriate policies and controls over employee trading practices, regular awareness and training sessions and reporting. Our policies not only cover CRISIL's shares but also clients' securities, depending on the restricted list maintained for each business. Two critical initiatives were launched in 2018 to enhance controls in this area. The first was that of empanelling brokers through whom CRISIL's employees will henceforth be permitted to trade. Such a channelled approach will enable the monitoring of employee trades on a timely and independent basis and reduce the reliance on self disclosure by employees. The second is a first-of-its-kind approach for

the industry, whereby individual employee holdings will be tracked through depository records on a consolidated basis for all securities held and reported by the employees. These two initiatives will strengthen our monitoring and surveillance of security trades and holdings disclosed by employees as well as augment our conflict management framework.

We continue to pursue instilling ethical and responsible corporate behaviour amongst our business partners as well, by encouraging them to adopt our Suppliers' Code of Conduct. For more details on this, please refer to Principle No. 5. As a specific initiative in extending CRISIL's information confidentiality and stronger data protection protocols to its supply chain, the Company is in the process of institutionalising a policy whereby vendors will be evaluated on their risk profile based on information security measures they have in relation to the confidentiality of information that they process. Vendors with high-risk profiles would need additional approvals for engagement.

The Code of Ethics articulates the mechanism for reporting violations. The Whistle Blower Policy contains essential safeguards to reassure whistle blowers that the non-discrimination and fair conduct encapsulated in the Codes will protect them from reprisal. Several avenues exist for reporting transgressions such as direct reporting to respective line managers or HR executives or Legal department as well as the Compliance Officer. Complaint redressal is tracked rigorously at various levels of management. A Board committee dedicates exclusive time to review cases of policy violations and stakeholder complaints regularly.

Complaints received from employees, vendors, customers and shareholders have been reported in Principles 3, 4 and 9 of this Report and under Corporate Governance Report, respectively. Besides these, there were no other stakeholder complaints.

## Principle No. 2

### Sustainable services

CRISIL is the pioneer of credit ratings in India and plays a pivotal role in the development of the financial sector by developing and bringing to the fore, relevant services required to meet the evolving requirements of the financial sector. As a reliable ratings, research and advisory partner to corporates, banks, financial institutions, small businesses, governments and regulators, we play a catalytic role in developing markets, improving access to capital, reducing borrowing costs, supporting economic growth and efficient allocation of capital. We showcase our significant projects/ services during 2018, which created a meaningful impact on some of our stakeholders:

## Ratings

The Indian banking system has been grappling with bad loans for a while now. On June 13, 2017, the RBI recommended that several large non-performing assets be referred to the National Company Law Tribunal for resolution under the Insolvency and Bankruptcy Code. In February 2018, the RBI directed banks to obtain an independent credit evaluation of the residual debt by credit rating agencies for resolution plans involving restructuring/ change in ownership of large accounts. In May 2018, CRISIL promptly introduced a new rating product - Independent Credit Evaluation (ICE) of stressed assets. The ICE methodology involves extensive analysis of a company's business and its financial and management risk profiles. A lot of emphasis is placed on the efficacy of the business plan in addressing issues concerning the business, stability and adequacy of the company's cash flows in relation to debt and the management's competence, integrity and risk appetite in the context of its ability to turn around the business. The product aimed to enable the selection of a sustainable resolution plan for a stressed asset. So far, CRISIL has rated 19 entities under this new scale.

## SME

The SME business continues to help micro, small and medium enterprises (MSMEs) achieve sustainable growth by enabling access to formal channels of credit. Through its integrated platform smefirst.com, CRISIL provides various SME offerings online and helps financial institutions to better assess and evaluate MSMEs.

In 2018, CRISIL launched WE-Check, a free digital verification and assessment service dedicated to women entrepreneurs, in association with NITI Aayog. WE-Check offers instant and independent verification of an organisation's presence in the market and can be obtained online in real-time. Being 'verified by CRISIL' helps women entrepreneurs position themselves as reliable business partners and empowers them to be successful entrepreneurs. It enables timely access to credit from formal channels.

Skilling the workforce has been one of the agendas of the Government of India (GoI). To ensure quality checks of skilling institutions, Directorate General of Training, Ministry of Skill Development and Entrepreneurship partnered with CRISIL to grade Industrial Training Institutes (ITIs). The grading exercise aimed to enable ITIs find out the key areas of improvement and compare with the best performing institutes. Under this programme, CRISIL graded around 4,800 ITIs (government + private) across India.

Social sector assessments aim to strengthen the entities operating in the social sector and financial inclusion space through assessment and grading services. CRISIL grading enables corporate donors to identify impactful non-governmental organisations (NGOs) with good governance including reviewing the performance of existing implementing agencies we partner with. Grading helps NGOs understand their strengths and weaknesses and display their credentials to donors supporting their fund-raising objectives.

## India Research

With deep understanding of the economy and our extensive coverage on more than 90+ sectors, CRISIL India Research is the country's largest independent and integrated research house. We provide unique insights on micro-macro and cross-sectoral linkages and help meet the requirements of our Indian and global clients.

Quantix, CRISIL Research's comprehensive and high-end data analytics tool, has been released in a modular fashion and received positive response from the market. It has an extensive database of 50,000+ companies.

During 2018, CRISIL Research launched 39 new debt and 5 new hybrid indices, taking the total to 91. We are the largest provider of valuation of fixed-income securities to the mutual fund, insurance and banking industries today.

## 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 (GR&A) 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 robust risk and trading platforms and measure risk in a more real-time manner.

GR&A works with some of the biggest global investment, retail and commercial banks and assists them in completing critical regulatory submissions in a timely manner – Basel II/II.5/III, CCAR/DFAST, EBA/PRA Stress Testing, etc.

We are also the preferred end-to-end implementation partner for various banks for their regulatory implementation programme (FRTB, CECL, TRIM, MiFID II, etc.), leveraging our rich experience of working with clients globally and deep expertise in the financial services domain, complemented by technology and project management capabilities.

On the domestic front, CRISIL Risk Solution has been working with banks and financial institutions to manage and mitigate risks. Our solutions and offerings help lending institutions take informed decisions to assess, manage and monitor their credit risk. Our monitoring framework helps identify potential early delinquencies for institutions to take proactive corrective actions. This improves the health of institutions' credit portfolio.

With increased focus on financial inclusion, many new age non-banking financial companies (NBFCs) are contributing to the financial ecosystem of the country. CRISIL Risk Solutions (CRS) has partnered with many of them to enhance their risk management capabilities, prepare scoring models for them and aiding them to differentiate between creditworthy and risky borrowers. These will help improve the credit culture in the country.

This year, CRS team engaged with MannDeshi Bank, a part of MannDeshi Foundation, dedicated to the economic empowerment of rural women. We designed a customised risk assessment model for the bank that will enable them to extend affordable and easy credit to women entrepreneurs. As a by-product of this framework, it will also enable the foundation to educate rural women entrepreneurs and make credit access easier for them.

### **Infrastructure Advisory**

CRISIL Infrastructure Advisory offers a wide array of services across the infrastructure development cycle ranging from work in the areas of policy and regulatory advisory, public-private partnership (PPP) frameworks, infrastructure financing mechanisms, business and commercial diligence, programme management, capacity enhancement and institutional strengthening for government and infrastructure agencies.

During 2018, the Ministry of Petroleum and Natural Gas set out an ambitious plan to augment the share of natural gas in the primary energy basket of India from 6.5% to 15%. In this connection, the Gol envisaged setting up a gas trading hub to establish an Indian gas pricing benchmark. CRISIL Infrastructure Advisory was awarded the engagement mandate to assist the Petroleum & Natural Gas Regulatory Board in framing regulations to operationalise the hub. The mandate required evaluating the critical success factors to enable a vibrant gas trading hub in India, including seamless logistics of gas movement from source to the point of delivery.

Over the past few years, India has witnessed significant slowdown in PPP activity. The private sector, in general, has been averse to taking a larger share in India's infrastructure growth story. NITI Aayog has been tasked with the mandate to revive PPPs in the country. In this regard, CRISIL Infrastructure Advisory was mandated by NITI Aayog to carry out an assessment of select sectors such as airports, urban rail (Metro) and solid waste management and provide recommendations for development of PPPs. This mandate provides CRISIL the opportunity to shape the future development of India's infrastructure and accelerate efficient and equitable development.

The Bharatmala Pariyojana (a flagship programme of the Gol) has been envisaged to ensure faster movement of freight and passenger traffic across the country. This mega programme envisages an investment of Rs 5.35 lakh crore over the next four years through the development of around 83,677 km of road network, economic corridors, inter corridors and feeder routes, national corridor efficiency improvement, border and international connectivity roads, coastal and port connectivity roads and greenfield expressways. CRISIL Infrastructure Advisory is one of the firms appointed by the National Highways Authority of India/Ministry of Road Transport and Highways as Programme Management Consultant for the Bharatmala Pariyojana. Our team has been tasked with the critical responsibility of developing a robust tracking mechanism to continuously monitor and ensure effective implementation of the project.

### **Coalition**

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 five global locations, providing objective research and high-end analytics to support strategic and tactical decision-making across four analytics -- competitor, financial resources analytics, client and country analytics. In 2018, Coalition was referenced in 350+ articles across 90+ global publications and its analytics were referenced in 75+ investor relations presentations across leading global 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 us by embedding in the General Terms & Conditions which are a part of every purchase order. These include, among other things, norms for environmental compliance, health and safety, non-use of child labour, non-discrimination, anti-bribery and confidentiality. Such practices seek to create greater awareness on human rights, safety and environment preservation.

Employees are our key resource. Diversity of experience, skill sets, acumen and background enable us to constantly innovate and expand our service horizon. Aimed at attracting talent from across the country and nurturing them into world-class finance professionals for the Company and industry at large, we run CRISIL Certified Analyst Programme (CCAP). In 2018, CRISIL partnered with IIM Calcutta and The Times of India to facilitate CCAP. A batch of 33 applicants was absorbed in the programme in 2018. Accepted associates study at high-tech learning centres. On successful completion of the course, they get absorbed in CRISIL as management trainees. CRISIL also undertakes alternate hiring approaches by hiring from tier 2 and 3 cities, thus providing opportunity for talent from smaller cities to develop into world-class analysts.

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 the general public. Some important initiatives supported during 2018 were:

**Aarohan** enhanced the livelihood of underprivileged women with increased sales of handmade products through a new product line - handmade contemporary clothing for women.

**GATI** empowered underprivileged women with driving skills to enhance their livelihood, culminating in the women becoming driver partners for cab aggregators.

**Tandul** increased income in a farming community through the alternative use of by-products such as rice straw, a supply chain for mushrooms for domestic and export consumption and a new source of income – wild vegetables and honey.

**Employability for the disabled** developed a collaborative web-based platform for employment of persons with intellectual and developmental disabilities, to enable



engagement between relevant NGOs, mentors, employers and individuals.

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

CRISIL focuses on the employee's entire life-cycle to ensure timely interventions that build a long-lasting and fruitful career. A number of initiatives were taken in this direction in 2018.

#### Safe and flexible work culture

A safe, flexible and hassle-free work culture at CRISIL elicits optimum performance as employees rest assured that their safety and security concerns are taken care of. Towards this end, security services were upgraded on a pan-India basis. For better incident monitoring and investigations, the surveillance systems at CRISIL House, Mumbai, are being upgraded. Work premises' safety is ensured through regular safety drills and necessary advisories on security incidents and weather situations. Security escorts are provided to women employees leaving office after 9 pm.

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 of six months, child creche, paternity leave, flexi-hours, work from home and sabbatical.

We have specific policies and procedures to resolve issues and concerns raised by employees in a fair and transparent manner. The Whistle Blower 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 reprisals.

To foster a positive work environment, free from harassment, we have institutionalised the Prevention of Sexual Harassment (POSH) framework, through which we address complaints related to sexual harassment. Our policy guarantees discretion and non-retaliation to complainants. We follow a gender-neutral approach in handling complaints and we are compliant with the law of the land that we operate in.

	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*	5	2
Discriminatory Employment	Nil	Nil

\*The aforesaid data relates to CRISIL Limited on a stand-alone basis. Additionally one complaint was received from an off-roll person which has been resolved. No 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, three complaints were received of which none was pending resolution as on December 31, 2018.

Complaints were redressed and appropriate action within the applicable framework was taken.

#### Employee engagement

Our annual engagement survey, VIBE, is now aligned to our parent company S&P Global, allowing us to benchmark with global best practices. Each year, the survey results guide CRISIL to better the employee experience of working at the Company, be it better use of technology and work methods, improved communication, effective recognition and rewards programme or closer leadership engagement.

With the aim of obtaining candid feedback, we launched ECHO – a programme to connect with new joiners and employees who have left, through a neutral and independent firm.

About 88% of our workforce are millennials. To empower employees to voice themselves and collaborate with their colleagues, we introduced CRISIBuzz - a new internal social collaboration platform. The mobile app-based platform makes optimal use of technology as we aim to bridge the gap between our global offices.

Senior leadership town halls are an important communication platform through which employees interact with the senior management.

To ensure employees are motivated and at their productive best, we continue to work on the Reward & Recognition programme, in terms of annual awards for excellence, quarterly rewards for service excellence and spot recognition programmes. Fun activities at the work place, such as Family Day, talent contests and offsite team-building boost motivation and productivity and build a positive work environment.

Our stock incentive programme was leveraged for rewarding and retaining our high-potential employees and senior leadership during 2018.

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.

#### Diversity and inclusion

Diversity of the workforce has always been our strength. Spanning knowledge areas, age, gender, skills, experience and nationality, we have employees representing 32 nationalities.

Women comprise about 36% of CRISIL's workforce. Our programme Winspiration has been the pillar through which we provide different interventions for our women colleagues, encouraging and fostering their growth.

We had more than 1,300 people working on a contract basis as on December 31, 2018. Our employee distribution across regions and gender over the past three years was as follows:

Regions	2018			2017			2016		
	Female	Male	Grand Total	Female	Male	Grand Total	Female	Male	Grand Total
Americas	65	140	205	60	153	213	57	143	200
Europe	30	95	125	34	119	153	32	115	147
APAC	38	28	66	35	30	65	37	32	69
India	1222	2150	3372	1291	2182	3473	1308	2248	3556
UAE	3	25	28	NA	NA	NA	NA	NA	NA
<b>Grand Total</b>	<b>1358</b>	<b>2438</b>	<b>3796</b>	<b>1420</b>	<b>2484</b>	<b>3904</b>	<b>1434</b>	<b>2538</b>	<b>3972</b>

The above table covers permanent employees of CRISIL and its subsidiaries on a global basis.

Diversity helps broaden our perspective and enriches us with a better understanding of client requirement and markets. It enables us to equip our clients with the best solutions.

### Talent development

CRISIL believes in lifelong learning for its employees and competency development continues to be a key focus area for us. We launched a new learning management tool this year – Youiverse. Through this, we have been able to make learning more intuitive and interactive. Through mobile-based programmes, employees are now able to learn on the go. The programme has enhanced the reach of the structured e-learning process across the Company.

We have initiated a programme on managerial effectiveness through which managers are coached on specific situations to get the absolute best from their teams and build strong working relationships.

Besides this, CRISIL Conclave is our knowledge sharing forum where reputed industry experts share their experiences and insights, providing our employees an opportunity to interact and learn from leaders from different walks of life.

The training effort across employee categories over the past year is as follows:

Particulars	Count	Training manhours	Average training manhours
Permanent employees	3743	49690	13.2
Permanent women employees	1343	12923	9.6
Contract staff	1440	4893	3.4

Count includes training conducted globally for CRISIL and its subsidiaries.

Our internal job rotation policy provides 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 are our shareholders, employees, customers, vendors/partners and communities.

We have adopted the policy of equal opportunity towards our stakeholders and engage with vendors and employees strictly on merit and business needs. The Company's commitment to maintaining a work environment that is free from all forms of unlawful discrimination extends to all persons involved in the operation of the Company's business and prohibits discrimination or unlawful harassment by any employee against applicants, customers, independent contractors, vendors or other strategic partners. The Company's selection of business partners is not based on any consideration other than normal business parameters. All employees are responsible for maintaining a work atmosphere free from discrimination by treating others with dignity and respect. A 36%-strong women workforce is a testimony to CRISIL's non-discriminatory approach.

The Company's recruitment policies cover strict safeguards over age-related criteria. We expect the same high standards on engagement of child labour and human rights protection from all our contractors, suppliers and other business partners.

Though we do not keep track of employees or business partners with disability or vulnerabilities today, our endeavour is to make our main office premises friendly to those with special needs.

Stakeholder engagement surveys deployed by teams who interface with various stakeholders help assess the material expectations of our stakeholders.

CRISIL has a dedicated procurement team to review, consolidate and optimise key large spends. The team enables sustained interaction with large vendors, regular capability assessments, exchange of expectation and challenges and helps build sustainable long-term relationships with key vendors. During the year, three vendor complaints were received, of which one was pending resolution as at the year-end.

Business development and senior management teams from various businesses engage with customers through periodic meetings, project-level feedback and surveys to help us assess our customers' voice and improve our offerings and service quality. Besides this, knowledge sharing sessions and workshops are conducted for our clients regularly to share holistic perspectives on major changes and trends in the economy, regulations and industries relevant to them.

Shareholder, analyst and investor meetings and annual and quarterly reports provide updates on the Company's performance, the factors surrounding its growth and market dynamics. These also help gather insights on the expectations from the market and constructive feedback for improving shareholder services.

Engagement with employees has been covered under Principle 3.

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 does extensive work in the area of financial literacy of women in Assam and Rajasthan and helps rural households get access to various government schemes for improving livelihood. It is also a partner in the RBI's Centres for Financial Literacy in Maharashtra and Haryana, imparting training and awareness with respect to financial products in these states. For more details on our engagements with communities, please refer to Principle No. 8.

Further, linkage of our portfolio of services with financial institutions such as banks, pension funds, mutual funds, NBFCs and other financial intermediaries helps us take care of their information needs and engage with them regularly.

CRISIL outreach programmes enable us to continuously engage with market participants, issuers and clients and thereby provide confidence and sustain momentum in improving depth in capital markets. In 2018, we shared a large number of opinion pieces with representatives from diverse entities, cutting across sectors and regions. These pieces covered a spectrum of issues, from the macroeconomic to the micro cluster level, including fiscal outlook, budget analysis, securitisation and industries such as telecom, power, auto, etc. We also prepared many reports jointly with industry bodies such as the Pension Fund Regulatory and Development Authority (Security for seniors), the Association of Mutual Funds in India (Digital evolution - Can technology be the propelling factor for the industry?), SEBI and ASSOCHAM (Debt market in India and imperatives for growth) and PHD Chamber of Commerce (Emerging trends in natural gas and recent government initiatives), which were very well received.

We often engage with regulatory bodies such as the RBI and SEBI to put forth our opinions in designing better governance policies. We engage with central government departments such as the finance and infrastructure ministries and state and local governments, to support policy development initiatives and large infrastructure programmes.

## Principle No. 5

### Human rights

CRISIL upholds the principles of human rights and fair treatment in its business activities. We have reinforced this stance by adopting the 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 appended at the end of this Report).

We expect the same high standards on human rights protection from all our contractors, suppliers and other business partners. For this purpose, we have adopted a Supplier Code of Conduct, which outlines the minimum standards of conduct that CRISIL expects from its vendors and suppliers in the areas of business ethics and integrity, fraud prevention, discrimination and diversity, child labour, health and safety, environmental compliance and sustainability. 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. Other suppliers are encouraged to embrace the Code as well.

In addition, we 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. The administrative team regularly inspects the providers of housekeeping, cafe 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.

A comprehensive and customised sensitisation programme is developed on prevention of harassment of any nature, including sexual. This programme covers awareness regarding CRISIL's policies on prevention of sexual and workplace harassment and the procedures for employees to report sexual harassment. Each year, all employees are mandated to take the online learning course.

Our employees have various channels to report harassment, discrimination or forced labour.

Other than what has been reported under Principle No. 3, there were no complaints relating to human rights violations during the year.

## Principle No. 6

### Environment

CRISIL is not a manufacturing company and, hence, our business activities are inherently non-energy intensive. Nonetheless, we continuously endeavour to minimise consumption of resources for administrative support and facility management and, thus, reduce our carbon footprint to the extent possible.

As a conscious step in this direction, we are progressively moving towards energy-saving LED technology for our office lighting needs. During the year, we used LED installations at three of our office premises. We recognise that small actions are no less valuable than large projects in the overall journey of energy saving. Some illustrative actions in this area are as follows:

- We continue to monitor the use of high energy-consuming devices such as UPS and have successfully reduced UPS loads by removing three UPS in CRISIL House, Mumbai, which were deployed for non-critical areas
- By deploying uniform active directory policies, we force desktop shutdown by 11.00 pm from the back-end to save power
- We continue to recycle and reuse material to minimise waste. Unused workstations at our Guregram premises were installed in the Mumbai office

Another major achievement was migration to a secure printing solution, which helps reduce the printing numbers annually and enforces a discipline for need-based printing and deleting print jobs that are not processed within 24 hours, thus saving paper. Now, new generation, energy-efficient printers are deployed and the number of printers has been reduced by 40%.

CRISIL House, Mumbai, our corporate headquarters, remains a platinum-rated green building and is a hallmark of our commitment to the environment. Last year, we commenced an important initiative to convert wet garbage generated in CRISIL House into compost instead of giving it for municipal collection. Organic manure thus generated from wet waste is being used for in-house garden landscaping.

CRISIL's environment policy underlines our commitment to be responsible by improving our environmental performance across activities and encouraging our employees and members of the wider community to work for the environment.

#### Employee volunteer programme

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. In 2018, CRISIL Foundation undertook a comprehensive tree-tagging exercise in collaboration with CERE, an NGO focused on environment-based research, to audit and geo-tag 16,750 trees planted since 2015 across India. The exercise revealed that the foundation's plantation sites will offset 3,921.12 metric tonnes of carbon dioxide over the next 15 years (equivalent to offsetting the carbon emissions of 795 individuals).

The foundation planted 2,327 trees across 4 cities and one international location this year, taking the total number of trees planted to 18,670 (2015 to 2018).

The foundation sponsors projects under CRISIL RE Change the Scene, a social impact incubator. Employees design and develop proof of concepts for sustainable solutions for environment conservation and financial inclusion in underprivileged communities. Important initiatives incubated for environment conservation in 2018 include:

**Green Shoots** set up an agro-forest in an under-privileged community to increase income from farming and for conserving the environment.

**Disha** instilled environmental consciousness and hygiene among students, faculty and staff for sustainable waste management, through vermi-composting food and paper waste.

**ReGreen** set up compost bins and conducted mass awareness campaigns among students for waste management.

**Women's empowerment – Setting up a dry flower production unit** reused flowers to produce dry powder used in rangoli and perfumes, also empowering differently abled women as producers of such powder.

No show-cause / legal notices were received from any pollution control authorities during the financial year.

#### Principle No. 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. SEBI has introduced various disclosure requirements for credit rating agencies over the past two years to enhance transparency and improve accountability. It held consultations with the industry, seeking their inputs on the subject. CRISIL's senior management proactively and continuously engaged with regulators and stakeholders by providing feedback at various stages.

Some notable affirmative actions in this area were:

- CRISIL has been promoting the use of Expected Loss scale of ratings alongside the traditional Probability of Default scale to facilitate informed investment decisions that take into account recovery prospects of operational and stabilised infrastructure projects. This has been positively received by regulators such as the Insurance Regulatory and Development Authority. CRISIL will continue to interact with various stakeholders to increase the acceptance of this scale
- CriSidEx is India's first sentiment index for micro and small enterprises (MSEs) developed jointly by CRISIL and Small Industries Development Bank of India. The crucial benefit of CriSidEx is that its readings flag potential headwinds and changes in production cycles and, thus, helps improve market efficiencies. By capturing the sentiment of exporters and importers, it also offers actionable indicators on foreign trade

- CRISIL Infrastructure Advisory successfully hosted the second edition of CRISIL India Infrastructure Conclave themed 'Enabling private sector participation in the infrastructure build-out'. Regulators, policymakers and industry leaders from the infrastructure domain came together to discuss and identify viable models and strategic interventions to revive and scale-up private investment in infrastructure
- CRISIL successfully hosted its 5th edition of Annual Bond Market Seminar themed 'Bonds of growth - Assessing the supply-demand matrix'. The event aimed to provide the much-needed impetus to the corporate bond market in India. The seminar launched the much awaited CRISIL Yearbook on the Indian Debt Market 2018 - a one-of-its-kind publication that provides deep insights into the corporate bond market. Deliberations carried out during this seminar were submitted to the regulators for further action
- NBFCs: The evolving landscape and key imperatives' 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. The event aimed to understand the critical imperatives for key industry characteristics such as evolving landscape and key imperatives, asset and liability management (ALM), liquidity, asset quality and profitability overview, emerging NBFCs and fin-tech companies

We continue to interact with market participants and issuers through seminars and webinars on key developments in the economy and sectors. Such interactions help us shape up the thought process and give direction to the market on key issues impacting the sectors.

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 Singapore titled- India Credit Spotlight. This year's theme was 'Growth Prospects Amid Macro Risks' and it was conducted in Mumbai and Singapore. Such active association enables global investors to benefit from CRISIL's expertise in the Indian credit market. 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. Besides, CRISIL and S&P jointly hosted exclusive economists' and investor briefing seminars in India to showcase our deep expertise in domestic and global economy research.

As a part of our thought leadership and outreach initiative, we authored opinion pieces and articles on noteworthy industry events and regulatory developments which were covered in premier dailies and online platforms. We also contributed as knowledge partners, speakers or panellists at various summits organised by industry associations.

During the year, we reached out to over 45,000 representatives, including government officials, policymakers, regulators, corporates, banks, investment banks, MSMEs, industry associations and financial intermediaries in India and global

markets through 21 events and 24 webinars hosted by CRISIL and 105 events at which CRISIL experts participated as speakers or panellists.

We continue to be part of various meetings set up by regulators, which enables us to shape public policy and the ecosystem essential for development of the capital markets.

We are members of industry associations such as the Confederation of Indian Industry, Federation of Indian Chambers of Commerce and Industry and the ASSOCHAM. Several of our senior employees participate in committees and sub-committees of industry associations set up for facilitating an enabling and conducive policy and regulatory framework for sectors.

Our GR&A division continued dialogues with key global and regional regulators such as the Monetary Authority of Singapore; with global clearing houses and exchanges such as NASDAQ, Euroclear, CME Group and LME; and key federal financial enterprises such as Freddie Mac in an effort to understand the changing market landscape better and suitably align our offerings. We also published several thought leadership and analytical pieces on topical themes such as Fundamental Review of the Trading Book and market risk, Brexit and its impact on the AML (anti-money laundering) landscape, the European Central Bank's Internal Models guidelines and the application of blockchain in trade finance. We conducted four roundtable conferences on current expected credit loss, FCC (financial crime and complaints) and Uncleared Margin Rules and also participated in five other events centred on AML and model risk.

## Principle No. 8

### Inclusive growth

CRISIL Foundation reaches out to socially disadvantaged sections of the society, beginning with women and self-help groups, instilling in them a sense of control over their finances. Our maiden programme, Mein Pragati, launched in Assam and scaled to Rajasthan, has been customised for various target groups, across mediums, models and geographies, including the RBI's ambitious Money-wise Centres for Financial Literacy.

### Mein Pragati - Assam

Mein Pragati Assam, now in its second phase, is committed to financial inclusion in the state - the programme is driving long-term behavioural change to manage money; improving households' access to government schemes; and strengthening livelihood access for women in households. The key medium to achieve these objectives in existing project geographies is creating a vibrant community cadre (Sakhis) and developing institutional infrastructure.

CRISIL Foundation designed and developed a comprehensive training programme to hone the Sakhi's soft skills as well as facilitate availing of financial services. The cadre soon began to effectively facilitate inclusion at the doorsteps of those in need. The foundation defined a basket of services for

the Sakhis - facilitating financial linkages, using e-wallets, seeding identification documents and enabling access to various government schemes - and has trained the Sakhis in delivering all these services at the doorstep. Villagers, thus, benefitted from significant cost savings when accessing government schemes.

Best practices from the Sakhi model have been captured in a first-of-its-kind certification programme to create a cadre of financial health workers. CRISIL Foundation inducted its foremost batch of 52 CRISIL Sakhis across Morigaon, Nalbari, Kamrup, Darrang, Goalpara and BARPETA (current districts of Mein Pragati operations) in June 2018 to pilot test the certification module. The cadre is undergoing training through a mobile-based application, customised in regional languages, with interactive and engaging learning content. The GramShakti certification is intended to elevate public perception of the cadre as certified and astute financial experts. The first batch is likely to graduate in January 2019.

### Scale-up in Rajasthan

CRISIL Foundation is focusing on accelerated replication and scale-up of the Sakhi cadre in Rajasthan, having successfully tested its efficacy in Assam.

Subsequently, the foundation concluded Mein Pragati Phase I in Rajasthan, reaching out to over 60,000 women through the donor-NGO partner model to optimise resources.

The key objective is to develop a community cadre of Sakhis in Alwar and Dausa (current districts of operation) to sustain good financial practices, enabling financial as well as welfare linkages for self-help groups that participated in Phase I.

### Money-wise Centres for Financial Literacy

CRISIL's centres under the RBI's Money-wise Centres for Financial Literacy completed one year of operations in October 2018. Since inception, the centre staff (20 selected blocks of Haryana and Maharashtra) reached out to over 175,450 villagers through training and awareness camps.

The centres have seen over 10,000 walk-ins with villagers looking to resolve queries and issues related to financial products and services, as well as availing financial products and services. Given the programme's need for a hub-and-spoke model, more than 250 rural financial advisors have been onboarded and trained to actively provide local support in their respective villages.

### Strategic partnerships for expansion of outreach activities and deeper impact

In 2018, CRISIL Foundation signed memorandums of understanding with Mahila Arthik Vikas Mahamandal, ITC Ltd and the Madhya Pradesh State Rural Livelihoods Mission, to customise Mein Pragati training modules for different regions. For instance, financial inclusion modules were modified considering the rural setting in Maharashtra for Mahila Arthik Vikas Mahamandal and regional contextualisation to

strengthen financial capabilities in Madhya Pradesh under the ambit of ITC's Women's Empowerment Programme for sustainable livelihoods.

### CRISIL RE

CRISIL Foundation sponsors projects under CRISIL RE Change the Scene, a social impact incubator. Employees design and develop proof of concept for sustainable solutions to environment conservation issues and financial inclusion of underprivileged communities.

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 catalyst 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 activities are undertaken by CRISIL Foundation with the assistance of implementation partners as required. CRISIL Foundation comprises a team of social work specialists, dedicated towards driving and monitoring corporate social responsibility (CSR) activities.

The programmes 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 along with external impact assessment and financial audits by external agencies, provide a holistic perspective 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 No. 9

### Customer value

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 their expectations and retain their trust by constantly engaging with them, listening to them and partnering with them responsibly to create long-term value for their business.

To drive close customer collaboration, we actively seek regular feedback and accordingly improve our systems and processes.

During 2018, CRISIL undertook the net promoter score (NPS) survey across all businesses as a step towards our objective to be customer and market-led and deliver exceptional and differentiated customer experience. NPS would help standardise customer loyalty metrics across all divisions, creating a system to analyse, share and act on insights. The NPS system also allows to create a consistent and simplified baseline customer sentiment metric among customers and provide timely insights that are easy to act on. Besides, we emphasise on regular one-on-one interactions with clients and undertake conscious outreach initiatives for vulnerable clients and investors to understand their perspectives and address their concerns.

Further, we conduct regular knowledge-sharing sessions for investors and issuers to help them derive value from CRISIL's superior research quality, insights and ratings. CRISIL Ratings brings in transparency in service standards by publishing detailed rating rationale to articulate the drivers of instrument ratings. CRISIL Ratings publishes all criteria on its website and revises them periodically to reflect market dynamics. CRISIL Ratings has been 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 has also been publishing default and transition rates annually since 2004, a benchmark for quality of ratings, helping investors quantify credit risk.

Our focus during the year was on leveraging technology to enhance the speed and quality of our interactions and transforming our value proposition to our customers. In 2018, CRISIL Research launched a smart state-of-the-

art learning management system to provide a complete e-learning solution to clients. CRISIL's smefirst is a digital platform for SME ratings, that enables achieving scale, speed and productivity in a cost-effective way. In 2018, CRISIL Coalition partnered with a leading global financial services consultancy, leveraging existing capabilities between CRISIL Coalition and our new partner, to develop analytics that will focus on providing an in-depth view on financial resources for global and regional banks.

CRISIL conducts outreach programmes to continuously engage with clients and enable conversations with them on important industry events and regulatory developments. Outreach programmes include webinars, knowledge partnerships, thought leadership reports, insights and media appearances. These also serve as a forum to deliberate with clients on their areas of business and gather perspectives to enable us to serve them better and address their information needs.

CRISIL undertook an extensive exercise to review its processes and standards for managing personal information of its clients under the new global data protection regime in Europe and took actions to build the necessary safeguards in this respect.

Each business receives and addresses customer complaints regularly. As of the end of the year, 2.08% of customer complaints were pending. We do not have any pending material consumer litigation. Further, no case has been filed against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years, which is pending as of the end of the financial year.

## Statutory report in terms of SEBI reporting guidelines

### Section A: General information about the company

1.	CIN	L67120MH1987PLC042363
2.	Name of the company	CRISIL Ltd
3.	Registered office address	CRISIL House, Central Avenue Hiranandani Business Park, Powai Mumbai 400-076
4.	Website	www.crisil.com
5.	Email ID	investors@crisil.com
6.	Financial year reported	January 1 - December 31, 2018
7.	Sectors that the company is engaged in (industrial activity code-wise)	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's standalone 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 to page titled 'Office locations' in the annual report (includes subsidiary operations)
	ii. Number of national locations	Refer to page titled 'Office locations' in the annual report
10.	Markets served by the company – Local/state/national/international	All

### Section B: Financial details of the company

CRISIL - Standalone

1.	Paid-up capital	Rs 7.21 crore
2.	Total turnover	Rs 1,181.99 crore
3.	Total profit after taxes	Rs 277.53 crore
4.	Total spending on CSR as a percentage of profit after tax (%)	Refer to Annexure I of the Directors' Report
5.	List of activities in which expenditure in 4 above has been incurred	Refer to Annexure I of the Directors' Report

### Section C: Other details

1.	Does the company have subsidiary company/ companies?	Yes. Refer to Annexure V of the Directors' Report
2.	Do the subsidiary company/ companies participate in the Business Responsibility 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 sections on 'Sustainable supply chain' and 'Human rights' of the Business Responsibility Report



**Section D: BR information**
**1. BR governance**

- a) Details of the 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 at which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the company (within 3 months, 3-6 months, or annually): Annually
- c) Does the company publish a BR or sustainability report? What is the hyperlink for viewing this report? How frequently it is published? No separate report is published.

**2. Principle-wise BR policy compliance**
**Principle index**

**P1** Businesses 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** Businesses 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 managing director /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

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out an 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 – 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 in
<b>Principle No. 1: Businesses should conduct and govern themselves with ethics, transparency and accountability</b>	
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	

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**Principle No. 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**


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<ol style="list-style-type: none"> <li>1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities</li> <li>2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional): A. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? B. Reduction during usage by consumers (energy, water) has been achieved since the previous year?</li> <li>3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so</li> <li>4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</li> <li>5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt;10%)? Also, provide details thereof, in about 50 words or so</li> </ol>	<p>Section titled 'Sustainable services' in the Business Responsibility Report</p> <p>Section titled 'Environment' in the Business Responsibility Report</p>
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**Principle No. 3: Businesses should promote the wellbeing of all employees**


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<ol style="list-style-type: none"> <li>1. Please indicate the total number of employees</li> <li>2. Please indicate the total number of employees hired on temporary/contractual/casual basis</li> <li>3. Please indicate the number of permanent women employees</li> <li>4. Please indicate the number of permanent employees with disabilities</li> <li>5. Do you have an employee association that is recognised by the management?</li> <li>6. What percentage of your permanent employees are members of this employee association?</li> <li>7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment filed in the last financial year and pending, as on the end of the financial year</li> <li>8. What percentage of the following employees were given safety &amp; skill upgradation training in the last year           <ul style="list-style-type: none"> <li>• Permanent employees</li> <li>• Permanent women employees</li> <li>• Casual/temporary/contractual employees</li> <li>• Employees with disabilities</li> </ul> </li> </ol>	<p>Section titled 'Our employees' in the Business Responsibility Report</p>
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**Principle No. 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**


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<ol style="list-style-type: none"> <li>1. Has the company mapped its internal and external stakeholders?</li> <li>2. Out of the above, has the company identified the disadvantaged, vulnerable &amp; marginalised stakeholders?</li> <li>3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so</li> </ol>	<p>Section titled 'Stakeholder engagement' in the Business Responsibility Report</p>
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**Principle No. 5: Businesses should respect and promote human rights**


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<ol style="list-style-type: none"> <li>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?</li> <li>2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?</li> </ol>	<p>Section titled 'Human rights' in the Business Responsibility Report</p>
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**Principle No. 6: Businesses should respect, protect and make efforts to restore the environment**


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|---|---|
| <ol style="list-style-type: none"> <li>1. Does the policy related to Principle 6 cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?</li> <li>2. Does the company have strategies/ initiatives to address global environmental issues such as climate change and global warming? If yes, please give hyperlink for webpage etc.</li> <li>3. Does the company identify and assess potential environmental risks?</li> <li>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?</li> <li>5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for webpage etc.</li> <li>6. Are the emissions/waste generated by the company within the permissible limits stipulated by the Central Pollution Control Board/state pollution control board for the financial year being reported?</li> <li>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</li> </ol> | <p>Section titled 'Environment' in the Business Responsibility Report</p> |
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**Principle No. 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**


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| <ol style="list-style-type: none"> <li>1. Is your company a member of any trade and chamber association?</li> <li>2. If yes, name the major ones that your business deals with</li> <li>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)</li> </ol> | <p>Section titled 'Public policy advocacy' in the Business Responsibility Report</p> |
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**Principle No. 8: Businesses should support inclusive growth and equitable development**


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| <ol style="list-style-type: none"> <li>1. Does the company have specified programmes/initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof</li> <li>2. Are the programmes / projects undertaken through the in-house team?</li> <li>3. Have you done any impact assessment of your initiative?</li> <li>4. What is your company's direct contribution to community development projects? Amount in Rs and the details of the projects undertaken</li> <li>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</li> </ol> | <p>Section titled 'Inclusive growth' in the Business Responsibility Report</p> |
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**Principle No. 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**


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| <ol style="list-style-type: none"> <li>1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?</li> <li>2. Does the company display product information on the product label, over and above what is mandated as per local laws? Remarks (additional information)</li> <li>3. Has any case been 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</li> <li>4. Did your company carry out any consumer survey/ consumer satisfaction survey?</li> </ol> | <p>Section titled 'Customer value' in the Business Responsibility Report</p> |
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## 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

We are a provider of ratings, research, 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 4000 employees worldwide and operate in India, China, Singapore, England, 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 whistle blowers
- 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 during 2016 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.

**At CRISIL,  
we cultivate,  
encourage  
altruism**

Giving back to the community is a way of life for most corporates today. But deepening the reach and impact can make the real difference. And that's exactly what CRISIL Foundation through their volunteering initiative, CRISIL RE, set out to achieve. Today, 50% of CRISILites contribute to make the difference to the community they work and live in.

Designed as a social incubator, signature programmes like Change the Scene provide employees with a platform to pitch their projects and, if selected, secure funding from the organisation. Since its launch in 2016, over 100 project ideas have been shared, with 48 finally chosen for funding across 6 cities.

What makes the initiative unique is its inbuilt ability to scale and impact a varied range of issues – from grassroots problems such as awareness of health and hygiene in slums, access to education in far-flung areas and improvement of livelihood for women to core issues of financial literacy, menstrual hygiene, soil testing, mentoring school children and more.

**Employee as a change-agent**

Incubating social change.

We are **more**

# 04

## 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 December 31, 2018, 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 Matters 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 December 31, 2018, 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 1 (one) subsidiary, whose financial statements / financial information reflect total assets of Rs 1,600.05 lakh and net assets of Rs 791.13 lakh as at December 31, 2018, total revenues of Rs 4,995.60 lakh and net cash inflows amounting to Rs 404.59 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information has been audited by other auditor 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Further, the above subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in the country and which has been audited by other auditor under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the financial statement of such subsidiary located outside India from accounting principles generally accepted in their country 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 subsidiary located outside India is based on the report of other auditor 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 report of the other auditor.

## Report on Other Legal and Regulatory Requirements

10. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and its one subsidiary company covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company covered under the Act has not paid or provided for any managerial remuneration during the year.
11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- 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;
  - 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;
  - the consolidated financial statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
  - 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 December 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

## Consolidated Financial Statements

- 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 Auditors) 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 36 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; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period November 8, 2016 to December 30, 2016 which are not relevant to these consolidated financial statements. Hence reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

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

Place: Mumbai  
Date: February 12, 2019

## 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 December 31, 2018

### 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 December 31, 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its two subsidiary companies, 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 and its two subsidiary companies which are companies covered under the Act, are 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 IFCoFR of the Holding Company and its two subsidiary companies, as aforesaid, 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 IFCoFR of the Holding Company and its two subsidiary companies 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 limitation 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 two subsidiary companies, 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 December 31, 2018, 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

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: February 12, 2019

# Consolidated Balance Sheet

as at December 31, 2018

(Rupees in lakhs)

Particulars	Notes	As at	
		December 31, 2018	December 31, 2017
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	4,104	5,435
(b) Goodwill	4	27,725	23,203
(c) Intangible assets	5	3,164	708
(d) Intangible assets under development		744	1,321
(e) Financial assets			
i. Investments	6	29,359	38,611
ii. Loans	7	3,674	1,385
iii. Other financial assets	8	42	99
(f) Deferred tax assets (net)	9	5,676	3,475
(g) Tax assets	10	5,605	4,194
(h) Other non-current assets	11	790	366
<b>2. Current assets</b>			
(a) Financial assets			
i. Investments	6	18,303	13,933
ii. Trade receivables	12	28,483	26,042
iii. Cash and cash equivalents	13	20,307	8,869
iv. Other bank balances	14	393	4,309
v. Loans	15	855	2,854
vi. Other financial assets	16	9,407	9,890
(b) Other current assets	17	4,427	4,460
(c) Asset held for sale	18	318	318
<b>TOTAL ASSETS</b>		<b>163,376</b>	<b>149,472</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	19	721	717
(b) Other equity		112,904	104,140
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	20	8	-
ii. Other financial liabilities	21	774	412
(b) Provisions	22	1,376	1,288
(c) Other non-current liabilities	23	-	48
<b>3. Current liabilities</b>			
(a) Financial liabilities			
i. Short term borrowings	24	246	-
ii. Trade payables	25		
- to micro enterprises and small enterprises		26	-
- to others		6,451	5,672
iii. Other financial liabilities	26	15,939	14,788
(b) Provisions	27	6,335	6,220
(c) Tax liabilities	28	1,176	1,001
(d) Other current liabilities	29	17,420	15,186
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>163,376</b>	<b>149,472</b>
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 Chandiok & Co LLP**

Chartered Accountants  
Firm Registration No.: 001076N/N500013

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

Date: February 12, 2019  
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]

**Arundhati Bhattacharya**  
Director  
[DIN: 02011213]

Date: February 12, 2019  
Place: Mumbai

**Vinita Bali**  
Director  
[DIN: 00032940]

**Ashu Suyash**  
Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

**Sanjay Chakravarti**  
Chief Financial Officer

**Girish Paranjpe**  
Director  
[DIN: 02172725]

**Ewout Steenbergen**  
Director  
[DIN: 07956962]

**Minal Bhosale**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended December 31, 2018

Particulars	Notes	(Rupees in lakhs)	
		Year ended December 31, 2018	Year ended December 31, 2017
<b>Income</b>			
Revenue from operations	30	174,849	165,846
Other income	31	7,341	2,538
<b>Total</b>		<b>182,190</b>	<b>168,384</b>
<b>Expenses</b>			
Employee benefit expenses	32	88,736	84,593
Finance cost	33	223	41
Depreciation and amortisation expenses	3,5	4,282	4,664
Other expenses	34	38,990	35,725
<b>Total</b>		<b>132,231</b>	<b>125,023</b>
<b>Profit before tax</b>		<b>49,959</b>	<b>43,361</b>
<b>Tax expense</b>	10		
Current tax		15,707	14,648
Deferred tax		(2,058)	(1,730)
<b>Total tax expense</b>		<b>13,649</b>	<b>12,918</b>
<b>Profit after tax for the year</b>		<b>36,310</b>	<b>30,443</b>
<b>Other comprehensive income (OCI)</b>			
<b>A. Items that will be reclassified to profit or loss:</b>			
Exchange differences in translating the financial statements of a foreign operation		(482)	(754)
The effective portion of gains or (loss) on hedging instruments in a cash flow hedge		1,100	434
Tax effect on above		(385)	(150)
<b>B. Items that will not be reclassified to profit or loss:</b>			
Remeasurements of the defined benefit plans		44	(229)
Equity instruments through other comprehensive income		9,252	8,336
Tax effect on above		(66)	105
<b>Total comprehensive income for the year</b>		<b>26,847</b>	<b>22,701</b>
<b>Profit attributable to:</b>			
Owners of the Company		36,310	30,443
Non-controlling interest		-	-
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		26,847	22,701
Non-controlling interest		-	-
Earnings per share : Nominal value of Re 1 per share	46		
Basic		50.50	42.58
Diluted		50.33	42.32
Number of shares used in computing earnings per share			
Basic		71,904,428	71,489,561
Diluted (Refer Note 46)		72,148,415	71,940,435
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

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Date: February 12, 2019

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]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

Date: February 12, 2019

Place: Mumbai

**Vinita Bali**

Director

[DIN: 00032940]

**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

**Sanjay Chakravarti**

Chief Financial Officer

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ewout Steenbergen**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Consolidated Cash Flow Statement

for the year ended December 31, 2018

(Rupees in lakhs)

Particulars	As at December 31, 2018	As at December 31, 2017
<b>A. Cash flow from operating activities:</b>		
Profit before tax	49,959	43,361
<b>Adjustments for :</b>		
Depreciation	4,282	4,664
Interest income on financial assets carried at amortised cost	(275)	(254)
Amortisation of foreign currency monetary item translation reserve	-	(512)
Monetary gain from hyperinflation (Refer Note 43)	(307)	-
Unrealised foreign exchange gain	(335)	581
(Profit)/loss on sale of fixed assets	(86)	(71)
(Profit)/loss on sale of current investments	(340)	(1,468)
(Profit)/loss on fair valuation of current investments	(145)	(38)
Provision for doubtful debts/bad debts	3,754	1,448
Provision for doubtful security deposits	10	
Interest income	(86)	(83)
Share based payment to employees	1,876	1,762
Dividend on investments	(1,457)	(328)
Interest expense/finance cost	223	-
<b>Operating profit before working capital changes</b>	<b>57,073</b>	<b>49,062</b>
Movements in working capital		
- (Increase)/decrease in trade receivables	(5,855)	(6,824)
- (Increase)/decrease in loans	24	(14)
- (Increase)/decrease in other non-current assets	(256)	6
- (Increase)/decrease in other current financial assets	(213)	(1,020)
- (Increase)/decrease in other current assets	94	(148)
- Increase/(decrease) in trade payables	672	1,362
- Increase/(decrease) in provisions	349	619
- Increase/(decrease) in other current financial liabilities	699	971
- Increase/(decrease) in other current liabilities	1,832	1,491
- Increase/(decrease) in other non-current financial liabilities	362	297
- Increase/(decrease) in other non-current liabilities	(48)	32
<b>Cash generated from operations</b>	<b>54,733</b>	<b>45,834</b>
- Taxes paid	(16,881)	(16,763)
<b>Net cash generated from operating activities - (A)</b>	<b>37,852</b>	<b>29,071</b>
<b>B. Cash flow from investing activities :</b>		
Purchase of property, plant and equipment and intangible assets (including movement of intangible assets under development and capital advances)	(3,347)	(3,387)
Proceeds from sale of property, plant and equipment and intangible assets	169	145
Proceeds from/(investments in) mutual funds	(3,923)	31,977
Payment made for acquisition of Pragmatix Services Private Limited (Refer Note 44)	(5,600)	-
Investment in CARE Ratings Limited	-	(43,389)
Interest income	77	125
Interest expense/finance cost	(126)	-
Proceeds/(investment) from fixed deposits maturity	3,986	(3,465)
Dividend on investments	1,457	328
<b>Net cash generated from/(used in) investing activities - (B)</b>	<b>(7,307)</b>	<b>(17,666)</b>

# Consolidated Cash Flow Statement

for the year ended December 31, 2018

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<b>C. Cash flow from financing activities :</b>		
Proceeds on account of share application money	4,995	4,417
Borrowings	(55)	-
Dividend and dividend tax paid	(25,138)	(23,075)
<b>Net cash generated from/(used in) financing activities - (C)</b>	<b>(20,198)</b>	<b>(18,658)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,347</b>	<b>(7,253)</b>
Add / (less) : adjustment towards acquisition / (divesture) - (D)	462	-
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>10,809</b>	<b>(7,253)</b>
Cash and cash equivalents - Opening balance	8,869	16,391
Add : Exchange difference on translation of foreign currency cash and cash equivalents	271	(269)
Cash and cash equivalents - Closing balance	19,949	8,869
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>10,809</b>	<b>(7,253)</b>
Components of cash and cash equivalents :-		
Cash on hand and balances with banks on current account	9,407	7,119
Deposits with original maturity of less than three months	10,900	1,750
Bank and book overdraft	(358)	-
<b>Total</b>	<b>19,949</b>	<b>8,869</b>

The accompanying notes are an integral part of the consolidated cash flow statement.  
 This is the consolidated cash flow statement 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 12, 2019

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]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

Date: February 12, 2019

Place: Mumbai

**Vinita Bali**

Director

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**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

**Sanjay Chakravarti**

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**Girish Paranjpe**

Director

[DIN: 02172725]

**Ewout Steenbergen**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Statement of Changes in Consolidated Equity

for the year ended December 31, 2018

## A. Equity Share Capital

	(Rupees in lakhs)	
	Changes in equity share capital during the year (Refer Note 19)	Balance as at December 31, 2018
Balance as at January 1, 2018	717	721
	4	
Balance as at January 1, 2017	713	717
	4	

## B. Other Equity

Particulars	Reserves & Surplus						Items of other comprehensive Income			Total	
	Capital redemption reserve	Securities premium	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
<b>Balance as at January 1, 2018</b>	27	10,078	14,115	6,722	(187)	300	79,482	(6,058)	(1,283)	944	104,140
Profit for the year	-	-	-	-	-	-	36,310	-	-	-	36,310
Additions during the year	-	4,991	-	-	174	-	-	-	-	-	5,165
Transfer to foreign exchange gain	-	-	-	-	13	-	-	-	-	-	13
Impact of hyperinflation (Refer Note 43)	-	-	-	-	-	-	-	-	207	-	207
Other comprehensive income	-	-	-	-	-	-	(23)	(9,207)	275	(715)	(9,670)
Share based payment to employees	-	-	-	1,877	-	-	-	-	-	-	1,877
Final dividend	-	-	-	-	-	-	(7,173)	-	-	-	(7,173)
Interim dividend	-	-	-	-	-	-	(13,679)	-	-	-	(13,679)
Corporate dividend tax	-	-	-	-	-	-	(4,286)	-	-	-	(4,286)
Transfer to SEZ reinvestment reserve	-	-	-	-	-	150	(150)	-	-	-	-
Exercise of stock option	-	1,846	-	(1,846)	-	-	-	-	-	-	-
<b>Balance as at December 31, 2018</b>	27	16,915	14,115	6,753	-	450	90,481	(15,265)	(801)	229	112,904



# Statement of Changes in Consolidated Equity

for the year ended December 31, 2018

Particulars	Reserves & Surplus							Items of other comprehensive income				Total
	Capital redemption reserve	Securities premium	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Economic zone reinvestment reserve	Special Zone	Retained earnings	Equity instruments through OCI	Currency fluctuation reserve	Hedge reserve	
<b>Balance as at January 1, 2017</b>	<b>27</b>	<b>4,354</b>	<b>14,115</b>	<b>6,268</b>	<b>(699)</b>	-	<b>72,264</b>	<b>2,303</b>	<b>(2,036)</b>	<b>1,228</b>	<b>97,824</b>	
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	-	-	-	-	-	-	150	(8,361)	753	(284)	(7,742)	
Final dividend	-	-	-	-	-	-	(6,420)	-	-	-	(6,420)	
Interim dividend	-	-	-	-	-	-	(12,881)	-	-	-	(12,881)	
Corporate dividend tax	-	-	-	-	-	-	(3,774)	-	-	-	(3,774)	
Transfer to SEZ reinvestment reserve	-	-	-	-	-	300	(300)	-	-	-	-	
Exercise of stock option	-	1,311	-	(1,311)	-	-	-	-	-	-	-	
<b>Balance as at December 31, 2017</b>	<b>27</b>	<b>10,078</b>	<b>14,115</b>	<b>6,722</b>	<b>(187)</b>	<b>300</b>	<b>79,482</b>	<b>(6,058)</b>	<b>(1,283)</b>	<b>944</b>	<b>104,140</b>	

(Refer Note 19)

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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Date: February 12, 2019

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]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

Date: February 12, 2019

Place: Mumbai

**Vinita Bali**

Director

[DIN: 00032940]

**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

**Sanjay Chakravarti**

Chief Financial Officer

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ewout Steenberg**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Summary of significant accounting policies and other explanatory information to the consolidated financial statements for the year ended December 31, 2018

## 1. Corporate information

CRISIL Limited ('the Company' or 'CRISIL') (CIN: L67120MH1987PLC042363) 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, 2018, were approved by the Board of Directors on February 12, 2019.

S&P Global Inc the ultimate holding Company, through as on December 31, 2018, its subsidiaries owned 67.58% of the Company's equity share capital. (Refer Note 19).

## 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.

### 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 Group'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 Group has ascertained its operating cycle as 12 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 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.

## Consolidated Financial Statements

### ■ 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 effect 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 entities	Country of incorporation	Ownership in % either directly or through subsidiaries	
		December 31, 2018	December 31, 2017
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
Pragmatix Services Private Limited (Refer Note 44)	India	100%	NA
CRISIL Irevna UK Limited	United Kingdom	100%	100%
CRISIL Irevna US LLC	United States of America	100%	100%
CRISIL Irevna Argentina S.A.	Argentina	100%	100%
CRISIL Irevna Poland Sp.zo.o.	Poland	100%	100%
Coalition Development Limited	United Kingdom	100%	100%
Coalition Development Singapore Pte Limited	Singapore	100%	100%
CRISIL Irevna Information Technology (Hangzhou) Co., Ltd	China	100%	100%

### 2.7 Property, Plant and Equipment

Property, plant and equipment (PPE) 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 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 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 equipment	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
Platform	5 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 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 pro rata 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:

- i) Financial assets that are measured at amortised cost e.g., loans, deposits and bank balance.
- ii) 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

## Consolidated Financial Statements

recognises impairment loss allowance based on lifetime ECLs at each reporting date.

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

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103 w.e.f. January 1, 2012. 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 methods of accessing fair value result in general approximation of value and such value may never actually be realised. For all other financial instruments, the carrying amounts approximate fair value due to short-term maturity of those instruments.

### 2.15 Financial instruments

#### Initial recognition

The Group recognises 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 within 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.

(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 forecast transaction affects the statement of profit and loss. For forecast 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 derecognises 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 through 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 37. Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- (ii) 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 disclosed where an inflow of economic benefits is probable.

## 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 licences are recognised upon delivery of these licences 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.

#### Grant income

Export benefits from government authorities are received in the form of saleable scrips and are recognised at fair value in the statement of profit and loss under 'other

income', where all attaching conditions will be complied with and to the extent there is no significant uncertainty as to the ultimate realisation on transfer of scrips in the year of the sale. The related costs are recognised under 'other expense'.

#### 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 Group'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 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 is no defined benefit plan. The amount contributed to the defined contribution plan is charged to the statement of profit and loss account on accrual basis.

## 2.20 Employee stock compensation cost

The Group recognises 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 lakh except otherwise indicated).

The financial statements of subsidiary companies whose functional currency is the currency of a hyperinflationary economy are adjusted for the effects of changes in general price index (to reflect the change in purchasing power of the local currency) and expressed in terms of the current unit of measurement at the closing date of the reporting period, in accordance with Ind AS 29 Financial Reporting in Hyperinflationary Economies.

Subsidiaries with the currency of hyperinflationary economy as their functional currency are restated as per Ind AS 29 before consolidation in accordance with Ind AS 110 Consolidated Financial Statements. Once restated, all items of the financial statements of such a subsidiary are converted to Rupees at the closing exchange rate. To determine the existence of hyperinflation, the Group assesses the qualitative characteristics of the economic environment of the country such as the trend of inflation rate over the past three years.

### 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.

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### 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.

### 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:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) 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 Minimum Alternate Tax (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 Group 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.

The Group is structured into three reportable business segments – Ratings, 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 arms 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 buyback, 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 unexercised 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 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

#### 1. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Amendment Rules, 2018, containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

#### 2. Ind AS 115, Revenue from contracts with customers:

On March 28, 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 Revenue from contracts with customers supersedes Ind AS 18, Revenue and is applicable for all accounting periods commencing on or after April 1, 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

These amendments are applicable to the Group with effect from January 1, 2019. The Group has evaluated the requirement of the amendment and the impact on the financial statements. The effects of adoption of Ind AS 21 and Ind AS 115 are expected to be insignificant.

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### 3. Property, plant and equipment

#### For the year ended December 31, 2018

Particulars	Carrying value					Accumulated depreciation					Net block As at December 31, 2018	
	As at January 1, 2018	Additions	Deductions	Currency translation reserve	Adjustments (Refer Note 44)	As at December 31, 2018	Up to January 1, 2018	For the year	Deductions	Currency translation reserve		Adjustments (Refer Note 44)
Buildings	10	-	-	-	-	10	10	-	-	-	-	10
Furniture and fixtures	992	76	26	8	4	1,054	384	210	20	19	1	594
Office equipments	1,698	144	80	26	6	1,794	738	346	65	25	2	1,046
Computers	4,921	1,016	108	(67)	72	5,834	2,824	1,413	77	20	37	4,217
Vehicles	612	346	205	60	134	947	327	197	174	77	97	524
Leasehold improvements	3,261	396	1	(168)	-	3,488	1,776	891	1	(34)	-	2,632
<b>Total tangible assets</b>	<b>11,494</b>	<b>1,978</b>	<b>420</b>	<b>(141)</b>	<b>216</b>	<b>13,127</b>	<b>6,059</b>	<b>3,057</b>	<b>337</b>	<b>107</b>	<b>137</b>	<b>9,023</b>

(Rupees in lakhs)

#### For the year ended December 31, 2017

Particulars	Carrying value					Accumulated depreciation					Net block As at December 31, 2017	
	As at January 1, 2017	Additions	Deductions	Currency translation reserve	Adjustments	As at December 31, 2017	Up to January 1, 2017	For the year	Deductions	Currency translation reserve		Adjustments
Buildings	10	-	-	-	-	10	8	2	-	-	-	10
Furniture and fixtures	946	70	39	15	-	992	202	182	14	14	-	384
Office equipments	1,596	142	30	(10)	-	1,698	334	419	11	(4)	-	738
Computers	3,529	1,421	51	22	-	4,921	1,390	1,444	48	38	-	2,824
Vehicles	452	187	63	36	-	612	165	163	36	35	-	327
Leasehold improvements	3,153	132	-	(24)	-	3,261	944	847	-	(15)	-	1,776
<b>Total tangible assets</b>	<b>9,686</b>	<b>1,952</b>	<b>183</b>	<b>39</b>	<b>-</b>	<b>11,494</b>	<b>3,043</b>	<b>3,057</b>	<b>109</b>	<b>68</b>	<b>-</b>	<b>6,059</b>

(Rupees in lakhs)

#### 4. Goodwill

(Rupees in lakhs)		
<b>Goodwill consists of the following</b>	<b>As at December 31, 2018</b>	<b>As at December 31, 2017</b>
Carrying value at the beginning of the year	23,203	22,425
On acquisition of Pragmatix Services Private Limited (Refer Note 44)	3,621	-
Foreign currency exchange gain/(loss)	901	778
Carrying value at the end of the year	<b>27,725</b>	<b>23,203</b>
<b>Goodwill has been allocated as follows:</b>		
Research	24,104	23,203
Advisory	3,621	-
<b>Total</b>	<b>27,725</b>	<b>23,203</b>

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 CODM 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 the following rates:

<b>Particulars</b>	<b>Growth rate</b>	<b>Discount rate</b>
Research business	7%	15%
Advisory business	16%	15%

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, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

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### 5. Intangible assets

For the year ended December 31, 2018

Particulars	Carrying value				Accumulated amortisation				Net block				
	As at January 1, 2018	Additions	Deductions	Currency translation reserve	Adjustments (Refer Note 44)	As at December 31, 2018	Up to January 1, 2018	For the year	Deductions	Currency translation reserve	Adjustments (Refer note 44)	Up to December 31, 2018	As at December 31, 2018
Technology	1,486	-	-	57	-	1,543	1,486	-	-	57	-	1,543	-
Database	699	-	-	27	-	726	699	-	-	27	-	726	-
Customer relationship	1,168	478	-	45	-	1,691	943	240	-	33	-	1,216	475
Tradenname	367	-	-	14	-	381	204	109	-	6	-	319	62
Platform	-	985	-	-	-	985	-	184	-	-	-	184	801
Software	898	1,903	-	288	450	3,539	578	692	-	193	250	1,713	1,826
<b>Total intangible assets</b>	<b>4,618</b>	<b>3,366</b>	<b>-</b>	<b>431</b>	<b>450</b>	<b>8,865</b>	<b>3,910</b>	<b>1,225</b>	<b>-</b>	<b>316</b>	<b>250</b>	<b>5,701</b>	<b>3,164</b>

(Rupees in lakhs)

For the year ended December 31, 2017

Particulars	Carrying value				Accumulated amortisation				Net block				
	As at January 1, 2017	Additions	Deductions	Currency translation reserve	Adjustments	As at December 31, 2017	Up to January 1, 2017	For the year	Deductions	Currency translation reserve	Adjustments	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
<b>Total intangible assets</b>	<b>4,032</b>	<b>513</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>4,618</b>	<b>2,226</b>	<b>1,607</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>3,910</b>	<b>708</b>

(Rupees in lakhs)

## 6. Investments

A. Non-current investments	As at December 31, 2018		As at December 31, 2017	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
<i>Unquoted equity investments carried at fair value through OCI (Refer Note 35)**</i>				
Equity Shares of National Commodity and Derivative Exchange Limited of Rs 10 each, fully paid up	1,875,000	3,359	1,875,000	3,521
Equity Shares of Caribbean Information and Credit Rating Agency of US \$ 1 each, fully paid up	300,000	124	300,000	150
<b>Sub - total (a)</b>		<b>3,483</b>		<b>3,671</b>
<i>Quoted equity investments carried at fair value through OCI (Refer Note 35)**</i>				
Equity Share of ICRA Limited of Rs 10 each, fully paid up*	1	-	1	-
Equity Share of CARE Ratings Limited of Rs 10 each, fully paid up	2,622,431	25,876	2,622,431	34,940
<b>Sub - total (b)</b>		<b>25,876</b>		<b>34,940</b>
<b>Total non-current investments - (a + b)</b>		<b>29,359</b>		<b>38,611</b>

B. Current investments	As at December 31, 2018		As at December 31, 2017	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
<b>Investments in mutual funds</b>				
<i>(Unquoted investments carried at fair value through profit and loss) (Refer Note 35)</i>				
Canara Robeco Liquid Fund - Direct Growth	216,073	4,794	-	-
DSP Liquidity Fund - Direct Plan - Growth	144,103	3,784	-	-
Franklin India Liquid Fund - Super Institutional Plan - Direct - Growth	168,409	4,627	-	-
L&T Liquid Fund Direct Plan - Growth	192,330	4,841	-	-
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100% Dividend Donation	2,500,000	257	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

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### 6. Investments (contd.)

B. Current investments	As at December 31, 2018		As at December 31, 2017	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
ICICI Prudential Liquid Fund - Direct - Growth	-	-	990,139	2,501
Axis Liquid Fund - Direct Growth	-	-	137,365	2,602
UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	-	-	3,945	110
<b>Total investments in mutual funds (c)</b>		<b>18,303</b>		<b>13,933</b>
<b>Total investments (a + b + c)</b>		<b>47,662</b>		<b>52,544</b>

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, 2018 was Rs 1,448 lakh and for the year ended December 31, 2017 was Rs 321 lakh. 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.

### 7. Loans

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<b>Non-current</b>		
<i>Unsecured, considered good, unless otherwise stated</i>		
-Security and other deposits	3,674	1,385
<b>Total</b>	<b>3,674</b>	<b>1,385</b>

### 8. Other financial assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<b>Non-current</b>		
<i>Unsecured, considered good, unless otherwise stated</i>		
Interest accrued on fixed deposits	2	2
Deposits with more than 12 months maturity (Deposit includes fixed deposits with banks Rs 36 lakh (P.Y. Rs 55 lakh) marked as lien for guarantees issued by banks on behalf of the Group (Refer Note 37))	40	97
<b>Total</b>	<b>42</b>	<b>99</b>

### 9. Income tax

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Current tax	15,707	14,648
Deferred tax	(2,058)	(1,730)
<b>Total income tax expense recognised in current year</b>	<b>13,649</b>	<b>12,918</b>



## 9. Income tax (contd.)

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:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Profit before income tax	49,959	43,361
Enacted income tax rate in India for fiscal year ended March 31, 2019 and March 31, 2018. (%)	34.94%	34.61%
Computed expected tax expense	17,458	15,007
<b>Effect of:</b>		
Income exempt from tax	(1,449)	(1,097)
Expenses that are not deductible in determining taxable profit	344	27
Incomes that are not chargeable to tax	(18)	-
Differential tax rates of subsidiaries operating in other jurisdictions	(1,911)	(839)
Income subject to different tax rates	1,111	31
Tax expense of prior years	(1,637)	(209)
Impact due to change in rate	(44)	-
Others	(205)	(2)
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>13,649</b>	<b>12,918</b>

### Deferred tax

The tax effect of significant temporary differences that resulted in deferred income tax assets and liabilities is as follows:

As at December 31, 2018

Particulars	(Rupees in lakhs)					
	Opening balance	Recognised in profit and loss	Recognised in OCI	Acquisitions/disposal	Exchange difference	Closing balance
<b>Deferred tax liability on:</b>						
Gains from investments	718	-	(44)	-	-	674
Gains from mutual funds	2	48	-	-	-	50
Gains / losses on forward contract	500	-	(385)	-	-	115
Business combination	-	-	-	407	-	407
Property, plant and equipment and intangibles	340	30	-	-	-	370
Lease rent amortisation	14	15	-	-	(1)	28
<b>Gross deferred tax liability</b>	<b>1,574</b>	<b>93</b>	<b>(429)</b>	<b>407</b>	<b>(1)</b>	<b>1,644</b>
<b>Deferred tax asset on:</b>						
Provision for compensated absences	1,608	383	-	-	1	1,992
Provision for bonus and commission	913	119	-	-	(4)	1,028
Provision for gratuity	400	276	22	13	-	711
Provision for doubtful debt	654	560	-	-	-	1,214
Initial rating fees and other deferred revenue	542	55	-	-	-	597
Property, plant and equipment and intangibles	550	598	-	63	1	1,212
40A(ia) of the Income Tax Act, 1961 and other items	382	102	-	13	11	508
<b>Gross deferred tax asset</b>	<b>5,049</b>	<b>2,093</b>	<b>22</b>	<b>89</b>	<b>9</b>	<b>7,262</b>
<b>MAT credit entitlement</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58</b>
<b>Net deferred tax asset</b>	<b>3,475</b>	<b>2,058</b>	<b>451</b>	<b>(318)</b>	<b>10</b>	<b>5,676</b>

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### 9. Income tax (contd.)

As at December 31, 2017

Particulars	(Rupees in lakhs)					
	Opening balance	Recognised in profit and loss	Recognised in OCI	Acquisitions/ disposal	Exchange difference	Closing balance
<b>Deferred tax liability on:</b>						
Gains from investments	692	-	26	-	-	718
Gains from mutual funds	147	(145)	-	-	-	2
Gains / losses on forward contract	650	-	(150)	-	-	500
Property, plant and equipment and intangibles	522	(175)	-	-	(7)	340
Lease rent amortisation	12	1	-	-	1	14
<b>Gross deferred tax liability</b>	<b>2,023</b>	<b>(319)</b>	<b>(124)</b>	<b>-</b>	<b>(6)</b>	<b>1,574</b>
<b>Deferred tax asset on:</b>						
Provision for compensated absences	1,262	349	-	-	(3)	1,608
Provision for bonus and commission	747	175	-	-	(9)	913
Provision for gratuity	434	45	(79)	-	-	400
Provision for doubtful debt	588	66	-	-	-*	654
Initial rating fees and other deferred revenue	296	246	-	-	-	542
Property, plant and equipment and intangibles	213	337	-	-	-*	550
40A(ia) of the Income Tax Act, 1961 and other items	201	193	-	-	(12)	382
<b>Gross deferred tax asset</b>	<b>3,741</b>	<b>1,411</b>	<b>(79)</b>	<b>-</b>	<b>(24)</b>	<b>5,049</b>
<b>Net deferred tax asset</b>	<b>1,718</b>	<b>1,730</b>	<b>45</b>	<b>-</b>	<b>(18)</b>	<b>3,475</b>

\* '-' in amounts' columns denote amount less than Rs 50,000

Deferred tax liability on undistributed earnings of Rs 6,520 lakh of certain subsidiaries has not been recognised, as it is the intention of the Group to reinvest the earnings of these subsidiaries for the foreseeable future.

### 10. Tax assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Advance income taxes paid	5,605	4,194
<b>Total</b>	<b>5,605</b>	<b>4,194</b>

### 11. Other non-current assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Prepaid rent	139	223
Capital advance	168	-
Prepaid expenses	483	143
<b>Total</b>	<b>790</b>	<b>366</b>

## 12. Trade receivables

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
<i>Unsecured, unless otherwise stated</i>		
- Considered good (Refer Note 39 for related party balances)	28,483	26,042
- Considered doubtful	3,987	2,414
Less: Allowance for doubtful trade receivables	(3,987)	(2,414)
<b>Total</b>	<b>28,483</b>	<b>26,042</b>

## 13. Cash and cash equivalents

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Cash on hand	2	1
Balances with banks :		
On current accounts	9,405	7,118
Deposits with maturity of less than three months (Deposit includes fixed deposits with banks Rs 74 lakh (PY Rs 7 lakh) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 37))	10,900	1,750
<b>Total</b>	<b>20,307</b>	<b>8,869</b>

## 14. Other bank balances

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
On unpaid dividend accounts	77	64
Deposit with original maturity for more than three months but less than twelve months (Deposit includes fixed deposits with banks Rs 292 lakh (PY. Rs 278 lakh) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 37))	316	4,245
<b>Total</b>	<b>393</b>	<b>4,309</b>

## 15. Loans

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
<i>Unsecured, considered good, unless otherwise stated</i>		
Loans to employees	323	392
Security and other deposits		
- Considered good	532	2,462
- Considered doubtful	78	68
Less: Provision on deposits	(78)	(68)
<b>Total</b>	<b>855</b>	<b>2,854</b>

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### 16. Other financial assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
<i>Unsecured, considered good, unless otherwise stated</i>		
Accrued revenue	8,963	8,242
Accrued interest on fixed deposits	22	13
Fair value of foreign currency forward contract (Refer Note 35)	344	1,444
Others	78	191
<b>Total</b>	<b>9,407</b>	<b>9,890</b>

### 17. Other current assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Prepaid rent	82	230
Prepaid expense	1,623	1,072
Balances with government authorities	1,734	1,622
Advances to suppliers and employees	988	1,536
<b>Total</b>	<b>4,427</b>	<b>4,460</b>

### 18. Assets held for sale

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Building*	318	318
<b>Total</b>	<b>318</b>	<b>318</b>

\*The Group has classified a building premise as asset held for sale at its carrying value Rs 318 lakh. 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.

### 19. Share capital

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Authorised capital:		
100,000,000 Equity shares of Re1 each (PY. 100,000,000 equity shares of Re 1 each)	1,000	1,000
Issued, subscribed and paid up:		
72,115,782 equity shares of Re 1 each fully paid up (PY. 71,704,928 equity shares of Re 1 each)	721	717
<b>Total</b>	<b>721</b>	<b>717</b>

## 19. Share capital (contd.)

### (a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

#### Equity shares

Particulars	As at December 31, 2018	
	Rupees in lakhs	No
At the beginning of the year (face value of Re 1 per share)	717	71,704,928
Add : Issued during the year-under employee stock option scheme (ESOS) (Refer Note 45)	4	410,854
<b>Outstanding at the end of the year</b>	<b>721</b>	<b>72,115,782</b>

Particulars	As at December 31, 2017	
	Rupees in lakhs	No
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 45)	4	369,570
<b>Outstanding at the end of the year</b>	<b>717</b>	<b>71,704,928</b>

### (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 dividend 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	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
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 (PY. 31,209,480 equity shares of Re 1 each)	312	312
11,523,106 equity shares of Re 1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (PY. 10,623,059 equity shares of Re 1 each)	115	106
6,000,000 equity shares of Re 1 are held by Standard & Poor's International LLC, fellow subsidiary (PY. 6,000,000 equity shares of Re 1 each)	60	60
<b>Total</b>	<b>487</b>	<b>478</b>

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### 19. Share capital (contd.)

**(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	As at
	December 31, 2018	December 31, 2017
	No.	No.
Equity shares bought back by the company		
Aggregate number of equity shares bought back by the Company (in last five years)	511,932	511,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company	Nil	Nil

**(e) Details of shareholders holding more than 5% shares in the Company.**

Name of the shareholder	As at December 31, 2018	
	% holding in the class	No.
<u>Equity shares of Re 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.28%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.98%	11,523,106
c) Standard & Poor's International LLC	8.32%	6,000,000
2. Life Insurance Corporation of India	6.62%	4,771,286
3. Jhunjhunwala Rakesh and Rekha	5.50%	3,965,000

Name of the shareholder	As at December 31, 2017	
	% holding in the class	No.
<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

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 45).

**(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 an overdraft and other loan facilities sanctioned from banks to support any temporary funding requirement, as and when required.

## 19. Share capital (contd.)

### 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.

#### c) 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.

#### d) Other comprehensive income (OCI)

Other comprehensive income includes equity instruments through OCI, hedge reserve and currency fluctuation reserve.

#### e) Hedge reserve

Forward contracts are stated at fair value at each reporting date. Changes in the fair value of the 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) Currency fluctuation reserve

Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their respective functional currencies to the Group's functional currency is recognised directly in other comprehensive income and accumulated in the currency fluctuation reserve.

#### g) 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.

#### h) Retained earnings

Retained earnings represent the cumulative profits of the Group and the effects of measurements of defined benefit obligation.

#### i) Capital redemption reserve

The Group has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

#### j) Special economic zone (SEZ) reinvestment reserve

The 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 Group 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. Borrowings

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Secured long term loan from Non-banking finance companies (NBFC)*		
9.63% Kotak Mahindra Prime Limited	13	-
Less: Current maturities of long term borrowing	5	-
<b>Total</b>	<b>8</b>	<b>-</b>

\*Nature of security for long term borrowing: Vehicle loans are secured by hypothecation of vehicles purchased against the loan

#### Terms of repayment of long term borrowings

Name of the NBFC	Kotak Mahindra Prime Limited
No. of vehicles for which loan has been availed	1
Equated monthly installment (EMI) (Rs in lakh)	0.45
No. of EMIs outstanding as on December 31, 2018	29

### 21. Other financial liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Employee-related payables	653	156
Sundry deposits	121	149
Others	-	107
<b>Total</b>	<b>774</b>	<b>412</b>

### 22. Provisions

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Gratuity (Refer Note 41)	1,376	1,288
<b>Total</b>	<b>1,376</b>	<b>1,288</b>

### 23. Other non-current liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Unearned revenue and fees received in advance	-	48
<b>Total</b>	<b>-</b>	<b>48</b>



## 24. Short-term borrowings

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<b>Current</b>		
Bank overdraft (repayable on demand)	246	-
<b>Total</b>	<b>246</b>	<b>-</b>

## 25. Trade payables

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (as per intimations received from suppliers)	26	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,451	5,672
<b>Total</b>	<b>6,477</b>	<b>5,672</b>

### 25.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
- Principal amount remaining unpaid, but not due	26	-
- Interest due thereon as at year end	-	-
- Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
- Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
- Interest accrued and remaining unpaid as at year end	-	-
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Group regarding the status its suppliers.

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### 26. Other financial liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Employee related payables	15,421	14,592
Current maturities of long term borrowings	5	-
Book overdraft	112	-
Sundry deposit	69	-
Unpaid dividend (Investor education and protection fund will be credited as and when due)	77	64
Others	255	132
<b>Total</b>	<b>15,939</b>	<b>14,788</b>

### 27. Provisions

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Compensated absences (Refer Note 41)	5,642	5,566
Gratuity (Refer Note 41)	693	654
<b>Total</b>	<b>6,335</b>	<b>6,220</b>

### 28. Tax liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Provision for income tax	1,176	1,001
<b>Total</b>	<b>1,176</b>	<b>1,001</b>

### 29. Other current liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Statutory liabilities	4,744	3,955
Advance received from customer	375	281
Unearned revenue	12,301	10,950
<b>Total</b>	<b>17,420</b>	<b>15,186</b>

### 30. Income from operations

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Ratings services	50,730	48,029
Research services	110,601	108,039
Advisory services	13,518	9,778
<b>Total</b>	<b>174,849</b>	<b>165,846</b>

### 31. Other income

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Interest on bank deposits	86	83
Profit on sale of fixed assets	86	71
Interest income on financial assets carried at amortised cost	275	254
Dividend on investments	1,457	328
Foreign exchange gain (net)	2,126	-
Profit on sale of current investments	340	1,468
Profit on fair valuation of current investments	145	38
Grant income (Refer Note 42)	2,519	35
Miscellaneous income	307	261
<b>Total</b>	<b>7,341</b>	<b>2,538</b>

### 32. Employee benefits expenses

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Salaries, wages and bonus	78,468	74,375
Share based payment to employees	1,876	1,762
Contribution to provident and other funds	4,702	4,585
Contribution to gratuity fund (Refer Note 41)	706	1,038
Staff training and welfare expenses	2,984	2,833
<b>Total</b>	<b>88,736</b>	<b>84,593</b>

### 33. Finance cost

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Inflation adjustment results (Refer Note 43)	97	-
Interest on term loan	6	-
Interest expense on bank overdraft	120	41
<b>Total</b>	<b>223</b>	<b>41</b>

### 34. Other expenses

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Repairs and maintenance - Buildings	1,921	1,479
Repairs and maintenance - others	1,353	1,020
Electricity	1,170	1,125
Communication expenses	975	1,025
Insurance	83	96
Rent (Refer Note 40)	6,416	5,853
Rates and taxes	108	140
Printing and stationery	361	373
Conveyance and travelling	5,154	4,733
Books and periodicals	1,109	912
Remuneration to non-whole time directors	153	152

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### 34. Other expenses (contd.)

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Business promotion and advertisement	195	292
Foreign exchange loss	-	1,573
Professional fees	8,110	8,590
Associate service fee	4,853	4,239
Software purchase and maintenance expenses	716	790
Provision for doubtful debts / bad debts	3,754	1,420
Provision for doubtful deposits	10	28
Corporate social responsibility (CSR) expenses (Refer Note 48)	736	734
Auditors' remuneration	137	144
Recruitment expenses	408	446
Sales commission	85	37
Miscellaneous expenses	1,183	524
<b>Total</b>	<b>38,990</b>	<b>35,725</b>

### 35. Financial instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2018, are as follows:

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			
<b>Assets</b>								
Investments								
Quoted equity investments	-	-	-	25,876	-	-	25,876	25,876
Unquoted equity investments	-	-	-	3,483	-	-	3,483	3,483
Mutual funds	-	-	18,303	-	-	-	18,303	18,303
Cash and cash equivalents	20,307	-	-	-	-	-	20,307	20,307
Other bank balances	393	-	-	-	-	-	393	393
Trade receivables	28,483	-	-	-	-	-	28,483	28,483
Loans	4,529	-	-	-	-	-	4,529	4,529
Other financial assets	9,105	-	-	-	-	344	9,449	9,449
<b>Total</b>	<b>62,817</b>	<b>-</b>	<b>18,303</b>	<b>29,359</b>	<b>-</b>	<b>344</b>	<b>110,823</b>	<b>110,823</b>
<b>Liabilities</b>								
Borrowings	254	-	-	-	-	-	254	254
Trade payables	6,477	-	-	-	-	-	6,477	6,477
Other financial liabilities	16,713	-	-	-	-	-	16,713	16,713
<b>Total</b>	<b>23,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,444</b>	<b>23,444</b>

### 35. Financial instruments (contd.)

The carrying value and fair value of financial instruments by categories as at December 31, 2017, are as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	(Rupees in lakhs)	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		Total carrying value	Total fair value
<b>Assets</b>								
Investments								
Quoted equity investments	-	-	-	34,940	-	-	34,940	34,940
Unquoted equity investments	-	-	-	3,671	-	-	3,671	3,671
Mutual funds	-	-	13,933	-	-	-	13,933	13,933
Cash and cash equivalents	8,869	-	-	-	-	-	8,869	8,869
Other bank balances	4,309	-	-	-	-	-	4,309	4,309
Trade receivables	26,042	-	-	-	-	-	26,042	26,042
Loans	4,239	-	-	-	-	-	4,239	4,239
Other financial assets	8,545	-	-	-	-	1,444	9,989	9,989
<b>Total</b>	<b>52,004</b>	<b>-</b>	<b>13,933</b>	<b>38,611</b>	<b>-</b>	<b>1,444</b>	<b>105,992</b>	<b>105,992</b>
<b>Liabilities</b>								
Trade payables	5,672	-	-	-	-	-	5,672	5,672
Other financial liabilities	15,200	-	-	-	-	-	15,200	15,200
<b>Total</b>	<b>20,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,872</b>	<b>20,872</b>

#### 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, 2018 and December 31, 2017.

Particulars	As at December 31, 2018			As at December 31, 2017		
	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	18,303	-	-	13,933	-	-
B. Investments at FVTOCI						
1. Quoted equity shares	25,876	-	-	34,940	-	-
2. Unquoted equity shares	-	-	3,483	-	-	3,671
C. Forward contracts receivable	-	344	-	-	1,444	-

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### 35. Financial instruments (contd.)

#### 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, 2018

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)
<b>Cash flow hedge</b>								
i) Foreign exchange forward contracts	USD	31	58,441	41,602	Jan - Dec-19	71	(32)	32
	GBP	11	4,512	4,374	Jan - Dec-19	97	248	(248)
	EUR	12	3,370	2,932	Jan - Dec-19	87	128	(128)

#### 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)
<b>Cash flow hedge</b>								
i) Foreign exchange forward contracts	USD	27	61,421	41,693	Jan - Dec-18	68	1,487	(1,487)
	GBP	14	6,117	5,436	Jan - Dec-18	89	(15)	15
	EUR	12	3,661	2,865	Jan - Dec-18	78	(28)	28

#### Movement in cash flow hedging reserve

Particulars	(Rupees in lakhs)
	<b>Foreign exchange forward contract</b>
<b>As at January 1, 2018</b>	<b>944</b>
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	(1,626)
Less: Amounts reclassified to statement of profit or loss	526
Less: Tax relating to above (net)	385
<b>As at December 31, 2018</b>	<b>229</b>

### 35. Financial instruments (contd.)

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 projected 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, 2018 (Foreign Currency in '000)		As at December 31, 2018 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
<b>Currency Monetary</b>				
USD	15,002	255	10,555	179
GBP	3	-	2	-
EUR	1,668	9	1,341	7
Others	41,953	861	335	90

Particulars	As at December 31, 2017 (Foreign Currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
<b>Currency Monetary</b>				
USD	12,199	340	7,817	218
GBP	3,624	-	3,106	-
EUR	3,383	-	2,571	-
Others	17,547	724	310	67

### 36. 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 35. 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:-

#### 36.1 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. Exposure 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, 2018 and December 31, 2017, we have entered into foreign exchange forward contracts to hedge the effect of adverse fluctuation in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given under Note 35.

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### 36. Financial risk management (contd.)

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2018 (Foreign currency in '000)		As at December 31, 2018 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	15,002	255	10,555	179
GBP	3	-	2	-
EUR	1,668	9	1,341	7
Others	41,953	861	335	90

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	12,199	340	7,817	218
GBP	3,624	-	3,106	-
EUR	3,383	-	2,571	-
Others	17,547	724	310	67

For the year ended December 31, 2018, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by Rs 598 lakh (+/-1.27%). For the year ended December 31, 2017, operating margin would increase/decrease by Rs 676 lakh (+/-1.48%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. Nonetheless, 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 to 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 reporting dates, profit would increase/decrease by Rs 915 lakh and Rs 697 lakh for the year ended December 31, 2018 and December 31, 2017 respectively.

The Group is exposed to risk arising mainly from investments in quoted 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 the reporting date, OCI for the year ended December 31, 2018 would increase/decrease by Rs 1,294 lakh and Rs 1,747 lakh for the year ended December 31, 2017.

### 36.2 Liquidity risk

Liquidity risk is the difficulty that the Group will encounter risk 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



### 36. Financial risk management (contd.)

cover financial and business risks. The Group 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 the 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, 2018	As at December 31, 2017
Trade receivables	28,483	26,042
Cash and cash equivalents	20,307	8,869
Other bank balances	393	4,309
Loans	855	2,854
Investments in mutual funds	18,303	13,933
Other financial assets	9,407	9,890
<b>Total</b>	<b>77,748</b>	<b>65,897</b>

Financial liabilities maturing within one year:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Short term borrowings	246	-
Trade payables	6,477	5,672
Others	15,939	14,788
<b>Total</b>	<b>22,662</b>	<b>20,460</b>

#### 36.3 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, 2018	As at December 31, 2017
<= 6 months	27,749	25,003
> 6 months but <= 1 year	3,753	3,453
> 1 year	968	-
Provision for doubtful receivables	(3,987)	(2,414)

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### 37. Details of contingent liabilities and capital commitments are as under

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<b>Contingent liabilities</b>		
1. Bank guarantee in the normal course of business	1,430	3,051
2. Disputed income tax and sales tax demand:		
(i) Pending before appellate authorities in respect of which the Group is in appeal	4,670	4,194
(ii) Decided in the Group's favour by appellate authorities and department is in further appeal	1,300	1,301
<b>Sub-total</b>	<b>7,400</b>	<b>8,546</b>
<b>Capital commitment</b>		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	148	143
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.		
<b>Total</b>	<b>7,548</b>	<b>8,689</b>

### 38. 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 – Ratings services include credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.

Research – Research segment 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

### 38. Segment reporting (contd.)

#### Segment reporting for the year ended December 31, 2018

Particulars	Business segments			(Rupees in lakhs)
	Ratings	Research	Advisory	Total
Operating revenue (Refer Note 30)	50,730	110,601	13,518	174,849
Segment results	18,417	32,644	(809)	50,252
Add / (less) unallocables:				
1. Unallocable income				
Interest income				361
Profit on sale of current investments				340
Profit on sale of fixed asset				86
Grant income				2,519
Others*				1,829
2. Unallocable expenditure				(1,146)
3. Depreciation/ amortisation				(4,282)
<b>Profit before exceptional item</b>				<b>49,959</b>
Exceptional item				-
<b>Profit before tax</b>				<b>49,959</b>
Tax expense				(13,649)
<b>Profit after tax</b>				<b>36,310</b>
Segment assets	7,052	72,135	9,668	88,855
Unallocable assets**				74,521
Segment liabilities	13,219	23,878	3,964	41,061
Unallocable liabilities**				8,690

#### Revenue and total assets by geographic segments

Geography	(Rupees in lakhs)	
	Revenue	Assets #
India	51,466	96,975
Europe	45,143	34,282
North America	62,020	14,122
Rest of the world	16,220	6,716
<b>Total</b>	<b>174,849</b>	<b>152,095</b>

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### 38. Segment reporting (contd.)

#### Segment reporting for the year ended December 31, 2017

Particulars	Business segments			(Rupees in lakhs)
	Ratings	Research	Advisory	Total
Operating revenue (Refer Note 30)	48,029	108,039	9,778	165,846
Segment results	15,120	30,846	924	46,890
Add / ( less ) unallocables :				
1. Unallocable income				
Interest income				337
Profit on sale of current investments				1,468
Profit on sale of fixed asset				71
Grant income				35
Others*				627
2. Unallocable expenditure				(1,403)
3. Depreciation/ amortisation				(4,664)
<b>Profit before exceptional item</b>				<b>43,361</b>
Exceptional item				-
<b>Profit before tax</b>				<b>43,361</b>
Tax expense				(12,918)
<b>Profit after tax</b>				<b>30,443</b>
Segment assets	7,526	59,131	7,201	73,858
Unallocable assets* *				75,614
Segment liabilities	12,465	21,724	2,799	36,988
Unallocable liabilities**				7,627

#### Revenue and total assets by geographic segments

Geography	(Rupees in lakhs)	
	Revenue	Assets #
India	52,762	93,898
Europe	41,843	30,633
North America	57,844	12,830
Rest of the world	13,397	4,442
<b>Total</b>	<b>165,846</b>	<b>141,803</b>

#### 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 Group 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 Group 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:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Total revenue from top two customers who contributed to more than 10% of the consolidated revenue	36,378	36,274

**39. List of related parties (to the extent where transactions have taken place)**

Parties	Relationship
<b>Related parties where control exists</b>	
S&P Global Inc.	The Ultimate Holding Company
CRISIL Foundation	Controlled trust
<b>Other related parties</b>	
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
S&P Global Ratings Europe Limited (Formerly known as S&P 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
S&P Ratings (China) Co. Ltd	Fellow subsidiary
Asia Index Private Limited	Fellow subsidiary
Fabindia Overseas Private Limited	Common director
<b>Key Management Personnel</b>	
Girish Paranjpe	Independent Director (with effect from October 17, 2017)
Nachiket Mor	Independent Director (up to July 23, 2018)
Arundhati Bhattacharya	Independent Director (with effect from October 16, 2018)
Vinita Bali	Independent Director
M. Damodaran	Independent Director
H. N. Sinor	Independent Director (up to October 25, 2017)
Ewout Steenbergen	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)
Ravinder Singhania	Alternate Director
Ashu Suyash	Managing Director and Chief Executive Officer
Amish Mehta*	Chief Operating Officer (with effect from February 13, 2018 and Chief Financial Officer up to February 12, 2018)
Sanjay Chakravarti*	Chief Financial Officer (with effect from February 13, 2018)
Minal Bhosale*	Company Secretary

\* Related party under the Companies Act, 2013

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### Transactions with related parties

		(Rupees in lakhs)	
Name of the related party	Nature of transaction	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
S&P Global Canada Corp.	Professional services rendered	165	124
	Amount receivable	15	31
S&P Global Ratings Europe Limited	Professional services rendered	4,561	4,396
	Amount receivable	859	659
	Reimbursement of expenses	4	4
Standard & Poor's Financial Services, LLC	Professional services rendered	11,495	11,384
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	640	646
	Amount receivable	63	52
Standard & Poor's Hong Kong Limited	Professional services rendered	507	235
	Amount receivable	62	17
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	416	409
	Amount receivable	47	31
S&P Global Market Intelligence LLC	Subscription fees	331	219
	Amount receivable	289	343
	Professional services rendered	532	398
	Reimbursement of expenses paid	-	51
Standard & Poor's International LLC	Dividend	1,740	1,620
	Share capital outstanding	60	60
	Professional services rendered	-	7
S&P India, LLC	Dividend	9,051	8,424
	Share capital outstanding	312	312
S&P Global Asian Holdings Pte. Limited	Dividend	3,198	2,862
	Share capital outstanding	115	106
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	204	183
	Amount receivable	50	16
S&P Ratings (China) Co. Ltd	Professional services rendered	6	-
Standard & Poor's Global Ratings Japan Inc.	Professional services rendered	167	144
	Amount receivable	23	11
Asia Index Private Limited	Reimbursement of expenses	-	1

**Transactions with related parties (contd.)**

		(Rupees in lakhs)	
Name of the related party	Nature of transaction	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
S&P Global Inc.	Reimbursement of expenses paid	-	23
	Reimbursement of expenses received	1	-
	Professional services rendered	131	202
	Rent expenses	185	151
	Amount receivable	48	28
S&P Global Market Intelligence Inc.	Reimbursement of expenses paid	3	-
	Reimbursement of expenses received	50	-
	Sale of fixed asset	1	-
S&P Global UK Limited	Rent paid	157	41
	Reimbursement of expenses paid	-	4
	Professional services rendered	397	362
	Amount receivable	223	303
	Professional fees paid	16	110
	Subscription fees paid	6	8
CRISIL Foundation	Donation	857	815
	Reimbursement of expenses received	35	35
Fabindia Overseas Private Limited	Professional services rendered	1	-
Girish Paranjpe	Sitting fees and commission	38	7
Nachiket Mor	Sitting fees and commission	20	33
Arundhati Bhattacharya	Sitting fees and commission	8	-
Vinita Bali	Sitting fees and commission	41	39
M Damodaran	Sitting fees and commission	39	39
H N Sinor	Sitting fees and commission	-	34
Ashu Suyash*	Remuneration	571	596
	Options granted (nos.)	19,562	-
Amish Mehta*	Remuneration	315	325
	Options granted (nos.)	8,275	25,000
Sanjay Chakravarti*	Remuneration	182	-
	Options granted (nos.)	12,315	-
Minal Bhosale*	Remuneration	86	86
	Options granted (nos.)	918	-

\*Note: As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Group as a whole, the amount pertaining to key managerial persons is not included above.

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### 40. 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 :

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Lease Payment recognised in the statement of profit and loss	6,416	5,853
Future minimum lease payments		
Not later than one year	5,704	5,248
Later than one year and not later than five years	18,378	6,411
Later than five years	2,604	2,071
<b>Total</b>	<b>26,686</b>	<b>13,730</b>

### 41. 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:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Current service cost	613	529
Interest cost on defined benefit obligation	93	106
Re-measurement - actuarial (gain)/loss (recognised in OCI)	15	(207)
Expected return on plan assets (recognised in OCI)	29	(22)
Past service cost	-	403
<b>Net gratuity benefit expense</b>	<b>750</b>	<b>809</b>
<b>Assumptions</b>		
Interest rate	7.20%	7.20%

Balance Sheet:

Details of provision for gratuity benefit

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Present value of funded obligations	4,330	3,833
Fair value of plan assets	(2,261)	(1,891)
<b>Net liability</b>	<b>2,069</b>	<b>1,942</b>



#### 41. Gratuity and other post-employment benefits plans (contd.)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Opening defined benefit obligation	3,833	3,529
Current service cost	613	529
Interest cost	282	216
Acquisitions (credit)/ cost	36	(125)
Actuarial (gain)/loss	(29)	(62)
Actuarial (gain)/loss (financial assumptions)	44	(145)
Past service cost - plan amendments	-	403
Benefits paid	(449)	(512)
<b>Closing defined benefit obligation</b>	<b>4,330</b>	<b>3,833</b>

Changes in the fair value of plan assets are as follows:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Opening fair value of plan assets	1,891	1,619
Expected return on plan assets	(29)	22
Interest income on plan assets	189	110
Contribution by employer	659	652
Benefits paid	(449)	(512)
<b>Closing fair value of plan assets</b>	<b>2,261</b>	<b>1,891</b>

The defined benefit obligation shall mature after December 31, 2018, as follows:

Particulars	Rupees in lakhs
December 31, 2019	415
December 31, 2020	485
December 31, 2021	559
December 31, 2022	662
December 31, 2023	746
December 31, 2024, to December 31, 2029	4,044

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at December 31, 2018	As at December 31, 2017
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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### 41. Gratuity and other post employment benefits plans (contd.)

The principal assumptions used in determining gratuity for the Group's plans is as below:

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Discount rate	7.20%	7.20%
Estimated rate of return on plan assets	7.20%	7.20%
Expected employee turnover		
<b>Service years</b>	<b>Rates</b>	<b>Rates</b>
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)	693	654

Broad category of plan assets as per percentage of total plan assets of the gratuity:-

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Government securities	68%	67%
Fixed deposit, debentures and bonds	9%	3%
Others	23%	30%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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	(155)
Effect on DBO due to 0.5% decrease in discount rate	162

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in salary escalation rate	136
Effect on DBO due to 0.5% decrease in salary escalation rate	(136)

#### Other benefits

The Group has recognised the following amounts in the statement of profit and loss:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
i. Contribution to provident fund	1,777	1,722
ii. Contribution to other funds	2,925	2,863

A provision of Rs 5,642 lakh has been made for compensated absences as at December 31, 2018 (PY. Rs 5,566 lakh).

**42.** During the year, the Group received export benefits amounting to Rs 2,493 lakh in the form of duty free saleable scrips under the Service Export Incentive Scheme (SEIS) from the government authorities and the same has been accounted for as 'other income' in the consolidated financial statements.

### 43. Application of Ind AS 29 in financial reporting of Argentine subsidiary

Considering that the downward trend in inflation in Argentina observed in the previous year has reversed and observing a significant increase in inflation during 2018, which exceeded the 100% three-year cumulative inflation rate, the Group considered that there was sufficient evidence to conclude that Argentina is a hyperinflationary economy under the terms of Ind AS 29. Accordingly, the Group has applied Ind AS 29 in the financial reporting of its subsidiaries with the Argentine peso as the functional currency.

The inflation adjustment on the initial balances was calculated by means of conversion factor derived from the Argentine price indices published by Argentina's Official Statistics Bureau ("INDEC"). The average index for the six-months period ended December 31, 2018, was 1.11 and the year-on-year change in the index was 1.48.

The main procedures for the above-mentioned adjustment are as follows:

- i. Monetary assets and liabilities which are carried at amounts current at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date
- ii. Non-monetary assets and liabilities which are not carried at amounts current at the balance sheet date and components of shareholders' equity are adjusted by applying the relevant conversion factors
- iii. All items in the income statement are restated by applying the relevant conversion factors
- iv. The effect of inflation on the Company's net monetary position is included in the income statement, in finance cost, net, under the caption "Inflation adjustment results"

The comparative figures in these consolidated financial statements presented in stable currency are not adjusted for subsequent changes in the price level or exchange rates. This resulted in an initial difference, arising on the adoption of hyperinflation accounting, between closing equity of the previous year and the opening equity of the current year. The company recognised this initial difference directly to equity.

### 44. Business Combination

On January 24, 2018, CRISIL completed the acquisition of 100% stake in 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.

Pragmatix provides solutions across the risk, sales and finance domains in India, Middle East and North America. This will enable CRISIL to leverage Pragmatix's proprietary technology platform and deep domain expertise and enhance business intelligence, analytics and risk management offerings for the financial sector in India and abroad. The business combination was conducted by entering into a share purchase agreement for a total consideration of Rs 5,600 lakh. Accordingly, Pragmatix became a wholly-owned subsidiary of CRISIL with effect from the said date.

Purchase price allocated to the fair values of assets acquired and liabilities assumed includes value of platform and customer relationships as intangible assets, which have been valued at Rs 1,463 lakh, to be amortised over the period of 5 years. The excess of purchase consideration over net assets and the identified intangible asset have been recognised as Goodwill. The transaction does not involve any contingent consideration.

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### 44. Business Combination (contd.)

All assets, liabilities and reserves in the books of Pragmatix as on January 24, 2018 are recognised in the Company's books at their respective carrying values. The purchase price has been allocated based on the Company's estimates and independent appraisal of fair values as follows:

Particulars	Rupees in lakhs
Total net assets acquired *	1,001
<u>Intangibles identified on business combination</u>	
Platform	985
Customer relationship	478
Additional provision	(78)
Deferred tax liability on intangibles assets	(407)
Goodwill	3,621
<b>Total purchase consideration</b>	<b>5,600</b>
<b>Cash consideration</b>	<b>5,600</b>

\* Carrying value is equal to fair value

### 45. 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 (Rs)	Graded vesting period :			Weighted average price (Rs)**
				1st year	2nd year	3rd year	
ESOS 2014 (1)	April 17, 2014 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	June 1, 2015 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	April 16, 2012	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	April 16, 2012	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	February 14, 2014	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	February 14, 2011	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	February 14, 2011	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	October 3, 2014	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	February 25, 2015	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	December 16, 2016	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	December 16, 2016	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	December 16, 2016*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	March 9, 2017*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	July 17, 2017*	25,000	1,956.55	8,250	8,250	8,500	626.51
ESOS 2014 (6)	January 8, 2018*	8,000	1,919.25	2,666	2,666	2,667	623.48
ESOS 2014 (7)	January 24, 2018*	238,970	1,969.45	79,656	79,656	79,658	651.23
ESOS 2014 (8)	April 4, 2018	164,457	1,841.35	54,818	54,818	54,820	410.12

\* 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, ESOS 2012 and ESOS 2014 (8) 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.

#### 45. Employee stock option scheme (ESOS)

Under ESOS 2014 (1-7) 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	
	No. of options	Wtd. avg. exercise price (Rs)	No. of options	Wtd. avg. exercise price (Rs)	No. of options	Wtd. avg. exercise price (Rs)
Outstanding at the beginning of the period	227,200	2,152.54	77,800	1,767.15	1,422,141	1,337.62
Granted during the period	-	N.A.	-	N.A.	411,427	1,917.27
Forfeited during the period	-	N.A.	80	1,119.85	69,525	1,382.10
Exercised during the period	-	N.A.	3,690	1,119.85	407,164	1,217.20
Expired during the period	6,600	1,985.95	-	N.A.	-	N.A.
Outstanding at the end of the period	220,600	2,157.53	74,030	1,804.92	1,356,879	1,547.24
Exercisable at the end of the period	142,920	2,144.85	54,910	1,674.02	332,453	1,279.94

Particulars	Date	Wtd. avg. exercise price (Rs)
Weighted average share price at the date of exercise.	Feb 13, 2018	1,861.20
	April 17, 2018	1,945.56
	July 17, 2018	1,757.02
	October 16, 2018	1,729.28

Particulars	Range of exercise prices (Rs)	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,119.85 to 1,217.25	823 days
	1,814.35 to 1,997.35	1881 days
	2,101.10 to 2,180.85	1476 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	ESOS 2014
Date of grant	January 8, 2018	January 24, 2018	April 4, 2018
Stock price (Rupees)	1,919.25	1,969.45	1,841.35
Volatility (%)	26.28	26.16	23.31
Riskfree rate (%)	7.15	7.25	6.89
Exercise price (Rupees)	1,919.25	1,969.45	1,841.35
Expected life (time to maturity)	5.01	5.00	3.00
Dividend yield (%)	1.41	1.37	1.52
Fair value per option	623.48	651.23	410.12

The Group has used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

## Consolidated Financial Statements

### 45. Employee stock option scheme (ESOS) (contd.)

**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 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.

**Risk-free 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 a total of interim and final dividend declared last year preceding date of grant.

Cash inflow on exercise of options at the weighted average share price at the date of exercise.

Particulars	Year ended December 31, 2018		Year ended December 31, 2017	
	No.	Rupees in lakhs	No.	Rupees in lakhs
Exercised during the year	410,854	4,995	369,020	4,411
Exercised during the previous year	-	-	550	6
<b>Total</b>	<b>410,854</b>	<b>4,995</b>	<b>369,570</b>	<b>4,417</b>

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, 2018		Year ended December 31, 2017	
	No.	Rupees in lakhs	No.	Rupees in lakhs
Not later than two years	1,308,836	20,375	1,609,972	22,831
Later than two years & not later than five years	342,673	6,715	117,169	2,457
<b>Total</b>	<b>1,651,509</b>	<b>27,090</b>	<b>1,727,141</b>	<b>25,288</b>

### 46. 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, 2018	Year ended December 31, 2017
Net profit for calculation of basic/diluted EPS	36,310	30,443

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Weighted average number of equity shares in calculating basic EPS	71,904,428	71,489,561
<u>Effect of dilution:</u>		
Add: weighted average stock options granted under ESOS	243,987	450,874
Weighted average number of equity shares in calculating diluted EPS	72,148,415	71,940,435

Earnings per share : Nominal value of Re 1	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Basic (Rs)	50.50	42.58
Diluted (Rs) (On account of ESOS, refer Note 45)	50.33	42.32

#### 46. Earning per share (contd.)

The following potential equity shares are anti-dilutive, and therefore excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	Year ended December 31, 2018 (No.)	Year ended December 31, 2017 (No.)
Options to purchase equity shares had anti-dilutive effect	136,911	60,838

#### 47. Dividend

Details of dividend paid on equity shares are as under:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Final dividend for the year 2017 Rs 10 per equity share of Re 1 each (P.Y. Rs 9 per share)	7,173	6,420
Dividend distribution tax on final dividend	1,474	1,307
Interim dividend for the year 2018 Rs 19 per equity share of Re 1 each (P.Y. Rs 18 per share)	13,679	12,881
Dividend distribution tax on interim dividend	2,812	2,467
<b>Total</b>	<b>25,138</b>	<b>23,075</b>

#### Proposed dividend

The Board of Directors at its meeting held on February 12, 2019 have recommended a payment of final dividend of Rs 11 per equity share of face value of Re 1 each for the financial year ended December 31, 2018. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

#### 48. Corporate Social Responsibility

Corporate Social Responsibility (CSR) expenses for the year ended 2018 includes Rs 736 lakh (P.Y. Rs 734 lakh) 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 732 lakh (P.Y. Rs 684 lakh). Key CSR activities were "education and women empowerment – financial capability building" and "conservation of environment".

#### 49. Additional provision

During the year ended December 31, 2018, the Group has made additional provision for receivables of Rs 1,684 lakh in the Advisory Services segment, which is included under 'other expenses'.

## Consolidated Financial Statements

### 50. 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		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Rupees in lakhs	As % of consolidated profit or loss	Rupees in lakhs	As % of consolidated other comprehensive income	Rupees in lakhs	As % of consolidated total comprehensive income	Rupees in lakhs
1 Parent: CRISIL Limited	71%	80,625	76%	27,754	105%	(9,951)	66%	17,803
<b>Subsidiaries</b>								
<b>Indian</b>								
1. CRISIL Risk and Infrastructure Solutions Limited *	4%	4,915	-3%	(1,114)	-	-	-4%	(1,114)
2. Pragmatix Services Private Limited*	1%	1,523	1%	525	-	(18)	2%	507
<b>Foreign</b>								
1. CRISIL Irevna Argentina S.A.	2%	1,976	1%	483	7%	(682)	-1%	(199)
2. CRISIL Irevna Poland SP.Zo.o.*	1%	664	-	125	-	17	1%	142
3. CRISIL Irevna UK Limited	31%	35,515	19%	6,819	1%	(78)	25%	6,741
4. CRISIL Irevna US LLC*	-	539	-2%	(782)	-2%	178	-2%	(604)
5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.*	1%	837	1%	189	-	29	1%	218
6. Coalition Development Limited	5%	5,699	23%	8,509	1%	(86)	31%	8,423
7. Coalition Development Singapore Pte Limited*	1%	736	1%	274	-	40	1%	314
Total elimination/adjustment	-17%	(19,404)	-17%	(6,472)	-12%	1,088	-20%	(5,384)
<b>TOTAL</b>	<b>100%</b>	<b>113,625</b>	<b>100%</b>	<b>36,310</b>	<b>100%</b>	<b>(9,463)</b>	<b>100%</b>	<b>26,847</b>

\*\*"- denotes less than 1%

51. Personnel expenses to the extent of Rs 265 lakh (PY. Rs 679 lakh) is considered for capitalisation as intangible assets.

This is the summary of significant accounting policies and other explanatory information referred to in our 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 12, 2019

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]

#### Arundhati Bhattacharya

Director

[DIN: 02011213]

Date: February 12, 2019

Place: Mumbai

#### Vinita Bali

Director

[DIN: 00032940]

#### Ashu Suyash

Managing Director and

Chief Executive Officer

[DIN: 00494515]

#### Sanjay Chakravarti

Chief Financial Officer

#### Girish Paranjpe

Director

[DIN: 02172725]

#### Ewout Steenbergen

Director

[DIN: 07956962]

#### Minal Bhosale

Company Secretary



# 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	9
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 US LLC	CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	Coalition Development Limited	Coalition Development Singapore Pte Limited	Pragmatix Services Private 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	24-Jan-18
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	**March 31, 2019
Reporting currency	INR	ARS	PLN	GBP	USD	CNY	GBP	SGD	INR
Exchange rate as on the last date (Rs)	1.00	1.84	18.75	88.96	70.36	10.25	88.96	51.32	1.00
Share capital	500	89	9	4,441	-*	247	151	-*	314
Reserves & surplus	4,415	1,887	655	31,074	539	590	5,548	736	1,209
Total assets	9,226	1,365	928	38,633	14,164	1,099	12,991	1,600	1,157
Total liabilities	9,226	1,365	928	38,633	14,164	1,099	12,991	1,600	1,157
Investments	-	-	-	26,662	6	-	-*	-	-
Turnover	9,609	5,665	2,819	30,362	34,406	2,037	28,114	4,996	2,365
Profit before taxation	(1,521)	633	168	6,903	644	246	10,326	305	744
Tax expense	(407)	150	43	84	1,426	57	1,817	31	219
Profit after taxation	(1,114)	483	125	6,819	(782)	189	8,509	274	525
Dividend Paid	-	-	-	-	-	-	6,272	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%

\*'- in amounts' columns denote amount less than Rs 50,000

\*\* An application with National Company Law Tribunal has been filed, for changing the financial year in line with the Holding Company.

### 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]

#### John L Berisford

Chairman  
[DIN: 07554902]

#### Ashu Suyash

Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

#### Ewout Steenbergen

Director  
[DIN: 07956962]

#### Arundhati Bhattacharya

Director  
[DIN: 02011213]

#### Sanjay Chakravarti

Chief Financial Officer

#### Minal Bhosale

Company Secretary

Date: February 12, 2019

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 December 31, 2018, 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 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 December 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Report on other legal and regulatory requirements

9. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the 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 December 31, 2018 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 December 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated February 12, 2019 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 35 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 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 Company
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period November 8, 2016 to December 30, 2016 which are not relevant to these standalone financial statements. Hence reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
 Chartered Accountants  
 Firm's Registration No.: 001076N/N500013

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

Place: Mumbai  
 Date: February 12, 2019

## 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 December 31, 2018

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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 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 (which are included under the head 'property, plant and equipment') 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 companies 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 companies
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security
- (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 generally 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 service 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 goods and service tax, duty of customs and duty of excise that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, sales-tax and service-tax on account of any dispute, are as follows:

### Statement of disputed dues

Name of the statute	Nature of dues	Amount (Rupees in lakhs)	Amount paid under Protest (Rupees 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	
		46	-	AY 2002-03	
		36	-	AY 2003-04	
		32	-	AY 2004-05	
		29	-	AY 2005-06	
		17	10	AY 2006-07	
		832	-	AY 2007-08	
		75	-	AY 2007-08	
		944	340	AY 2008-09	
					Commissioner of Income Tax (CIT) (Appeals)
					High Court
					CIT (Appeals)
					Income Tax Appellate Tribunal (ITAT)

Name of the statute	Nature of dues	Amount (Rupees in lakhs)	Amount paid under Protest (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	*	-	AY 2008-09	CIT (Appeals)
		1,390	714	AY 2009-10	ITAT
		63	-	AY 2009-10	CIT (Appeals)
		976	720	AY 2010-11	ITAT
		903	581	AY 2011-12	ITAT
		932	214	AY 2012-13	ITAT
		158	-	AY 2013-14	ITAT
		46	3	AY 2013-14	CIT (Appeals)
		109	8	AY 2014-15	CIT (Appeals)
		177	-	AY 2015-16	CIT (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 lakh

(viii) The Company has no loans or borrowings payable to a financial institution or government and no dues payable to debenture holders during the year. The Company has not defaulted in repayment of loans or borrowings to any bank during the year

(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) No 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 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 Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

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

Place: Mumbai  
Date: February 12, 2019

## 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 December 31, 2018

### 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 December 31, 2018, 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 its 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 mis-statement 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 includes 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, 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 December 31, 2018, 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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: February 12, 2019

# Standalone Balance Sheet

as at December 31, 2018

(Rupees in lakhs)

Particulars	Notes	As at December 31, 2018	As at December 31, 2017
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	3,209	4,821
(b) Intangible assets	4	1,663	232
(c) Intangible assets under development		457	1,160
(d) Financial assets			
i. Investments	5	47,642	51,294
ii. Loans	6	3,656	1,261
iii. Other financial assets	7	2	48
(e) Deferred tax assets (net)	8	4,540	2,710
(f) Tax assets	9	3,618	2,526
(g) Other non-current assets	10	767	365
<b>2. Current assets</b>			
(a) Financial assets			
i. Investments	5	18,303	13,132
ii. Trade receivables	11	16,482	16,144
iii. Cash and cash equivalents	12	4,886	4,221
iv. Other bank balances	13	214	105
v. Loans	14	921	5,940
vi. Other financial assets	15	3,319	4,119
(b) Other current assets	16	3,124	3,229
(c) Asset held for sale	17	318	318
<b>TOTAL ASSETS</b>		<b>113,121</b>	<b>111,625</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	18	721	717
(b) Other equity	19	80,172	80,453
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
Other financial liabilities	20	774	305
(b) Provisions	21	1,298	1,288
(c) Other non-current liabilities	22	-	48
<b>3. Current liabilities</b>			
(a) Financial liabilities			
i. Trade payables	23		
- to micro enterprises and small enterprises		9	-
- to others		5,198	4,682
ii. Other financial liabilities	24	6,829	7,263
(b) Provisions	25	5,481	5,339
(c) Other current liabilities	26	12,639	11,530
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>113,121</b>	<b>111,625</b>
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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.:001076N/N500013

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Date: February 12, 2019

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]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

Date: February 12, 2019

Place: Mumbai

**Vinita Bali**

Director

[DIN: 00032940]

**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

**Sanjay Chakravarti**

Chief Financial Officer

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ewout Steenbergen**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary



# Standalone Statement of Profit and Loss

for the year ended December 31, 2018

Particulars	Notes	(Rupees in lakhs)	
		Year ended December 31, 2018	Year ended December 31, 2017
<b>Income</b>			
Revenue from operations	27	118,199	117,738
Other income	28	8,887	4,721
<b>Total</b>		<b>127,086</b>	<b>122,459</b>
<b>Expenses</b>			
Employee benefits expenses	29	50,419	49,849
Finance cost	30	118	41
Depreciation and amortisation expenses	31	2,867	2,781
Other expenses	32	35,625	35,183
<b>Total</b>		<b>89,029</b>	<b>87,854</b>
<b>Profit before tax</b>		<b>38,057</b>	<b>34,605</b>
<b>Tax expense</b>	8		
Current tax		11,690	12,042
Deferred tax		(1,386)	(1,163)
<b>Total tax expense</b>		<b>10,304</b>	<b>10,879</b>
<b>Profit after tax for the year</b>		<b>27,753</b>	<b>23,726</b>
<b>Other comprehensive income (OCI)</b>			
<b>A. Items that will be reclassified to profit or loss:</b>			
The effective portion of gains and loss on hedging instruments in a cash flow hedge		1,102	434
Tax effect on above		(385)	(150)
<b>B. Items that will not be reclassified to profit or loss:</b>			
Remeasurements of the defined benefit plans		41	(207)
Equity instruments through other comprehensive income		9,252	8,336
Tax effect on above		(59)	104
<b>Total comprehensive income for the year</b>		<b>17,802</b>	<b>15,209</b>
Earnings per share : Nominal value of Re 1 per share	42		
Basic		38.60	33.19
Diluted		38.47	32.98
Number of Shares used in computing earnings per share			
Basic		71,904,428	71,489,561
Diluted (Refer note 47)		72,148,415	71,940,435
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

**Khushroo B Panthaky**

Partner  
Membership No.: 42423

Date: February 12, 2019  
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]

**Arundhati Bhattacharya**

Director  
[DIN: 02011213]

Date: February 12, 2019  
Place: Mumbai

**Vinita Bali**

Director  
[DIN: 00032940]

**Ashu Suyash**

Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

**Sanjay Chakravarti**

Chief Financial Officer

**Girish Paranjpe**

Director  
[DIN: 02172725]

**Ewout Steenbergen**

Director  
[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Standalone Cash Flow Statement

for the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
<b>A Cash flow from operating activities:</b>		
Profit before tax	38,057	34,605
<b>Adjustments for :</b>		
Depreciation	2,971	2,852
Interest income on financial assets carried at amortised cost	(275)	(254)
Unrealised foreign exchange gain	119	161
(Profit)/ Loss on sale of fixed assets	(48)	(69)
(Profit)/ Loss on fair valuation of current investments	(145)	(32)
(Profit)/ Loss on sale of current investments	(329)	(1,428)
Finance cost	118	41
Provision for doubtful debts / bad debts	1,558	1,225
Provision for doubtful security deposits	15	4
Interest income	(37)	(34)
Interest on loan from subsidiary	(56)	(262)
Dividend on investments	(1,457)	(1,098)
Share based payment to employees	1,109	766
<b>Operating profit before working capital changes</b>	<b>41,600</b>	<b>36,477</b>
Movements in working capital		
- (Increase)/decrease in trade receivables	(2,036)	1,140
- (Increase)/decrease in loans	51	(39)
- (Increase)/decrease in other non-current assets	(254)	237
- (Increase)/decrease in other current financial assets	(343)	(285)
- (Increase)/decrease in other current assets	104	49
- Increase/(decrease) in trade payables	529	1,315
- Increase/(decrease) in provisions	112	483
- Increase/(decrease) in other current financial liabilities	(559)	386
- Increase/(decrease) in other current liabilities	1,099	1,424
- Increase/(decrease) in other non-current financial liabilities	469	232
- Increase/(decrease) in other non-current liabilities	(48)	32
<b>Cash generated from operations</b>	<b>40,724</b>	<b>41,451</b>
- Taxes paid	(12,782)	(14,085)
<b>Net cash generated from operating activities - (A)</b>	<b>27,942</b>	<b>27,366</b>
<b>B Cash flow from investing activities :</b>		
Purchase of property, plant and equipment and intangible assets (including movement of intangible assets under development and capital advances)	(2,272)	(2,860)
Proceeds from sale of property, plant and equipment and intangible assets	85	138
Interest on loan from subsidiary	97	307
Loan repaid by subsidiary	3,020	5,907
Proceeds from / (investments in) mutual funds	(4,697)	30,788
Investment in CARE Ratings Limited	-	(43,389)
Investment in Pragmatix Services Private Limited (Refer Note 45)	(5,600)	-
Proceeds from fixed deposits maturity/(Investment in fixed deposits)	(51)	324
Interest income	34	49
Dividend on investments	1,457	1,098
<b>Net cash generated from/(used in) investing activities - (B)</b>	<b>(7,927)</b>	<b>(7,638)</b>

# Standalone Cash Flow Statement

for the year ended December 31, 2018

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
<b>C Cash flow from financing activities :</b>		
Receipts from subsidiary for ESOS	768	1,111
Proceeds on account of share application money	4,995	4,417
Dividend and dividend tax paid	(25,138)	(23,075)
Finance cost	(118)	(41)
<b>Net cash generated from/(used in) financing activities - (C)</b>	<b>(19,493)</b>	<b>(17,588)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>522</b>	<b>2,140</b>
Cash and cash equivalents - Opening balance	4,221	2,080
Add : Exchange difference on translation of foreign currency cash and cash equivalents	31	1
Cash and cash equivalents - Closing balance	4,774	4,221
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>522</b>	<b>2,140</b>
Components of cash and cash equivalents		
Cash on hand and balances with banks on current account	4,886	2,471
Deposits with original maturity of less than three months	-	1,750
Book overdraft	(112)	-
<b>Total</b>	<b>4,774</b>	<b>4,221</b>

The accompanying notes are an integral part of the standalone financial statements.

This is the standalone cash flow statement referred to in our audit 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 12, 2019

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]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

Date: February 12, 2019

Place: Mumbai

**Vinita Bali**

Director

[DIN: 00032940]

**Ashu Suyash**

Managing Director and

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[DIN: 00494515]

**Sanjay Chakravarti**

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**Girish Paranjpe**

Director

[DIN: 02172725]

**Ewout Steenbergen**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Statement of Changes in Equity

for the year ended December 31, 2018

## A. Equity share capital

	Balance as at January 1, 2018	Changes in equity share capital during the year (Refer Note 18)	Balance as at December 31, 2018
	717	4	721
			(Rupees in lakhs)
<b>Balance as at January 1, 2017</b>		<b>Changes in equity share capital during the year (Refer Note 18)</b>	<b>Balance as at December 31, 2017</b>
	713	4	717
			(Rupees in lakhs)

## B. Other equity

Particulars	Reserves & Surplus							Items of OCI		Total
	Capital redemption reserve	Securities premium	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Special Economic Zone reinvestment reserve	Equity Instruments through OCI	Hedge reserve	
<b>Balance as at January 1, 2018</b>	27	10,078	14,115	6,722	(187)	54,512	300	(6,058)	944	80,453
Profit for the year	-	-	-	-	-	27,753	-	-	-	27,753
Additions during the year	-	4,991	-	-	187	-	-	-	-	5,178
Share based payment to employees	-	-	-	1,877	-	-	-	-	-	1,877
Other comprehensive income	-	-	-	-	-	(27)	-	(9,207)	(717)	(9,951)
Final dividend	-	-	-	-	-	(7,173)	-	-	-	(7,173)
Interim dividend	-	-	-	-	-	(13,679)	-	-	-	(13,679)
Corporate dividend tax	-	-	-	-	-	(4,286)	-	-	-	(4,286)
Transfer to SEZ reinvestment reserve	-	-	-	-	-	(150)	150	-	-	-
Exercise of stock option	-	1,846	-	(1,846)	-	-	-	-	-	-
<b>Balance as at December 31, 2018</b>	27	16,915	14,115	6,753	-	56,950	450	(15,265)	227	80,172
										(Rupees in lakhs)

# Statement of Changes in Equity

for the year ended December 31, 2018

Particulars	Reserves & Surplus							Items of OCI			Total
	Capital redemption reserve	Securities premium	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Special Economic Zone reinvestment reserve	Equity Instruments through OCI	Hedge reserve		
<b>Balance as at January 1, 2017</b>	<b>27</b>	<b>4,354</b>	<b>14,115</b>	<b>6,268</b>	<b>(699)</b>	<b>54,034</b>	<b>-</b>	<b>2,303</b>	<b>1,228</b>	<b>81,630</b>	
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	-	-	-	-	-	127	-	(8,361)	(284)	(8,518)	
Final dividend	-	-	-	-	-	(6,420)	-	-	-	(6,420)	
Interim dividend	-	-	-	-	-	(12,881)	-	-	-	(12,881)	
Corporate dividend tax	-	-	-	-	-	(3,774)	-	-	-	(3,774)	
Transfer to SEZ reinvestment reserve	-	-	-	-	-	(300)	300	-	-	-	
Exercise of stock option	-	1,311	-	(1,311)	-	-	-	-	-	-	
<b>Balance as at December 31, 2017</b>	<b>27</b>	<b>10,078</b>	<b>14,115</b>	<b>6,722</b>	<b>(187)</b>	<b>54,512</b>	<b>300</b>	<b>(6,058)</b>	<b>944</b>	<b>80,453</b>	

(Refer Note 19)

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 Chandlok & Co LLP**

Chartered Accountants

Firm Registration No.:001076N/N5000013

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Date: February 12, 2019

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]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

Date: February 12, 2019

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**Vinita Bali**

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**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

**Sanjay Chakravarti**

Chief Financial Officer

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ewout Steenberg**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended December 31, 2018

## 1 Corporate information

CRISIL Limited (the Company or CRISIL) [CIN : L67120MH1987PLC042363] 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, 2018, were approved by the Board of Directors on February 12, 2019.

S&P Global Inc the ultimate holding Company, through its subsidiaries owned 67.58% as on December 31, 2018 of the Company's equity share capital (Refer Note 18).

## 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 the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

#### 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 12 months for the purpose of current / non-current classification of assets and liabilities.

### 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, and 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 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)

PPE are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalised under PPE 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 these are accounted for as separate items (major components) PPE.

An item of PPE 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 PPE 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 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 its purchase price, including any import duties and other taxes (other than those subsequently recoverable from

## Standalone Financial Statements

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 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 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:

- i) Financial assets that are measured at amortised cost e.g., loans, deposits and bank balances
- ii) 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 recognises impairment loss allowance based on lifetime ECLs at each reporting date.

For all other financial assets, ECL is measured at an amount equal to the 12 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 recognises 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 within 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 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

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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 projected 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 forecast 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 derecognises 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 through 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 costs.

Contingent liabilities are disclosed for:

- (i) possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) 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 disclosed wherein an inflow of economic benefits is probable.

### 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 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 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 rateably 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.

#### Grant income

Export benefits from government authorities are received in the form of saleable scrips and are recognised at fair value in the statement of profit and loss under 'other income', where all attaching conditions will be complied with and to the extent there is no significant uncertainty as to the ultimate realisation on transfer of scrips in the year of the sale. The related costs are recognised under 'other expense'.

#### 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 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 recognises 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

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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 recognises 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.

### 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
- 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
- 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 minimum alternate tax (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 reliable 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 – Ratings 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 standalone 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 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 the 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'

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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

#### 1. Appendix B to Ind AS 21, foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

#### 2. Ind AS 115, Revenue from contracts with customers:

On March 28, 2018, the MCA notified the Companies (Indian Accounting Standards) Amended Rules, 2018 (amended rules). As per the amended rules, Ind AS 115 Revenue from contracts with customers supersedes Ind AS 18, Revenue and is applicable for all accounting periods commencing on or after April 1, 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

These amendments are applicable to the Company with effect from January 1, 2019. The Company has evaluated the requirement and the impact of the amendment on the financial statements. The effects of adoption of Ind AS 21 and Ind AS 115 are not expected to be significant.

### 3. Property, plant and equipment

For the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Carrying value				Accumulated depreciation				Net block
	As at January 1, 2018	Additions	Deductions	As at December 31, 2018	Up to January 1, 2018	For the year	Deductions	Up to December 31, 2018	As at December 31, 2018
Buildings	10	-	-	10	10	-	-	10	-
Furniture and fixtures	884	45	10	919	343	192	7	528	391
Office equipments	1,563	122	36	1,649	691	313	33	971	678
Computers	4,079	523	40	4,562	2,319	1,119	23	3,415	1,147
Vehicles	507	301	138	670	256	173	124	305	365
Leasehold improvements	3,047	5	-	3,052	1,650	774	-	2,424	628
<b>Total tangible assets</b>	<b>10,090</b>	<b>996</b>	<b>224</b>	<b>10,862</b>	<b>5,269</b>	<b>2,571</b>	<b>187</b>	<b>7,653</b>	<b>3,209</b>

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Carrying value				Accumulated depreciation				Net block
	As at January 1, 2017	Additions	Deductions	As at December 31, 2017	Up to January 1, 2017	For the year	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
<b>Total tangible assets</b>	<b>8,731</b>	<b>1,520</b>	<b>161</b>	<b>10,090</b>	<b>2,723</b>	<b>2,638</b>	<b>92</b>	<b>5,269</b>	<b>4,821</b>

### 4. Intangible assets

For the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Carrying value				Accumulated amortisation				Net block
	As at January 1, 2018	Additions	Deductions	As at December 31, 2018	Up to January 1, 2018	For the year	Deductions	Up to December 31, 2018	As at December 31, 2018
Software	632	1,831	-	2,463	400	400	-	800	1,663
<b>Total intangible assets</b>	<b>632</b>	<b>1,831</b>	<b>-</b>	<b>2,463</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>800</b>	<b>1,663</b>

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### 4. Intangible assets (contd.)

For the year ended December 31, 2017

(Rupees in lakhs)

Particulars	Carrying value			Accumulated amortisation				Net block	
	As at January 1, 2017	Additions	Deductions	As at December 31, 2017	Up to January 1, 2017	For the year	Deductions	Up to December 31, 2017	As at December 31, 2017
Software	260	372	-	632	186	214	-	400	232
<b>Total intangible assets</b>	<b>260</b>	<b>372</b>	<b>-</b>	<b>632</b>	<b>186</b>	<b>214</b>	<b>-</b>	<b>400</b>	<b>232</b>

### 5. Investments

A. Non-current investments	As at December 31, 2018		As at December 31, 2017	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
<b>Investments in subsidiaries</b>				
<i>Unquoted equity investments carried at cost</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
Equity shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up*	5,514,100	11,585	5,514,100	11,585
Equity shares of CRISIL Irevna Argentina S.A. of ARS 1 each, fully paid up*	704,018	147	704,018	147
100% Investment in the capital of CRISIL Irevna Information & Technology (Hangzhou) Co., Limited*	-	244	-	244
Equity shares of Pragmatix Services Private Limited of Rs 10 each, fully paid up (Refer Note 45)	3,140,000	5,600	-	-
<b>Sub - total (a)</b>		<b>18,283</b>		<b>12,683</b>
<b>Other investments</b>				
<i>Unquoted equity investments carried at fair value through OCI (Refer Note 34)**</i>				
Equity shares of Caribbean Information and Credit Rating Agency of US\$1 each, fully paid up	300,000	124	300,000	150
Equity shares of National Commodity and Derivative Exchange Limited of Rs 10 each, fully paid up	1,875,000	3,359	1,875,000	3,521
<b>Sub - total (b)</b>		<b>3,483</b>		<b>3,671</b>
<i>Quoted equity investments carried at fair value through OCI (Refer Note 34)**</i>				
Equity share of CARE Ratings Limited of Rs 10 each, fully paid up	2,622,431	25,876	2,622,431	34,940
Equity share of ICRA Limited of Rs 10 each, fully paid up***	1	-	1	-
<b>Sub - total (c)</b>		<b>25,876</b>		<b>34,940</b>
<b>Total non-current investments - (a + b + c)</b>		<b>47,642</b>		<b>51,294</b>



## 5. Investments (contd.)

B. Current investments	As at December 31, 2018		As at December 31, 2017	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
<b>Investments in mutual funds</b>				
<i>(Unquoted investments carried at fair value through profit and loss) (Refer Note 34)</i>				
Canara Robeco Liquid Fund - Direct Growth	216,073	4,794	-	-
DSP Liquidity Fund - Direct Plan - Growth	144,103	3,784	-	-
Franklin India Liquid Fund - Super Institutional Plan - Direct - Growth	168,409	4,627	-	-
L&T Liquid Fund Direct Plan - Growth	192,330	4,841	-	-
HDFC Charity Fund for Cancer Cure - Debt Plan - Direct - 100% Dividend Donation	2,500,000	257	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
ICICI Prudential Liquid Fund - Direct - Growth	-	-	990,139	2,501
Sundaram Money Fund - Direct Plan - Growth	-	-	7,226,377	2,602
<b>Total investments in mutual funds (d)</b>		<b>18,303</b>		<b>13,132</b>
<b>Total investments (a + b + c + d)</b>		<b>65,945</b>		<b>64,426</b>

The market value of quoted investments is equal to the carrying value

\* Includes deemed investment on account of share based payment recharge to employees of subsidiary companies

\*\* The total dividend recognised pertaining to FVTOCI instruments for the year ended on December 31, 2018, was Rs 1,448 lakh and for the year ended December 31, 2017, was Rs 321 lakh. 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.

## 6. Loans

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
<i>Unsecured, considered good, unless otherwise stated</i>		
Security deposits	3,656	1,261
<b>Total</b>	<b>3,656</b>	<b>1,261</b>

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### 7. Other financial assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
<i>Unsecured, considered good, unless otherwise stated</i>		
Interest accrued on fixed deposits	-	2
Bank deposits with original maturity for more than 12 months (Deposit includes fixed deposits with banks Rs Nil (P.Y. Rs 39 lakh) marked as lien for guarantees issued by banks on behalf of the Company (Refer Note 35))	2	46
<b>Total</b>	<b>2</b>	<b>48</b>

### 8. Income tax

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Current tax	11,690	12,042
Deferred tax	(1,386)	(1,163)
<b>Total income tax expense recognised in current year</b>	<b>10,304</b>	<b>10,879</b>

The tax year for the Company being the year ending March 31, 2019, 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, 2018. The tax provision for the nine months has been arrived at using effective tax rate for the period April 1, 2018, to March 31, 2019.

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:

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Profit before tax	38,057	34,605
Enacted income tax rate in India for fiscal year ended March 31, 2019, and March 31, 2018. (%)	34.94%	34.61%
Computed expected tax expense	13,297	11,977
<b>Effect of:</b>		
Income exempt from tax	(1,449)	(1,080)
Expenses that are not deductible in determining taxable profit	300	191
Tax expense/(reversal) of prior years	(1,688)	(209)
Others	(156)	-
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>10,304</b>	<b>10,879</b>

## 8. Income tax (contd.)

### 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, 2018

Particulars	(Rupees in lakhs)			
	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
<b>Deferred tax liability on :</b>				
Gains from other investments	717	-	(45)	672
Gains from mutual funds	-	50	-	50
Gains / losses on forward contracts	500	-	(385)	115
<b>Gross deferred tax liability</b>	<b>1,217</b>	<b>50</b>	<b>(430)</b>	<b>837</b>
<b>Deferred tax asset on :</b>				
Lease rent amortisation	26	(15)	-	11
Provision for compensated absences	1,467	359	-	1,826
Provision for bonus and commission	452	182	-	634
Provision for gratuity	382	266	14	662
Provision for doubtful debt	506	114	-	620
Unearned revenue	541	57	-	598
40A(ia) of the Income Tax Act, 1961 and other items	48	(12)	-	36
Property, plant and equipment and intangibles	505	485	-	990
<b>Gross deferred tax asset</b>	<b>3,927</b>	<b>1,436</b>	<b>14</b>	<b>5,377</b>
<b>Net deferred tax asset</b>	<b>2,710</b>	<b>1,386</b>	<b>444</b>	<b>4,540</b>

As at December 31, 2017

Particulars	(Rupees in lakhs)			
	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
<b>Deferred tax liability on :</b>				
Gains from other investments	691	-	26	717
Gains from mutual funds	145	(145)	-	-
Gains / losses on forward contracts	650	-	(150)	500
<b>Gross deferred tax liability</b>	<b>1,486</b>	<b>(145)</b>	<b>(124)</b>	<b>1,217</b>
<b>Deferred tax asset on :</b>				
Lease rent amortisation	27	(1)	-	26
Provision for compensated absences	1,149	318	-	1,467
Provision for bonus and commission	446	6	-	452
Provision for gratuity	425	35	(78)	382
Provision for doubtful debt	473	33	-	506
Unearned revenue	251	290	-	541
40A(ia) of the Income Tax Act, 1961 and other items	30	18	-	48
Property, plant and equipment and intangibles	186	319	-	505
<b>Gross deferred tax asset</b>	<b>2,987</b>	<b>1,018</b>	<b>(78)</b>	<b>3,927</b>
<b>Net deferred tax asset</b>	<b>1,501</b>	<b>1,163</b>	<b>46</b>	<b>2,710</b>

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### 9. Tax assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Advance income-tax (net of provision for taxation)	3,618	2,526
<b>Total</b>	<b>3,618</b>	<b>2,526</b>

### 10. Other non-current assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Prepaid rent	139	223
Capital advance	148	-
Prepaid expenses	480	142
<b>Total</b>	<b>767</b>	<b>365</b>

### 11. Trade receivables

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
<i>Unsecured, unless otherwise stated</i>		
- Considered good (Refer Note 38 for related party balances)	16,482	16,144
- Considered doubtful	1,755	1,990
Less: Allowance for doubtful trade receivables	(1,755)	(1,990)
<b>Total</b>	<b>16,482</b>	<b>16,144</b>

### 12. Cash and cash equivalents

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Balances with banks:		
On current accounts	4,886	2,471
Deposits with original maturity of less than three months	-	1,750
<b>Total</b>	<b>4,886</b>	<b>4,221</b>

### 13. Other bank balances

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
On unpaid dividend accounts	77	64
Deposit with original maturity for more than three months but less than twelve months (Deposit includes fixed deposits with banks Rs 84 lakh (PY. Rs 41 lakh) marked as lien for guarantees issued by banks on behalf of the Company. (Refer Note 35))	137	41
<b>Total</b>	<b>214</b>	<b>105</b>

### 14. Loans

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
<i>Unsecured, considered good, unless otherwise stated</i>		
Loan to subsidiary (Refer Notes 38 and 39)	500	3,333
Loans to employees	268	314
Security deposits		
- Considered good	153	2,293
- Considered doubtful	23	8
Less: Provision on deposits	(23)	(8)
<b>Total</b>	<b>921</b>	<b>5,940</b>

### 15. Other financial assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
<i>Unsecured, considered good, unless otherwise stated</i>		
Advances recoverable (Refer Note 38 for related party balances)	1,394	1,014
Accrued revenue	1,572	1,613
Accrued interest on fixed deposit	11	6
Interest accrued on loan to subsidiary	1	42
Fair value of foreign currency forward contract (Refer Note 34)	341	1,444
<b>Total</b>	<b>3,319</b>	<b>4,119</b>

### 16. Other current assets

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Prepaid rent	82	230
Prepaid expense	1,408	870
Balances with government authorities	896	1,030
Advances to suppliers and employees	738	1,099
<b>Total</b>	<b>3,124</b>	<b>3,229</b>

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### 17. Asset held for sale

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Building	318	318
<b>Total</b>	<b>318</b>	<b>318</b>

\* The Company has classified a building premise as asset held for sale at its carrying value Rs 318 lakh. 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

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Authorised capital: 100,000,000 equity shares of Re 1 each (PY. 100,000,000 equity shares of Re 1 each)	1,000	1,000
Issued, subscribed and paid up: 72,115,782 equity shares of Re 1 each fully paid up (PY. 71,704,928 equity shares of Re 1 each)	721	717
<b>Total</b>	<b>721</b>	<b>717</b>

#### (a) Reconciliation of shares outstanding at the beginning and at the end of the year

##### Equity shares

Particulars	As at December 31, 2018	
	Rupees in lakhs	No.
At the beginning of the year (face value of Re 1 per share)	717	71,704,928
Add : Issued during the year - Under employee stock option scheme (ESOS) (Refer Note 47)	4	410,854
<b>Outstanding at the end of the year</b>	<b>721</b>	<b>72,115,782</b>

Particulars	As at December 31, 2017	
	Rupees in lakhs	No.
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
<b>Outstanding at the end of the year</b>	<b>717</b>	<b>71,704,928</b>

#### (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.

## 18. Share capital (contd.)

### (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	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Group Holding of the S&amp;P Global Inc.</u>		
31,209,480 equity shares of Re 1 each fully paid held by S&P India, LLC, fellow subsidiary (P.Y. 31,209,480 equity shares of Re 1 each)	312	312
11,523,106 equity shares of Re 1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (P.Y. 10,623,059 equity shares of Re 1 each)	115	106
6,000,000 equity shares of Re 1 are held by Standard & Poor's International LLC, fellow subsidiary (P.Y. 6,000,000 equity shares of Re 1 each)	60	60
<b>Total</b>	<b>487</b>	<b>478</b>

### (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, 2018 No.	As at December 31, 2017 No.
<b>Equity shares bought back by the Company</b>		
Aggregate number of equity shares bought back by the Company (In last five years)	511,932	511,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company.	Nil	Nil

### (e) Details of shareholders holding more than 5% shares in the company.

#### Name of the shareholder

Particulars	As at December 31, 2018	
	% holding in the class	No.
<u>Equity shares of Re 1 each fully paid</u>		
1. Group Holding of the S&P Global Inc.		
a) S&P India, LLC	43.28%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.98%	11,523,106
c) Standard & Poor's International LLC	8.32%	6,000,000
2. Life Insurance Corporation of India	6.62%	4,771,286
3. Jhunjhunwala Rakesh and Rekha	5.50%	3,965,000

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### 18. Share capital (contd.)

Particulars	As at December 31, 2017	
	% holding in the class	No.
<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

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 a going concern while maximising returns for 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 to 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, 2018.

### 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.

#### c) Retained earnings

Retained earnings represent the cumulative profits of the Company and the effects of measurements of defined benefit obligation.

#### 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 exercising of stock options by employees.



## 19. Explanation of reserves (contd.)

### e) Other comprehensive income (OCI)

Other comprehensive income includes equity instruments through OCI and hedge reserve.

### f) Hedge reserve

Forward contracts are stated at fair value at each reporting date. Changes in the fair value of the 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.

### g) Foreign currency monetary items translation

Exchange differences arising on translation of the long-term monetary assets are 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.

### h) Capital redemption reserve

The Company has recognised Capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

### i) Special Economic Zone (SEZ) reinvestment reserve

The 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.

## 20. Other financial liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Employee-related payables	653	156
Sundry deposits	121	149
<b>Total</b>	<b>774</b>	<b>305</b>

## 21. Provisions

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Gratuity (Refer Note 41)	1,298	1,288
<b>Total</b>	<b>1,298</b>	<b>1,288</b>

## 22. Other non-current liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Non-current</u>		
Unearned revenue and fees received in advance	-	48
<b>Total</b>	<b>-</b>	<b>48</b>

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### 23. Trade payables

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Total outstanding dues of micro enterprises and small enterprises	9	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,198	4,682
<b>Total</b>	<b>5,207</b>	<b>4,682</b>

#### 23.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006, is provided as under

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
-Principal amount remaining unpaid, but not due	9	-
-Interest due thereon as at year- end	-	-
-Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
-Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
-Interest accrued and remaining unpaid as at year-end	-	-
-Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status its suppliers.

### 24. Other financial liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Employee related payables	6,571	7,199
Book overdraft	112	-
Unpaid dividend (Investor education and protection fund will be credited as and when due)	77	64
Sundry deposit	69	-
<b>Total</b>	<b>6,829</b>	<b>7,263</b>

## 25. Provisions

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Compensated absences (Refer Note 41)	4,822	4,709
Gratuity (Refer Note 41)	659	630
<b>Total</b>	<b>5,481</b>	<b>5,339</b>

## 26. Other current liabilities

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<u>Current</u>		
Statutory liabilities	1,883	1,674
Advance received from customer	375	281
Unearned revenue	10,381	9,575
<b>Total</b>	<b>12,639</b>	<b>11,530</b>

## 27. Income from operations

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Ratings services	50,730	48,029
Research services	67,469	69,709
<b>Total</b>	<b>118,199</b>	<b>117,738</b>

## 28. Other income

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Interest on bank deposits	37	34
Interest on loan to subsidiary	56	262
Grant income (refer Note 48)	2,417	-
Profit on sale of fixed assets	48	69
Interest income on financial assets carried at amortised cost	275	254
Dividend on investments	1,457	1,098
Foreign exchange gain (net)	1,675	-
Profit on sale of current investments	329	1,428
Profit on fair valuation of current investments	145	32
Support and management fees	1,774	1,377
Miscellaneous income	674	167
<b>Total</b>	<b>8,887</b>	<b>4,721</b>

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### 29. Employee benefits expenses

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Salaries, wages and bonus	46,063	45,476
Share based payment to employees	1,109	766
Contribution to provident and other funds	1,558	1,564
Contribution to gratuity fund (Refer Note 41)	637	972
Staff training and welfare expenses	1,602	1,527
Less : Recoveries from subsidiaries towards overhead allocated	(550)	(456)
<b>Total</b>	<b>50,419</b>	<b>49,849</b>

### 30. Finance cost

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Interest expense on bank overdraft	118	41
<b>Total</b>	<b>118</b>	<b>41</b>

### 31. Depreciation and amortisation

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Depreciation and amortisation on tangible and intangible assets (Refer Notes 3 & 4)	2,971	2,852
Reimbursement of common depreciation recovered from subsidiaries	(104)	(71)
<b>Total</b>	<b>2,867</b>	<b>2,781</b>

### 32. Other expenses

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Repairs and maintenance - buildings	1,639	1,266
Repairs and maintenance - others	1,063	782
Electricity	1,042	1,024
Communication expenses	689	784
Insurance	62	74
Rent (Refer Note 40)	4,608	4,455
Rates and taxes	32	12
Printing and stationery	251	267
Conveyance and travelling	2,755	2,632
Books and periodicals	707	637
Vehicle expenses	3	5
Remuneration to non-whole time directors	151	152
Business promotion and advertisement	103	89
Foreign exchange loss	-	717
Professional fees	15,038	15,090
Associate service fee	3,714	4,124

### 32. Other expenses (contd.)

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Software purchase and maintenance expenses	657	750
Provision for doubtful deposits	15	4
Provision for doubtful debts / bad debts	1,558	1,225
Corporate social responsibility (CSR) expenses (Refer Note 44)	727	727
Donation	140	97
Auditors' remuneration (Refer Note 36)	68	57
Recruitment expenses	172	245
Miscellaneous expenses	754	279
Less : Recoveries from subsidiaries towards overhead allocated	(323)	(311)
<b>Total</b>	<b>35,625</b>	<b>35,183</b>

### 33. 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 34. 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:-

#### 33.1 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), Euros (EUR) and Pounds Sterling (GBP). As of December 31, 2018, and December 31, 2017, 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. (Refer Note 34)

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2018 (Foreign currency in '000)		As at December 31, 2018 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	12,812	175	9,014	123
GBP	1,642	-	1,461	-
EUR	653	19	525	15
Others	855	26,317	393	1,195

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### 33.1 Market risk (contd.)

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	10,857	82	6,957	52
GBP	6,264	-	5,369	-
EUR	1,043	-	793	-
Others	44	17,032	8	1,106

For the year ended December 31, 2018, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by Rs 503 lakh (+/-1.56 %). For the year ended December 31, 2017, operating margins would increase/decrease by Rs 598 lakh (+/-1.83%). Exposure to foreign currency exchange rate vary during the year depending upon the volume of overseas transactions. Nonetheless, 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.

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 5. 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 915 lakh and Rs 657 lakh for the year ended December 31, 2018, and for the year ended December 31, 2017, 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 5. If the equity prices had been higher/lower by 5% from the market prices existing as at the reporting date, OCI for the year ended December 31, 2018, would increase/decrease by Rs 1,294 lakh and Rs 1,747 lakh for the year ended December 31, 2017.

### 33.2 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, 2018	As at December 31, 2017
Trade receivables	16,482	16,144
Cash and cash equivalents	4,886	4,221
Other bank balances	214	105
Loans	921	5,940
Investments in mutual funds	18,303	13,132
Others	3,319	4,119
<b>Total</b>	<b>44,125</b>	<b>43,661</b>

### 33.2 Liquidity risk (contd.)

#### Financial liabilities maturing within one year:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Trade payables	5,207	4,682
Others	6,829	7,263
<b>Total</b>	<b>12,036</b>	<b>11,945</b>

### 33.3 Business and credit risks

To mitigate the risk arising from high dependence on any one business for revenue, the Company has adopted a strategy of diversifying into 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.

Receivables	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<= 6 months	15,867	15,601
> 6 months but <= 1 year	1,988	2,533
> 1 year	382	-
Provision for doubtful receivables	(1,755)	(1,990)

## 34. Financial Instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2018, are as follows:

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			
<b>Assets</b>								
<b>Investments</b>								
Quoted equity investments	-	-	-	25,876	-	-	25,876	25,876
Unquoted equity investments	-	-	-	3,483	-	-	3,483	3,483
Mutual funds	-	-	18,303	-	-	-	18,303	18,303
Cash and cash equivalents	4,886	-	-	-	-	-	4,886	4,886
Other bank balances	214	-	-	-	-	-	214	214
Trade receivables	16,482	-	-	-	-	-	16,482	16,482
Loans	4,577	-	-	-	-	-	4,577	4,577
Other financial assets	2,980	-	-	-	-	341	3,321	3,321
<b>Total</b>	<b>29,139</b>	<b>-</b>	<b>18,303</b>	<b>29,359</b>	<b>-</b>	<b>341</b>	<b>77,142</b>	<b>77,142</b>
<b>Liabilities</b>								
Trade payables	5,207	-	-	-	-	-	5,207	5,207
Other financial liabilities	7,603	-	-	-	-	-	7,603	7,603
<b>Total</b>	<b>12,810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,810</b>	<b>12,810</b>

## Standalone Financial Statements

### 34. Financial Instruments (contd.)

The carrying value and fair value of financial instruments by categories as at December 31, 2017, are as follows:

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	(Rupees in lakhs)	
		Designated upon initial recognition	Mandatory	Equity instrument designated upon initial recognition	Mandatory		Total carrying value	Total fair value
<b>Assets</b>								
<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	4,221	-	-	-	-	-	4,221	4,221
Other bank balances	105	-	-	-	-	-	105	105
Trade receivables	16,144	-	-	-	-	-	16,144	16,144
Loans	7,201	-	-	-	-	-	7,201	7,201
Other financial assets	2,723	-	-	-	-	1,444	4,167	4,167
<b>Total</b>	<b>30,394</b>	<b>-</b>	<b>13,132</b>	<b>38,611</b>	<b>-</b>	<b>1,444</b>	<b>83,581</b>	<b>83,581</b>
<b>Liabilities</b>								
Trade payables	4,682	-	-	-	-	-	4,682	4,682
Other financial liabilities	7,568	-	-	-	-	-	7,568	7,568
<b>Total</b>	<b>12,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,250</b>	<b>12,250</b>

#### 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 their 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, 2018, and December 31, 2017.

Particulars	As at December 31, 2018			As at December 31, 2017		
	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	18,303	-	-	13,132	-	-
B Investments at FVTOCI						
1. Quoted equity shares	25,876	-	-	34,940	-	-
2. Unquoted equity shares	-	-	3,483	-	-	3,671
C Forward contracts receivable	-	341	-	-	1,444	-



### 34. Financial Instruments (contd.)

#### 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, 2018

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)
i) Foreign exchange forward contracts	USD	19	57,058	40,615	Jan - Dec-19	71	(34)	34
	GBP	11	4,512	4,374	Jan - Dec-19	97	248	(248)
	EUR	12	3,370	2,932	Jan - Dec-19	87	128	(128)

#### 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)
i) Foreign exchange forward contracts	USD	27	61,421	41,693	Jan - Dec-18	68	1,487	(1,487)
	GBP	14	6,117	5,436	Jan - Dec-18	89	(15)	15
	EUR	12	3,661	2,865	Jan - Dec-18	78	(28)	28

#### Movement in cash flow hedging reserve

Particulars	(Rupees in lakhs)
<b>As at January 1, 2018</b>	<b>944</b>
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	(1,634)
Less: Amounts reclassified to profit or loss	532
Less: Tax relating to above (net)	385
<b>As at December 31, 2018</b>	<b>227</b>

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.

## Standalone Financial Statements

### 34. Financial Instruments (contd.)

#### Details of unhedged foreign exposure

Particulars	As at December 31, 2018 (Foreign currency in '000)		As at December 31, 2018 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
<b>Currency</b>				
<b>Monetary</b>				
USD	12,812	175	9,014	123
GBP	1,642	-	1,461	-
EUR	653	19	525	15
Others	855	26,317	393	1,195
<b>Investment</b>				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-

Particulars	As at December 31, 2017 (Foreign currency in '000)		As at December 31, 2017 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
<b>Currency</b>				
<b>Monetary</b>				
USD	10,857	82	6,957	52
GBP	6,264	-	5,369	-
EUR	1,043	-	793	-
Others	44	17,032	8	1,106
<b>Investment</b>				
USD	430	-	225	-
GBP	14,240	-	11,390	-
EUR	-	-	-	-
Others	796	-	105	-

**35. Details of contingent liabilities and capital commitments are as under :**

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
<b>Contingent liabilities</b>		
1. Bank guarantee in the normal course of business	431	2,320
2. Disputed income tax and sales tax demand:		
(i) Pending before appellate authorities in respect of which the Company is in appeal	4,306	3,872
(ii) Decided in Company's favour by appellate authorities and department is in further appeal	1,185	1,185
 The Company has given a bank guarantee of Rs 275 lakh in relation to the tax demands with regards Pipal India, for FY 08 to FY 12		
<b>Sub-total</b>	<b>5,922</b>	<b>7,377</b>
<b>Capital commitment</b>		
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.	133	142
 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.		
<b>Total</b>	<b>6,055</b>	<b>7,519</b>

**36. Auditors' remuneration includes :**

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Audit fees (including limited review fees)	52	38
<u>In any other matter:</u>		
Certification work	6	14
Out of pocket expenses	10	5
<b>Total</b>	<b>68</b>	<b>57</b>

## Standalone Financial Statements

### 37. Segment reporting

#### Business segments:

The Company has two major business segment: Ratings and Research. A description of the types of products and services provided by each reportable segment is as follows:

- Ratings services include credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services
- Research segment 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, 2018

Particulars	Business segments		(Rupees in lakhs)
	Ratings	Research	Total
Operating revenue (Refer Note 27)	50,730	67,469	118,199
Segment results	18,366	19,012	37,378
Add / (less) unallocables:			
1. Unallocable income			
Interest income			93
Profit on sale of current investments			329
Profit on sale of fixed asset			48
Grant income (Refer Note 48)			2,417
Others*			4,315
2. Unallocable expenditure			(3,656)
3. Depreciation/ amortisation			(2,867)
<b>Profit before exceptional item</b>			<b>38,057</b>
Exceptional item			-
<b>Profit before tax</b>			<b>38,057</b>
Tax expense			(10,304)
<b>Profit after tax</b>			<b>27,753</b>
Segment assets	7,052	27,690	34,742
Unallocable assets**			78,379
Segment liabilities	13,219	11,657	24,876
Unallocable liabilities**			7,352

#### Revenue and total assets by geographic segments

Geography	(Rupees in lakhs)	
	Revenue	Assets #
India	45,005	81,698
Europe	28,346	14,328
North America	36,329	7,418
Rest of the world	8,519	1,519
<b>Total</b>	<b>118,199</b>	<b>104,963</b>

### 37. Segment reporting (contd.)

#### Segment reporting for the year ended December 31, 2017

Particulars	Business segments		Total
	Ratings	Research	
	(Rupees in lakhs)		
Operating revenue (Refer Note 27)	48,029	69,709	117,738
Segment results	15,104	20,142	35,246
Add / (less) unallocables :			
1. Unallocable income			
Interest income			296
Profit on sale of current investments			1,428
Profit on sale of fixed asset			69
Others*			2,928
2. Unallocable expenditure			(2,581)
3. Depreciation/ amortisation			(2,781)
<b>Profit before exceptional item</b>			<b>34,605</b>
Exceptional item			-
<b>Profit before tax</b>			<b>34,605</b>
Tax expense			(10,879)
<b>Profit after tax</b>			<b>23,726</b>
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

Geography	(Rupees in lakhs)	
	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
<b>Total</b>	<b>117,738</b>	<b>106,389</b>

#### 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 three customers contributed to more than 10% of the standalone revenue of the Company.

The following table gives details in respect of revenue generated from top three customers:

	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Total revenue from top three customers who contributed to more than 10% of the standalone revenue	60,747	61,058

## Standalone Financial Statements

### 38. List of related parties (to the extent where transaction have taken place)

Parties	Relationship
<b>Related parties where control exists</b>	
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.zo.o	Subsidiary of CRISIL Irevna UK Limited
CRISIL Irevna Argentina S.A.	Subsidiary
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Subsidiary
Coalition Development Limited	Subsidiary of CRISIL Irevna UK Limited
Coalition Development Singapore Pte Limited	Subsidiary of Coalition Development Limited
Pragmatix Services Private Limited (Refer Note 45)	Subsidiary (with effect from January 24, 2018)
CRISIL Foundation	Controlled Trust
<b>Other related parties</b>	
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
S&P Global Ratings Europe Limited (formely known as 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
S&P Ratings (China) Co. Ltd	Fellow subsidiary
Asia Index Private Limited	Fellow subsidiary
S&P Global Market Intelligence Inc.	Fellow subsidiary
Fabindia Overseas Pvt Ltd	Common Director
<b>Key Management Personnel</b>	
Girish Paranjpe	Independent Director (with effect from October 17, 2017)
Nachiket Mor	Independent Director (up to July 23, 2018)
Arundhati Bhattacharya	Independent Director (with effect from October 16, 2018)
Vinita Bali	Independent Director
M Damodaran	Independent Director
H N Sinor	Independent Director (up to October 25, 2017)
Ewout Steenbergen	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)
Ravinder Singhania	Alternate Director
Ashu Suyash *	Managing Director and Chief Executive Officer
Amish Mehta *	Chief Operating Officer (with effect from February 13, 2018) and Chief Financial Officer (upto February 12, 2018)
Sanjay Chakravarti *	Chief Financial Officer (with effect from February 13, 2018)
Minal Bhosale *	Company Secretary

\* Related parties as per Companies Act, 2013

**Transactions with related parties**

(Rupees in lakhs)

Name of the related party	Nature of transaction	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
S&P Global UK Limited	Professional services rendered	336	291
	Amount receivable	161	288
S&P Global Canada Corp.	Professional services rendered	165	124
	Amount receivable	15	31
S&P Global Ratings Europe Limited	Professional services rendered	4,561	4,396
	Reimbursement of expenses received	1	-
	Amount receivable	859	659
Standard & Poor's Financial Services, LLC	Professional services rendered	11,495	11,384
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	640	646
	Amount receivable	63	52
Standard & Poor's Hong Kong Limited	Professional services rendered	507	235
	Amount receivable	62	17
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	416	409
	Amount receivable	47	31
Standard & Poor's Global Ratings Japan Inc.	Professional services rendered	167	144
	Amount receivable	23	11
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	204	183
	Amount receivable	50	16
S&P Global Market Intelligence LLC	Subscription fees	93	86
S&P Ratings (China) Co. Ltd	Professional services rendered	6	-
S&P India, LLC	Dividend	9,051	8,424
	Share capital outstanding	312	312
Standard & Poor's International LLC	Dividend	1,740	1,620
	Share capital outstanding	60	60
S&P Global Asian Holdings Pte. Limited	Dividend	3,198	2,862
	Share capital outstanding	115	106
S&P Global Inc.	Professional services rendered	2	-
	Reimbursement of expenses received	1	-
Asia Index Private Limited	Reimbursement of expenses	-	1
Fabindia Overseas Private Limited	Professional services rendered	1	-
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	2	18
	Support and management fee	108	-
	Professional fees	14	11
	Expenses recovered	503	517
	Share of overhead expenses received	874	767
	Reimbursement of expenses paid	4	108
	Amount receivable	459	226
	Reimbursement of expense received (ESOS)	95	109
	Loan given	500	-
	Loan outstanding	500	-
	Interest on loan	1	-
	Interest Receivable	1	-
	Investment outstanding	707	707
	Amount payable	-	29

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### Transactions with related parties (contd.)

(Rupees in lakhs)

Name of the related party	Nature of transaction	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
CRISIL Irevna UK Limited	Professional services rendered	20,623	20,153
	Share of overhead expenses received	281	351
	Reimbursement of expenses received	39	59
	Amount receivable	1,223	1,824
	Investment outstanding	11,585	11,585
	Reimbursement of expense received (ESOS)	12	41
	Loan outstanding	-	3,333
	Loan repaid	3,511	5,907
	Interest income	54	262
	Interest amount receivable	-	42
CRISIL Irevna US LLC	Professional services rendered	22,174	23,567
	Remittance of revenue (billing transfer)	1,674	-
	Professional fees	644	-
	Share of overhead expenses received	583	452
	Reimbursement of expenses received	15	21
	Transfer of asset	1	-
	Reimbursement of expenses paid	-	4
	Reimbursement of expense received (ESOS)	54	66
CRISIL Irevna Argentina, S.A.	Amount receivable	6,261	5,512
	Investment outstanding	147	147
	Professional fees	5,665	6,079
	Amount payable	363	467
CRISIL Irevna Poland Sp.zo.o	Dividend income	-	402
	Professional fees	1,707	1,823
	Reimbursement of expenses received	5	8
	Reimbursement of expense received (ESOS)	2	4
	Amount payable	367	369
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Amount receivable	15	8
	Investment outstanding	244	244
	Amount payable	386	272
	Professional fees	2,037	1,928
	Dividend income	-	388
	Professional services rendered	470	791
	Share of overhead expenses received	910	577
Coalition Development Limited	Reimbursement of expense received (ESOS)	530	775
	Reimbursement of expense received	4	1
	Amount receivable	238	226
	Professional services rendered	3,837	3,286
	Amount receivable	366	469
	Reimbursement of expense received (ESOS)	16	3
Coalition Development Singapore Pte Limited	Professional fee	48	-
	Amount payable	23	-
	Donation	850	807
	Reimbursement of expenses received	35	35
	Support and management fee	367	-
CRISIL Foundation	Professional fee	33	-
	Expenses recovered	255	-
	Reimbursement of expense received (ESOS)	59	-
	Amount receivable (net)	271	-
	Investment outstanding	5,600	-
	Loan given and repaid	100	-
	Interest on loan	1	-
	Pragmatix Services Private Limited		



**Transactions with related parties (contd.)**

		(Rupees in lakhs)	
Name of the related party	Nature of transaction	As at and for the year ended December 31, 2018	As at and for the year ended December 31, 2017
Girish Paranjpe	Sitting fees and commission	38	7
Nachiket Mor	Sitting fees and commission	20	33
Arundhati Bhattacharya	Sitting fees and commission	8	-
Vinita Bali	Sitting fees and commission	41	39
M. Damodaran	Sitting fees and commission	39	39
H. N. Sinor	Sitting fees and commission	-	34
Ashu Suyash*	Remuneration	571	596
	Options granted (nos.)	19,562	-
Amish Mehta*	Remuneration	315	325
	Options granted (nos.)	8,275	25,000
Sanjay Chakravarti*	Remuneration	182	-
	Options granted (nos.)	12,315	-
Minal Bhosale*	Remuneration	86	86
	Options granted (nos.)	918	-

\* Note: As the future liability for retirement and other employee benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial persons is not included above.

**39. The Company has provided following loans pursuant to Section 186 of the Companies Act, 2013, and disclosure under SEBI (LODR) Regulations, 2016:**

(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, 2018	Amount outstanding as at December 31, 2017	Maximum amount outstanding during the year
CRISIL Risk and Infrastructure Solutions Limited	100% subsidiary	Operational	Loan given by CRISIL to CRISIL Risk and Infrastructure Solutions Limited for financing operations. The loan is repayable on demand. These loans carry interest @ 12.5% per annum.	500	-	500
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	3,333

For details of investments and advances provided to related parties Refer Note 38

## Standalone Financial Statements

### 40. 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 :

Particulars	(Rupees in lakhs)	
	Year ended December 31, 2018	Year ended December 31, 2017
Lease payment recognised in the statement of profit and loss	4,608	4,455
<u>Future minimum lease payments :</u>		
Not later than one year	5,030	4,684
Later than one year and not later than five years	16,631	5,084
Later than five years	-	2
<b>Total</b>	<b>21,661</b>	<b>9,770</b>

### 41. 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.

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, 2018	Year ended December 31, 2017
Current service cost	546	497
Interest cost on defined benefit obligation	91	107
Re-measurement - actuarial (gain)/loss (recognised in OCI)	13	(187)
Expected return on plan assets (recognised in OCI)	28	(20)
Past service cost	-	368
<b>Net gratuity benefit expense</b>	<b>678</b>	<b>765</b>

#### Balance sheet:

Details of provision for gratuity benefit

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Present value of funded obligations	3,965	3,561
Fair value of plan assets	(2,008)	(1,643)
<b>Net liability</b>	<b>1,957</b>	<b>1,918</b>

#### 41. Gratuity and other post-employment benefits plans (contd.)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Opening defined benefit obligation	3,561	3,180
Current service cost	546	497
Interest cost	260	202
Acquisitions (credit)/ cost	20	(18)
Actuarial (gain)/loss	(22)	(51)
Actuarial (gain)/loss (financial assumptions)	35	(136)
Past service cost - plan amendments	-	368
Benefits paid	(436)	(481)
<b>Closing defined benefit obligation</b>	<b>3,965</b>	<b>3,561</b>

Changes in the fair value of plan assets are as follows:

Particulars	(Rupees in lakhs)	
	As at December 31, 2018	As at December 31, 2017
Opening fair value of plan assets	1,643	1,404
Expected return on plan assets	(28)	20
Interest income on plan assets	170	95
Contribution by employer	659	605
Benefits paid	(436)	(481)
<b>Closing fair value of plan assets</b>	<b>2,008</b>	<b>1,643</b>

The defined benefit obligation shall mature after December 31, 2018, as follows:

Particulars	Rupees in lakhs
December 31, 2019	379
December 31, 2020	443
December 31, 2021	509
December 31, 2022	603
December 31, 2023	680
December 31, 2024, to December 31, 2028	3,672

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, 2018	Year ended December 31, 2017
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.

## Standalone Financial Statements

### 41. Gratuity and other post-employment benefits plans (contd.)

The principal assumptions used in determining gratuity for the Company's plans is as below:

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Discount rate	7.30%	7.20%
Rate of return on plan assets	7.30%	7.20%
Expected employee turnover		
<b>Service years</b>	<b>Rates</b>	<b>Rates</b>
Service < 5	20.00%	20.00%
Service => 5	10.00%	10.00%
Increment	10% for First 4 years starting 2018 and 7% thereafter	10% for the first 4 years starting 2017 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	659	630

Broad category of plan assets as per percentage of total plan assets of the gratuity

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Government securities	68%	67%
Fixed deposit, debentures and bonds	9%	3%
Others	23%	30%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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	(143)
Effect on DBO due to 0.5% decrease in discount rate	149
Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in salary escalation rate	127
Effect on DBO due to 0.5% decrease in salary escalation rate	(126)

#### Other benefits

The Company has recognised the following amounts in the statement of profit and loss:

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
i. Contribution to provident fund	1,403	1,366
ii. Contribution to other funds	155	198

The expenses for compensated absences have been recognised in the same manner as gratuity and a provision of Rs 4,822 lakh has been made as at December 31, 2018, (Rs 4,709 lakh as at December 31, 2017).

## 42. Earning per share

The following reflects the profit and share data used in the basic and diluted Earning Per Share (EPS) computations:

(Rupees in lakhs)

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Net profit for calculation of basic/diluted EPS	27,753	23,726

Particulars	Year ended December 31, 2018 (No.)	Year ended December 31, 2017 (No.)
Weighted average number of equity shares in calculating basic EPS	71,904,428	71,489,561
Effect of dilution:		
Add: weighted average stock options granted under ESOS	243,987	450,874
Weighted average number of equity shares in calculating diluted EPS	72,148,415	71,940,435

Earnings per share : Nominal value of Re 1	Year ended December 31, 2018 (Rs)	Year ended December 31, 2017 (Rs)
Basic	38.60	33.19
Diluted (On account of ESOS, refer note 47)	38.47	32.98

The following potential equity shares are anti-dilutive and therefore excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	Year ended December 31, 2018 (No.)	Year ended December 31, 2017 (No.)
Options to purchase equity shares had anti-dilutive effect	136,911	60,838

## 43. Dividend

Details of dividend paid on equity shares are as under:

(Rupees in lakhs)

Particulars	Year ended December 31, 2018	Year ended December 31, 2017
Final dividend for the year 2017 Rs 10 per equity share of Re 1 each (PY. Rs 9 per share)	7,173	6,420
Dividend distribution tax on final dividend	1,474	1,307
Interim dividend for the year 2018 Rs 19 per equity share of Re 1 each (PY. Rs 18 per share)	13,679	12,881
Dividend distribution tax on interim dividend	2,812	2,467
<b>Total</b>	<b>25,138</b>	<b>23,075</b>

## Standalone Financial Statements

### Proposed dividend

The Board of Directors at its meeting held on February 12, 2019, have recommended a payment of final dividend of Rs 11 per equity share of face value of Re 1 each for the financial year ended December 31, 2018. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

### 44. Corporate Social Responsibility

Corporate Social Responsibility (CSR) expenses for the year ended December 31, 2018, include Rs 727 lakh (P.Y. Rs 727 lakh) 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 723 lakh (P.Y. Rs 684 lakh). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment.

### 45. Acquisition of Pragmatix

On January 24, 2018, CRISIL limited acquired 100% stake in Pragmatix Services Private Limited. 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 Rs 5,600 lakh. 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.

### 46. Capitalisation of intangible assets

Personnel expenses to the extent of Rs 160 lakh (P.Y. Rs 363 lakh) is considered for capitalisation as intangible assets.

### 47. Employee stock option scheme (“ESOS”)

The Company has formulated an ESOS based on which employees are granted options to acquire equity shares of the Company that vest 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 (Rs)	Graded vesting period :			Weighted average price (Rs)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	April 17, 2014 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	June 1, 2015 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	April 16, 2012	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	April 16, 2012	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	February 14, 2014	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	February 14, 2011	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	February 14, 2011	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	October 3, 2014	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	February 25, 2015	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	December 16, 2016	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	December 16, 2016	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	December 16, 2016*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	March 9, 2017*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	July 17, 2017*	25,000	1,956.55	8,250	8,250	8,500	626.51
ESOS 2014 (6)	January 8, 2018*	8,000	1,919.25	2,666	2,666	2,667	623.48
ESOS 2014 (7)	January 24, 2018*	238,970	1,969.45	79,656	79,656	79,658	651.23
ESOS 2014 (8)	April 4, 2018	164,457	1,841.35	54,818	54,818	54,820	410.12

\* 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, ESOS 2012 and ESOS 2014 (8) 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 (1-7) 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	
	No. of options	Wtd. avg. exercise price (Rs)	No. of options	Wtd. avg. exercise price (Rs)	No. of options	Wtd. avg. exercise price (Rs)
Outstanding at the beginning of the period	227,200	2,152.54	77,800	1,767.15	1,422,141	1,337.62
Granted during the period	-	N.A.	-	N.A.	411,427	1,917.27
Forfeited during the period	-	N.A.	80	1,119.85	69,525	1,382.10
Exercised during the period	-	N.A.	3,690	1,119.85	407,164	1,217.20
Expired during the period	6,600	1,985.95	-	N.A.	-	N.A.
Outstanding at the end of the period	220,600	2,157.53	74,030	1,804.92	1,356,879	1,547.24
Exercisable at the end of the period	142,920	2,144.85	54,910	1,674.02	332,453	1,279.94

Particulars	Date	Wtd. avg. exercise price (Rs)
Weighted average share price at the date of exercise.	Feb 13, 2018	1,861.20
	April 17, 2018	1,945.56
	July 17, 2018	1,757.02
	October 16, 2018	1,729.28

Particulars	Range of exercise prices (Rs)	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,119.85 to 1,217.25	823 days
	1,814.35 to 1,997.35	1881 days
	2,101.10 to 2,180.85	1476 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	ESOS 2014
Date of grant	January 8, 2018	January 24, 2018	April 4, 2018
Stock price (Rupees)	1,919.25	1,969.45	1,841.35
Volatility (%)	26.28	26.16	23.31
Riskfree rate (%)	7.15	7.25	6.89
Exercise price (Rupees)	1,919.25	1,969.45	1,841.35
Expected life (Time to maturity)	5.01	5.00	3.00
Dividend yield (%)	1.41	1.37	1.52
Fair value per option	623.48	651.23	410.12

The Company has used Black-Scholes option pricing model for the purpose of 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 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.

## Standalone Financial Statements

**Risk-free 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 a total of interim and final dividend declared in last year preceding date of grant.

Cash inflow on exercise of options at the weighted average share price at the date of exercise.

Particulars	Year ended December 31, 2018		Year ended December 31, 2017	
	No.	Rupees in lakhs	No.	Rupees in lakhs
Exercised during the year	410,854	4,995	369,020	4,411
Exercised during the previous year	-	-	550	6
<b>Total</b>	<b>410,854</b>	<b>4,995</b>	<b>369,570</b>	<b>4,417</b>

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, 2018		Year ended December 31, 2017	
	No.	Rupees in lakhs	No.	Rupees in lakhs
Not later than two years	1,308,836	20,375	1,609,972	22,831
Later than two years & not later than five years	342,673	6,715	117,169	2,457
<b>Total</b>	<b>1,651,509</b>	<b>27,090</b>	<b>1,727,141</b>	<b>25,288</b>

**48.** During the year, the Company received export benefits amounting to Rs 2,417 lakh in the form of duty free saleable scrips under the Service Export Incentive Scheme (SEIS) from the government authorities and the same has been accounted for as "Other income" in the standalone financial statements.

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 12, 2019  
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]

#### Arundhati Bhattacharya

Director  
[DIN: 02011213]

Date: February 12, 2019  
Place: Mumbai

#### Vinita Bali

Director  
[DIN: 00032940]

#### Ashu Suyash

Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

#### Sanjay Chakravarti

Chief Financial Officer

#### Girish Paranjpe

Director  
[DIN: 02172725]

#### Ewout Steenbergen

Director  
[DIN: 07956962]

#### Minal Bhosale

Company Secretary



# Notice

NOTICE is hereby given that the Thirty-Second Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Wednesday, April 17, 2019 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, 2018, 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, 2018, together with the Report of the Auditors thereon.

### 2. Declaration of dividend

To declare final dividend on equity shares of Rs 11 per equity share and to approve and confirm the declaration and payment of three interim dividends aggregating Rs 19 per equity share for the year ended December 31, 2018.

### 3. Re-appointment of Mr John Berisford

To appoint a Director in place of Mr John Berisford (DIN 07554902), who retires by rotation and, being eligible, seeks re-appointment.

## SPECIAL BUSINESS:

### 4. Appointment of Ms Arundhati Bhattacharya 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, Ms Arundhati Bhattacharya (DIN 02011213), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16 (1)(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 16, 2018, up to October 15, 2023.”

By order of the Board  
For **CRISIL Limited**

**Minal Bhosale**  
Company Secretary  
ACS 12999  
Mumbai, February 12, 2019

# 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 Tuesday, April 2, 2019 to Wednesday, April 3, 2019 (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 Wednesday, April 24, 2019:
  - (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 Monday, April 1, 2019; 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 Monday, April 1, 2019.
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](http://www.crisil.com).
8. The Company has transferred the unclaimed or un-encashed dividends for financial years up to 2011 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 2012 are available on website of the Company, [www.crisil.com](http://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 2018, 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 2018, 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](http://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. Members visiting our Registered Office for

inspection are requested to carry a valid identity proof such as PAN card, passport, Aadhaar card or driving license for identification.

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 Fintech Private Limited. The instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.
- ii) 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.

- iii) The e-voting period shall commence on Saturday, April 13, 2019, at 10:00 a.m. and end on Tuesday, April 16, 2019, at 5:00 p.m. Members, holding shares either in dematerialised form or physical form as on Cut-Off date, Wednesday, April 10, 2019, may cast their vote electronically during this period. The remote e-voting module shall be disabled at 5.00 p.m. on April 16, 2019. 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 Fintech Private Limited(KFPL) 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 log in 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 scrutinisers@mmjc.in 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 (KFPL) 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 KFPL'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 Wednesday, April 10, 2019 ("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 Wednesday, April 10, 2019, may obtain login ID and password by sending a request to evoting@karvy.com with a copy to investors@crisil.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. Mr Makarand Joshi, practicing company secretary, has been appointed Scrutiniser to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall, within a period not exceeding three working days 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. Mr John Berisford:

Mr John Berisford (age 55 years) was appointed as a director of the Company w.e.f. July 19, 2016.

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

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 the Company. 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 the Company's focused 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 labor and industrial relations from West Virginia University.

Mr Berisford is a director in Standard & Poor's Financial Services LLC, S&P Global Real Estate Inc., S&P Global International LLC and Standard & Poor's Credit Market Services Europe Limited.

Mr Berisford is a member of the Nomination and Remuneration Committee of the Board of Directors of CRISIL Limited.

Mr Berisford 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 Berisford's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

### 2. Ms Arundhati Bhattacharya:

Ms Arundhati Bhattacharya, (age 62 years) was appointed on the Board of CRISIL Limited as an additional director, in the capacity of Independent, Non-Executive Director of the Company.

Ms Arundhati Bhattacharya has 40 years of rich experience in India's financial sector, working across varied roles and diverse national & international locations. She held the distinguished position of being the first-ever woman Chair of State Bank of India, a Fortune 500 company, for four years. Ms Bhattacharya has expertise and deep understanding of all aspects of banking spanning the domains of credit, forex, treasury, retail operations, mergers and acquisitions, besides the capital & bond markets.

Most significant among her work is State Bank of India's technology agenda to embrace digital and mobile presence. Under her leadership, the bank was adjudged one of India's top 3 Best Places to work in India by leading Global Job site 'Indeed'. Other notable initiatives during her Chairmanship include the overhauling of the Bank's risk structure and implementation of various technology tools for this purpose, as well as enhancing enterprise wide risk awareness and sensitivity. She also engineered the merger of the mother Bank with its six Associate banks creating an entity three times the size of its nearest competitor.

Forbes ranked her 25th in their list of "Most Powerful Women in the World" and 5th in "Most Powerful Women in Finance" in 2016. She also featured in the Fortune's '50 globally most powerful women in business' and ranked among the top 5 in the Asia-Pacific region. She was one of the two Indians among Foreign Policy Magazine's '100 Global Thinkers' in 2014. She ranked 26th in the fourth edition of Fortune's 'World 50 Greatest Leaders', becoming the only Indian corporate leader to be featured in the list.

Before taking charge as Chairman, Ms Bhattacharya had a short stint as MD & CFO of the Bank. She was

also MD & CEO of SBI's investment banking arm, SBI Capital Markets. Earlier as Chief General Manager (New Businesses), Mrs. Bhattacharya was involved in setting up several new companies / initiatives of the Bank including SBI General Insurance, SBI Macquarie Infrastructure Fund and SBI SG Securities Ltd.

Ms Bhattacharya is a postgraduate degree holder in English. She is also an Associate of the Indian Institute of Bankers.

Ms Bhattacharya is a director in Piramal Enterprises Limited, Reliance Industries Limited, Wipro Limited and SWIFT India Domestic Services Private Limited.

Ms Bhattacharya 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 Bhattacharya'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. 4:**

The Board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee, has appointed Ms Arundhati Bhattacharya (DIN: 02011213) on October 16, 2018, 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. Ms Bhattacharya 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 her candidature for the office of Director of the Company.

Brief profile of Ms Arundhati Bhattacharya and her other directorships has been included in this Notice.

The Company has received a declaration from Ms Bhattacharya stating that she 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).

The details of Ms Bhattacharya's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report. Ms Bhattacharya 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.

Copy of the draft letter of appointment of Ms Bhattacharya 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.

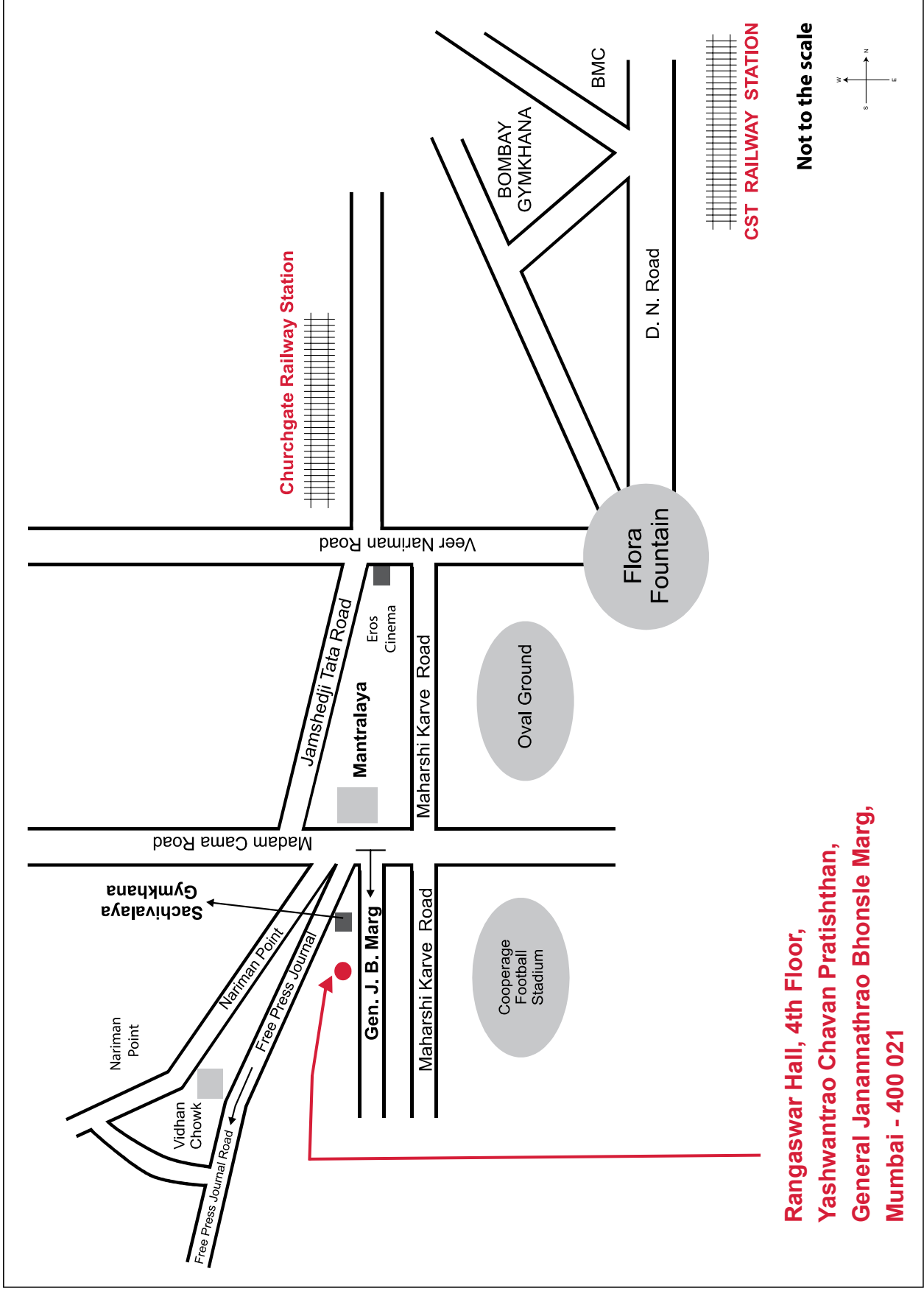
The Board of Directors considers it in the interest of the Company to appoint Ms Bhattacharya as an Independent Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Ms Bhattacharya, is in any way, interested or concerned in this resolution. The Board recommends the resolution set forth in item No. 4 of the notice for approval of the members.

By order of the Board  
For **CRISIL Limited**

**Minal Bhosale**  
Company Secretary  
ACS 12999

Mumbai, February 12, 2019

# ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING



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# 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](http://www.crisil.com); e-mail: [investors@crisil.com](mailto: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 : ....., or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company to be held on Wednesday, April 17, 2019 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. Re-appointment of Mr John Berisford

#### Special Business:

4. Appointment of Ms Arundhati Bhattacharya as an Independent Director,

Signed this ..... day of ....., 2019  
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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# Office Locations

## Registered Office

CRISIL House,  
Central Avenue,  
Hiranandani Business Park, Powai,  
Mumbai 400 076, India  
Phone : +91 22 3342 3000  
Fax : +91 22 3342 3001

## Argentina

### Buenos Aires

CRISIL Irevna Argentina S.A.  
Avenida del Libertador General San  
Martin  
174, 1st, 5th & 10th floor. Vicente López,  
Buenos Aires, Argentina  
Phone : +54 11 4718 5100  
Fax : +54 11 4837 7667

## Australia

### Sydney

Level 26  
44, Market street  
Sydney NSW 2000

## China

### Hangzhou

CRISIL Irevna Information Technology  
(Hangzhou) Co. Ltd.  
1603 & 1606, Hengxin Mansion, #588,  
JiangNan Road, Binjiang  
Hangzhou 310052  
Phone : +86 571 8106 9801  
Fax : +86 571 8106 9802

## Hong Kong

Level 19, Two International Finance  
Centre,  
8 Finance Street, Central,  
Hong Kong  
Phone : +852 3101 7306  
Fax : +852 2251 1618

## India

### Ahmedabad

Unit No. 706, 7th Floor,  
Venus Atlantis, Prahladnagar, Satellite,  
Ahmedabad 380 015  
Phone : +91 79 4024 4500  
Fax : +91 79 4024 4520

### Bengaluru

W - 101, 1st floor, Sunrise Chambers,  
22, Ulsoor Road,  
Bengaluru 560 042  
Phone : +91 80 4244 5399  
Fax : +91 80 4244 5300

## Chennai

Thapar House, Mezzanine Floor,  
No. 37 Montieth Road, Egmore,  
Chennai 600 008  
Phone : +91 44 6656 3100  
Fax : +91 44 2854 7531

3rd & 7th Floors, Tower-II,  
TVH -Beliciaa Towers, Block No.94,  
MRC Nagar,  
Chennai 600 028  
Phone : +91 44 4226 3400  
Fax : +91 44 4226 3520

## Kolkata

3rd floor, Convergence Building,  
Sector 5, Saltlake City,  
Kolkata 700 071  
Phone : +91 33 4011 8200  
Fax : +91 33 4011 8260

## Pune

The Qubix Business Park Pune  
Tower IT 3, Ground & 1st Floor,  
Plot No. 2, Rajiv Gandhi Infotech Park,  
Hinjewadi, Phase I, Pune – 411057  
Phone : +91 20 4200 8000  
Fax : +91 20 4200 8010

1187/17, Ghole Road,  
Shivaji Nagar, Pune 411 005  
Phone : +91 20 4018 1900  
Fax : +91 20 4018 1930

## Gurgaon

Plot No. 46, Sector 44,  
Opp PF Office,  
Gurgaon 122 003, Haryana  
Phone : +91 0124 672 2000  
Fax : +91 0124 672 2001

## Hyderabad

Uma Chambers, 3rd Floor,  
Plot No. 9 & 10, Nagarjuna Hills,  
Near Punjagutta Cross Road,  
Hyderabad 500 082  
Phone : +91 40 2335 8103 - 05  
Fax : +91 40 2335 7507

## Navi Mumbai

Unit 2-2A, 5th Floor, Building 5 and 6,  
MindSpace SEZ, Thane-Belapur Road,  
Airoli, Navi Mumbai 400 708  
Phone : +91 22 6112 5200

## Mumbai SEZ

Unit no. 104 & 201,  
Kensington, A wing, IT/ITES-SEZ,  
Hiranandani Business Park, Powai,  
Mumbai 400 076  
Phone : +91 22 4047 2100  
Fax : +91 22 4047 2045

## Poland

### Wroctaw

CRISIL Irevna Poland Sp. z.o.o  
Renaissance Business Centre,  
w. Mikotaja 7, 50-125 Wroctaw, 6th floor  
Phone : +48 71 3232660  
Fax : +48 71 3232677

## Singapore

Servcorp Business Centre, Level 30,  
Six Battery Road,  
Singapore - 049909

Coalition Development Singapore Pte.  
Ltd.  
60 Robinson Road, # 11-01, BEA Building,  
Singapore 068892  
Phone: +65 6222 1845 / 6227 6123 /  
6227 7180  
Fax: +65 6227 5010 / 6227 2061

## UAE

### Dubai

Pragmatix Services Pvt. Ltd.  
Office No. 607,  
Office Court Building - Unit of RP004,  
Plot 319-108 OUD Metha, Dubai, UAE

## UK

### London

CRISIL Irevna UK Ltd.  
S&P Global 20, Canada Square,  
Canary Wharf, 12th floor,  
London E 145LH  
Phone : +44 0 870 333 6336  
Fax : +44 0 203 207 9100

Coalition Development Limited  
20 Canada Square, 8th Floor,  
Canary Wharf,  
London E14 5LH

## USA

### New York

CRISIL Irevna US LLC  
S & P Global,  
34th Floor, 55 Water Street,  
New York 10041  
Phone : +1646 292-3520  
Fax : +1646 833 1073

CRISIL Irevna US LLC  
Coalition Division  
52nd Floor, Suite 5250,  
Empire State Building,  
350 Fifth Avenue, New York,  
NY 10118  
Phone: +1646 741 4992





**CRISIL**  
An S&P Global Company

**CRISIL LIMITED**

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