

March 23, 2020

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 33rd Annual General Meeting

Kindly be informed that the 33rd Annual General Meeting (AGM) of CRISIL Limited will be held on Tuesday, April 21, 2020 at 4.00 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, 2019 including the Notice of 33rd AGM.

Kindly acknowledge receipt and inform your members accordingly. In case of queries, you may send an email to [investors@crisil.com](mailto:investors@crisil.com) or call on +91-22-33423595.

Yours faithfully,  
For CRISIL Limited



Minal Bhosale  
Company Secretary  
ACS 12999

Encl.: a/a

**CRISIL Limited**

Corporate Identity Number: L67120MH1987PLC042363



# TRUST

Matters



# Inside the report

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# Message from the Chairman

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“ Driven by its core values of integrity, excellence and accountability, CRISIL enhanced its market leadership and gained ground.

”



The year 2019 was a challenging one marked by economic slowdown and increased regulatory scrutiny. Driven by its core values of integrity, excellence and accountability, CRISIL enhanced its market leadership and gained ground.

The ratings business registered strong growth as issuers and investors leaned towards best-in-class analytical quality amid credit events and rising asset quality worries. India Research increased data and credit coverage to over 62,000 companies through the Quantix platform. This enabled market participants to leverage unique datasets and new models to gain differentiated insights.

Coalition's analytics, born out of triangulation of data, industry intelligence, and deep understanding of business, enabled its customers to make strategic decisions with conviction. The business saw sustained demand for its benchmarking analytics among corporate and investment banks, both global and regional.

A shift in assets from active to passive investing, impact of regulation such as MiFID II and IBOR, changing operating models and adoption of cutting-edge technology informed the strategy of our Global Research & Analytics business. The focus during the year

was on fundamental research, building data science capabilities, and pursuing opportunities in the risk change and transformation space.

During the year, we also took another step towards strengthening our position as a leading, agile, global analytics company with the acquisition of Greenwich Associates LLC. Greenwich is a US-based company and leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance.

The collaboration between S&P Global Ratings and CRISIL continues to expand, with the Global Analytical Centre ramping up both ratings support and surveillance coverage.

Our Advisory business won marquee mandates from governments and multilaterals, and continues to play a pivotal role in shaping the infrastructure landscape of India and emerging markets. Our risk assessment models and early-warning systems found greater resonance with banks and non-banks.

Mein Pragati, CRISIL Foundation's flagship program in Assam and Rajasthan, continued to work towards sustaining and deepening the impact

in its second phase with the help of a trained cadre of over 600 community workers, expanding the coverage to over 250,000 women. I am proud to inform you that this program received the prestigious National CSR award from the Hon'ble President of India. We introduced GramShakti, a new certification model that will enable scaling up of this initiative. Further, our environmental conservation efforts also gathered momentum with plantation of over 28,000 trees, taking the employee to trees planted ratio to 1:8.

The company's efforts to provide a diverse and inclusive workspace was recognized for the fourth year in a row by Working Mother & Avtar.

I take this opportunity to thank our employees for their dedication and hard work. I would also like to thank you, our shareholders, for your strong support over the years.

Best wishes for a great 2020!

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

**Our clients range from large corporates to 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 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.





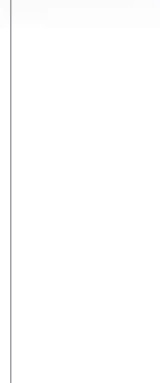
# Board of Directors



**Mr Martin  
Fraenkel**



**Mr Girish  
Paranjpe**



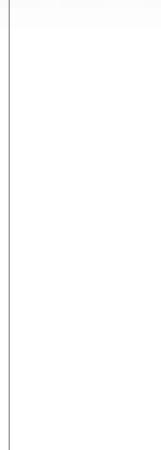
**Ms Arundhati  
Bhattacharya**



**Mr John  
Berisford**



**Ms Ashu  
Suyash**



**Mr M  
Damodaran**



**Ms Vinita  
Bali**



**Mr Ewout  
Steenbergen**

## Mr John 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 it operates in, and Mr Berisford is a director of two of its largest legal entities – Standard & Poor's Credit Market Services Europe Limited and Standard & Poor's Financial Services LLC.

Previously, Mr Berisford served as Executive Vice President of Human Resources for S&P Global Inc (formerly known as The McGraw-Hill Companies). 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 a focused business unit operating model, while strengthening the human resource function with new capabilities to support growth and performance goals.

Before joining S&P Global 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.

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

Prior to SEBI, 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.

Further, he was the Chairman of the Committee for Reforming the Regulatory Environment for Doing Business in India, Ministry of

Corporate Affairs. He was also the first Chairman of the Society and Board of Governors of the Indian Institute of Management - Tiruchirappalli.

At present, Mr Damodaran is an independent director on the boards of some of India's leading companies. He is the founder of Excellence Enablers, a corporate governance advisory firm that focusses on improvement of board performance. He is also the Non-Executive Chairman of Board of InterGlobe Aviation Limited.

## 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 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.

She has worked with eminent multinationals such as The Coca-Cola Company and Cadbury Schweppes PLC in a variety of marketing, general management and chief executive roles in the UK, Nigeria, South Africa, Latin America, and the USA, in addition to Britannia Industries Ltd in India.

Effective April 2014, she 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. She has 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, 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.

She 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.

She 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 is a co-promoter of Exfinity Venture Partners, a venture fund which invests in tech start-ups. He is a General Partner at Exfinity and a member of the Investment Committee.

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.

Mr Paranjpe is an Operating Partner in Advent International, a Boston-

headquartered private equity firm. He is also on Advent's advisory board and serves on the boards of two Advent-invested companies – Dixcy Textiles and ASK Investment Managers. He also serves as an Independent Director on the Board of Axis Bank.

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 rich experience of 40 years in India's financial sector, having worked in 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.

She has expertise in and deep understanding of all aspects of banking, including credit, forex, treasury, retail operations, mergers and acquisitions, and the capital and bond markets.

Among her most significant work is SBI's technology agenda to forge a 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 included overhauling the bank's risk structure and implementing 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.

## 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, digital infrastructure and Kensho.

Prior to 2016, when he was appointed CFO of S&P Global, he was the Executive Vice President and CFO of Voya Financial Inc. Before that, he was

the CFO and Chief Risk Officer, 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 Martin Fraenkel

### DIRECTOR

Mr Martin Fraenkel is President of S&P Global Platts, a division of S&P Global and the leading independent provider of information and benchmark prices for the commodities and energy markets. Based in London, Mr Fraenkel is a member of the S&P Global Operating Committee.

He was appointed President of Platts in September 2016, having joined as Global Head of Content in 2015.

Previously, he served as Managing Director and Global Head of Energy at CME Group. Before that, he held senior roles managing global sales and trading businesses for top-tier

investment banks such as Credit Agricole CIB, NM Rothschild and Dresdner Kleinwort as Global Head of Commodities and for JP Morgan Chase as Global Head of Energy, Agriculture and Base Metals Trading and Head of Commodities for EMEA. He has also provided consulting services to leading exchanges, hedge funds, trade houses and proprietary traders.

Among other highlights, Mr Fraenkel has chaired the London Gold Market, the operator of the global gold price benchmark, and served on the board of the London Bullion Market Association. He began his career in New York in 1984 as a base metals trader.

He has an MBA from INSEAD in Fontainebleau, France, a Master's degree from the School of Advanced International Studies of The Johns Hopkins University in Washington, DC, USA and Bologna, Italy; and a Bachelor's degree in Philosophy, Politics and Economics from Balliol College, University of Oxford, UK.

He is a Trustee of the Endowment of the Wiener Library, London.

## 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, she 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 Primary Market Advisory Committee

of SEBI. She is also a member of the Governing Board of National Institute of Securities Markets, established by SEBI. She 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

**Sanjay Chakravarti**

Chief Financial Officer

**Anupam Kaura**

President - Human Resources and Administration

**Ramesh Lakshminarayanan**

Chief Information Officer

**Pawan Agrawal**

Chief Risk Officer

**Gurpreet Chhatwal**

President – Ratings

**Dimitri Londos**

President – Global Research & Analytics

**Stephane Besson**

Chief Executive Officer – CRISIL Coalition

**Sameer Bhatia**

President – Infrastructure Advisory, Business Intelligence and Risk Solutions

**Subodh Rai**

Senior Director – Ratings

**Priti Arora**

Business Head – Global Analytics Centre & Chief Strategy Officer

**Maya Vengurlekar**

Senior Director – CRISIL Foundation and Marketing & Communication

## Board Committees

### Audit Committee

**M. Damodaran**

Chairman

**Vinita Bali****Girish Paranjpe****Martin Fraenkel**

### Nomination and Remuneration Committee

**Vinita Bali**

Chairperson

**M. Damodaran****John Berisford**

### Stakeholders' Relationship Committee

**Arundhati Bhattacharya**

Chairperson

**Ewout Steenbergen****Ashu Suyash**

### Corporate Social Responsibility Committee

**Vinita Bali**

Chairperson

**Girish Paranjpe****Ashu Suyash**

### Risk Management Committee

**Girish Paranjpe**

Chairperson

**Arundhati Bhattacharya****Ashu Suyash**

### Company Secretary

**Minal Bhosale**

### Statutory auditors

**Walker Chandiok & Co LLP**

### Solicitors

**Wadia Ghandy & Co**

### Main Bankers

ICICI Bank

Citibank

The Hongkong and Shanghai Banking Corporation

### Share transfer agent

KFin Technologies Private Limited  
Selenium Tower B, Plot 31-32  
Gachibowli Financial District  
Nanakramguda, Hyderabad - 500 032  
Email: einward.ris@kfintech.com  
Phone No: +91 40 6716 2222  
Toll Free No: 1800 34 54 001

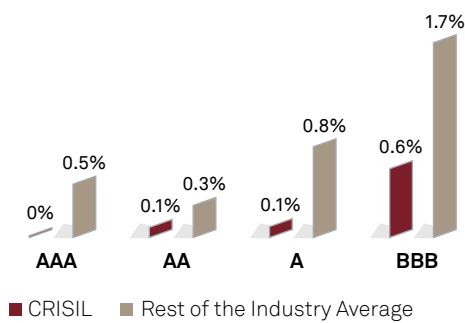
### Registered office

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

# When the credit environment is volatile, reliability is paramount.



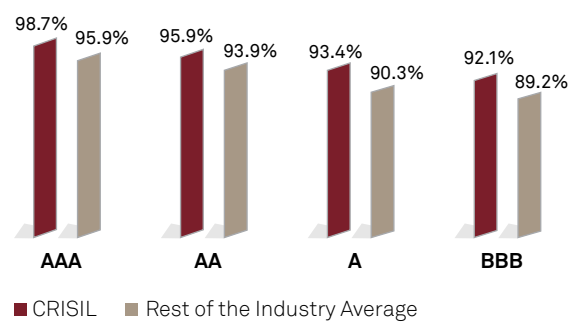
Sustained **lowest default rates** in the industry, improved year-on-year performance



**Note:** The chart represents 1-year average default rates for the five year period April 2014 to March 2019.



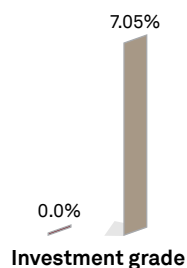
Demonstrates **stability rates** that are robust and best in the industry



**Note:** The chart represents 1-year average stability rates for the five year period April 2014 to March 2019.



**Lowest percentage of sharp rating actions** - defined as >3 notches by SEBI - from investment grade



■ CRISIL ■ Rest of the Industry Average

**Note:** The chart represents sharp rating actions for the six months ended September 30, 2019 as percentage of investment grade ratings outstanding.



Banks that account for **over 90% of assets in Indian banking sector**, actively use **our research for credit decisions**

\* Default rate, stability rate and sharp rating actions are widely accepted metrics for assessing quality of ratings and are also required to be disclosed by the regulator. Rest of the industry average is a simple average for four largest credit rating agencies, based on respective regulatory disclosures.

## TRUST Matters



# Corporate Overview

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# A

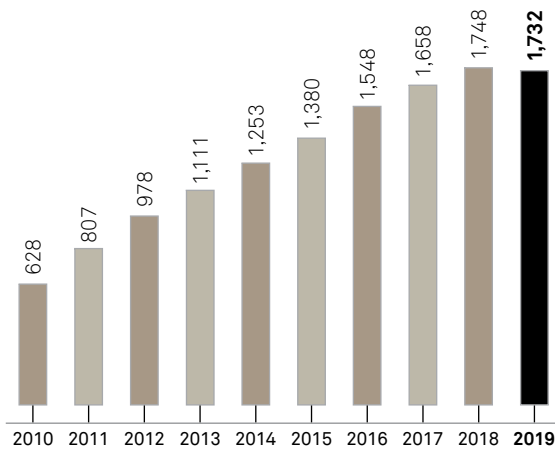
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# Performance Highlights

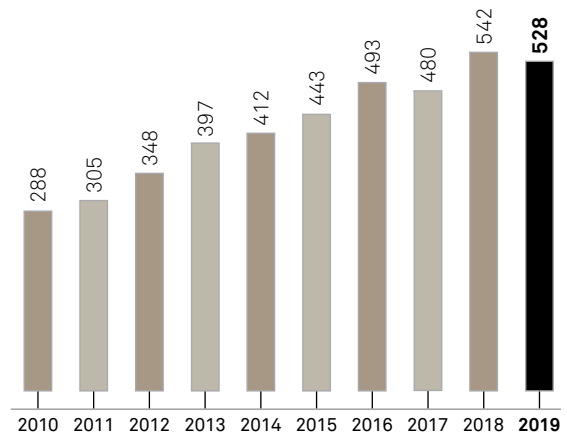
## Income from operations\*

Rupees in crores



## Profit before depreciation and tax\*

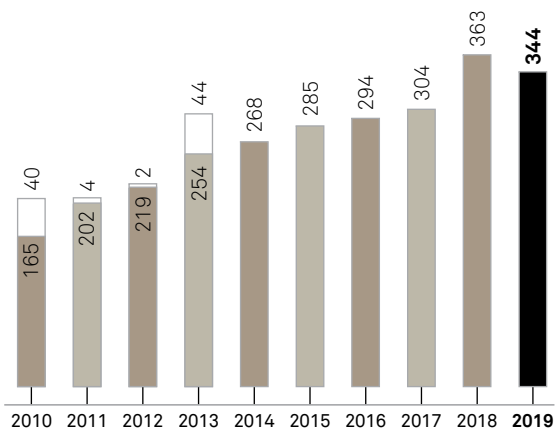
Rupees in crores



## Profit after tax\*

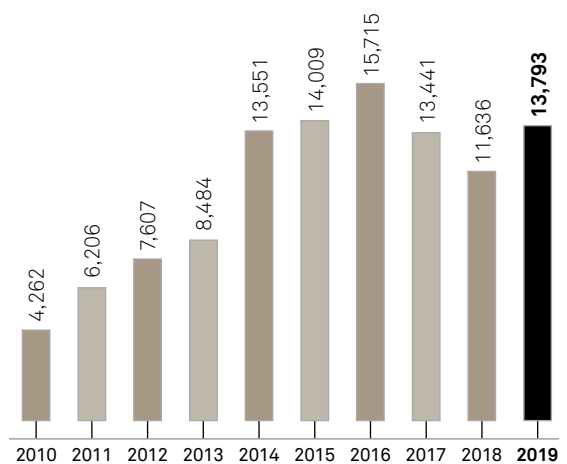
Rupees in crores

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



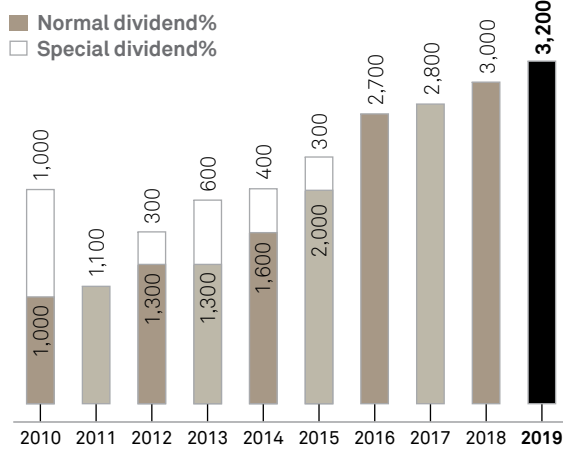
## Market capitalisation

Rupees in crores



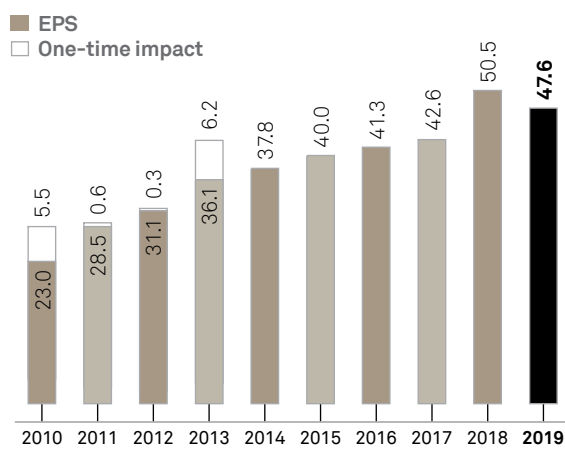
### Dividend

in %



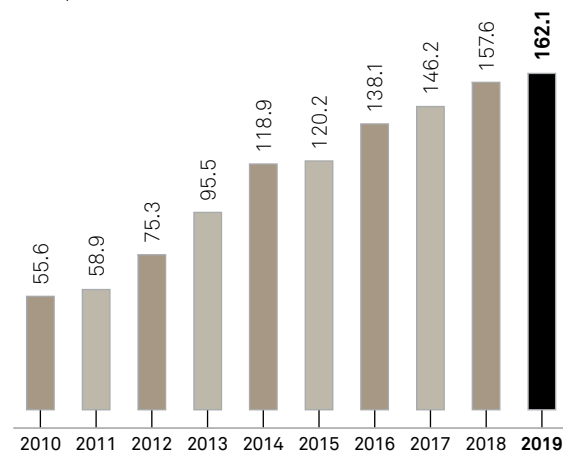
### Earnings per share\* (EPS)

in Rupees



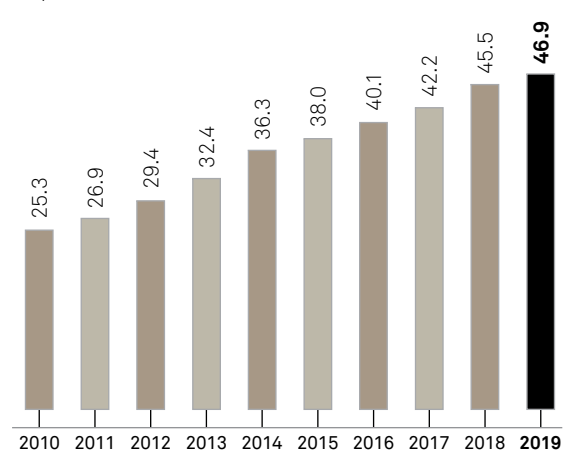
### Net worth per share\*

in Rupees



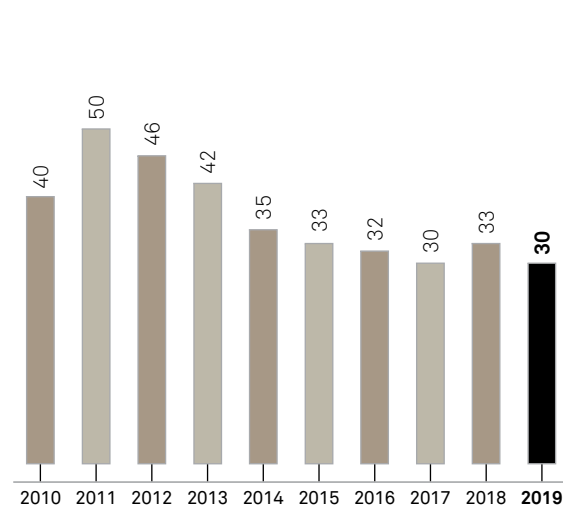
### Income per employee

Rupees in lakhs



### Return on average net worth

in %



\*Figures for 2019, 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 **33,000 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 graded and assessed over 150,000 MSMEs in India. Through our Global Analytical Centre (GAC), we provide analytical, research and data services to S&P Global Inc (SPGI) globally. GAC partners

with S&P Global Ratings Services (SPGRS) on data analytics, research and analysis, modelling assignments, risk and regulatory services, sales and marketing support, tech enabled solutions and improving workflow efficiencies. GAC operates as a centralised research and analytics hub for SPGRS teams spread across US, EMEA and APAC regions.

## CRISIL Global Research & Analytics (GR&A)

We are a leading and top-ranked provider of high-end research and risk solutions, with a client base of more than **75 global banks, 55+ buy-side firms, insurance companies, corporations, consulting firms, private equity and asset management firms.**

We are the world's leading provider of equity and fixed-income research support to banks and foremost provider of end-to-end risk management, analytics and process re-engineering services to trading, risk and finance management functions at the world's leading 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, 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, including several global

and domestic systemically important financial institutions.

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

## CRISIL Coalition

We are a leading benchmarking analytics 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 areas: Competitor Analytics, Financial Resources Analytics, Client Analytics, and Country Analytics. Our team of industry experts assist clients to increase their revenue share and strengthen market position.

Our competitive performance analytics includes revenue and headcount productivity analytics. The financial resources analytics offering includes operating cost and margin analytics, and risk-weighted assets (RWA), exposure and returns analytics. Coalition's client analytics offering includes franchise revenue

pools, wallet, and share of wallet for 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 revenue, and country-wise client wallet analytics.

## CRISIL Research

**As the leading, independent research house, we are India's prominent provider of economy and industry research, with coverage across 77 sectors.**

We work with nearly 1,200 Indian and global clients, including 90% of India's banking industry by asset base, 15 of the top 25 Indian companies by market capitalisation, all Indian mutual fund 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 mutual funds, insurance, alternate investment funds (AIFs), corporate

and banking industries, valuing over \$1.88 trillion of Indian debt securities. We maintain over 96 standard indices in India and 13 in Sri Lanka as well as 100+ customised indices. We provide due diligence and ranking services to mutual funds and insurers. Also, with deep domain expertise built over the years, we offer tailor made solutions to clients for their training and skill development needs.

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. We have launched Quantix – the most comprehensive, differentiated, and client-centric data platform that offers high-end analytics and tools.

## CRISIL Infrastructure Advisory

**We are a leading advisor to governments and regulators, multilateral agencies and investors. We help shape public policy and enable infrastructure development.**

We offer a wide array of services across the infrastructure development cycle. 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, and strategic advice, programme management, including tech-enabled 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 Business Intelligence & Risk Solutions (BIRS)

**BIRS is uniquely positioned to be a leading global risk and analytics solution provider to help banks and financial institutions, offering insights to enable business performance.**

Our expertise in executing and managing diverse risk-related engagements globally, combined with deep domain knowledge of processes and best practices across the entire BFSI spectrum, enables innovative solutions that aid decision making across corporate and investment banking, commercial and retail

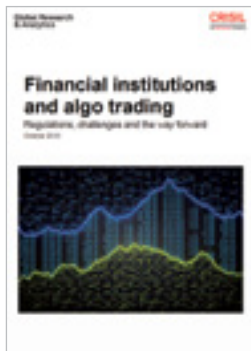
banking, cards, asset management, and insurance domains.

Our proprietary technology platform, combined with deep business domain knowledge, helps us deliver best-in-class solutions in all key functional areas, including risk management, sales and marketing, financial control

and reporting, regulatory compliance and governance. The solutions are designed to provide advanced insights into data with an emphasis on actionable intelligence, ensuring clients' take data-driven decisions to achieve business objectives globally.

# Reports & Publications

## Global markets



### Financial institutions and algorithmic trading

A deep dive into regulations, challenges and the way forward for algorithmic trading, or electronic trading of financial securities.



### Next steps on the IRB models journey

This report examines the implications of the European Banking Authority's (EBA) progress report on the IRB roadmap.



### EBA stress test, 2020

In December 2018, the EBA announced that the next European Union (EU)-wide banking stress test will be held in 2020. The objective of this paper is to analyse the changes in the EBA methodology, data and scope for the 2020 stress test.



### Libor transition

The global financial industry is currently in a substantial transition because of the planned discontinuation of the London Interbank Offered Rate (Libor) targeted for 2021. The report offers a detailed look into implementation challenges and the current industry proposals.

■ [Read more](#)

## Indian economy



### Whither inflation?

The report covered the key aspects of India's headline inflation, measured by Consumer Price Index (CPI).



### States of growth 2.0

The report is a scorecard, and the workout on how each state got to where it has.

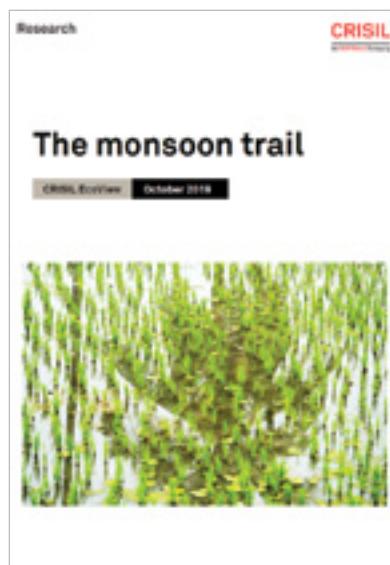
■ [Read more](#)



■ [Read more](#)

### CRISIL India Outlook - Uphill trek

With the Indian economy caught in crosswinds, our GDP forecast revision factors in a triangulation of downside risks: inadequate monsoon, slowing global growth, and sluggish high-frequency data.



### The monsoon trail

Southwest monsoon 2019 started with a whimper and ended with a bang. The key takeaways at the end of the flip-flop included some crop loss, higher food prices, and plenty of water for rabi.

## Industry & corporates



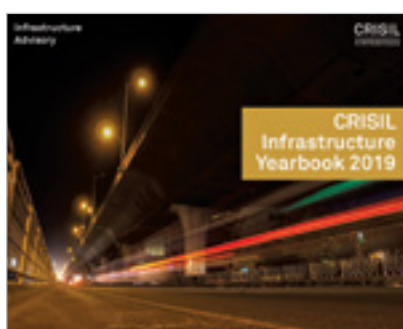
### Choppy waters - US-India trade in times of rising protectionism

This report delves into trends in US-India trade over the past five years.

### Tax s(h)aving

CRISIL released this report to offer an analysis on the government's bold reform of corporate tax cut in the wake of an impending slowdown

■ [Read more](#)



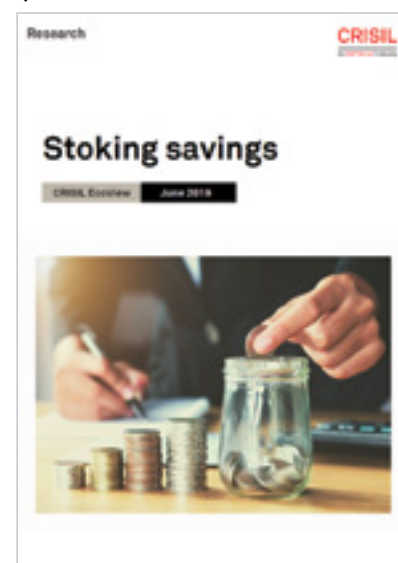
### CRISIL Infrastructure Yearbook 2019

The annual CRISIL Infrastructure Yearbook has become a benchmark national publication that has contributed to shaping policies and improving the infrastructure ecosystem.



### The AAA ratings debate 32° Fahrenheit ≠ 32° Celsius

Amidst all the debate about the relatively large number of AAA ratings assigned by Indian credit rating agencies (CRAs), this report highlights how the global and national rating scales serve different needs. It also underscores how absolute number of AAA ratings does not indicate quality, but default and stability rates do.



# Franchise Highlights



◀ **CRISIL hosted the fourth annual India Outlook seminar titled 'Tracing the grind-up' in Mumbai,** providing holistic forecasts and insights into India's macroeconomic indicators, commentary on expected credit behaviour and outlook on various sectors and industries.

► [Watch now](#)

Mr Paul Gruenwald, Chief Economist, S&P Global Ratings; Ms Ashu Suyash, MD & CEO CRISIL, and Mr. D K Joshi, Chief Economist, CRISIL address the audience at the India Outlook event.



◀ **CRISIL Ratings successfully hosted its 4th annual seminar on the non-banking financial companies (NBFCs) sector titled 'The NBFC Reset – Re-orienting Business Models Amid Headwinds'.** This event was a part of our unique platform 'CRISIL Fin Insights', which aims to foster dialogue and discussion on developments in the banking and financial space in India.

► [Watch now](#)

Panel discussion on 'The NBFC Reset – Re-orienting business models amid headwinds' in progress. L-R Mr Dinanath Dubhash, Managing Director & Chief Executive Officer – L&T Finance Holdings, Mr Rashesh Shah, Chairman, Managing Director & Chief Executive Officer – Edelweiss Group, Mr Gurpreet Chhatwal, President, CRISIL Ratings, Mr Nirmal Jain, Chairman – IIFL Group, Mr T T Srinivasaraghavan, Managing Director – Sundaram Finance and Mr Nilesh Shah, Managing Director – Kotak Mahindra AMC



◀ **CRISIL Research was a knowledge partner for Pension Fund Regulatory Authority of India's (PFRDA's) fifth International Pension conference, themed 'Options for creating sustainable pension systems in emerging markets'.**

Mr Amish Mehta (extreme left), Chief Operating Officer, CRISIL, releasing the knowledge report along with Shri Hemant Contractor (centre), Chairman, PFRDA, and other eminent guests



**CRISIL and S&P Global Ratings** jointly hosted the annual **India Credit Spotlight Seminar in Singapore**. The event aimed to provide insights into various sectors and touched on key issues in the Indian markets.



L-R Mr Amish Mehta, Chief Operating Officer, CRISIL; Shri Nitin Gadkari, Minister for Road Transport & Highways of India and Ministry of Micro, Small and Medium Enterprises, Government of India; and Mohammad Mustafa, MD & Chairman, SIDBI, at the award event

CRISIL was the knowledge partner for the SIDBI-ET India MSE Awards, a platform for recognising and rewarding performers among micro and small enterprises for outstanding achievements in both manufacturing and services sectors.



Shri Nitin Gadkari, Minister for Road Transport & Highways of India and Ministry of Micro, Small and Medium Enterprises, Government of India and Mr Sameer Bhatia, President, CRISIL Infrastructure Advisory address delegates at the CRISIL India Infrastructure Conclave

**CRISIL Infrastructure Advisory** hosted the third edition of **CRISIL India Infrastructure Conclave** in New Delhi, which focused on 'The 'Central' role of States in India's Infrastructure Build-out'.

[▶ Watch now](#)

**CRISIL Ratings was the knowledge partner at the 'National Summit for Asset Reconstruction 2019 - Way to \$5 Trillion Economy' organised by ASSOCHAM.**

The objective of the conference was to bring together industry leaders and discuss the importance of asset reconstruction companies (ARCs) and the role of ARCs in India.



Mr Gurpreet Chhatwal, President, CRISIL Ratings, released the joint report in the presence of Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs and Shri Siby Antony, Chairman, ASSOCHAM National Council for ARCs





Mr Nagarajan Narasimhan (extreme right), Senior Director & Business Head, CRISIL Research, launched the Mutual Fund Industry fact book titled 'SIP-Shape - Retail investors catalysing growth of mutual funds in India', along with chief guest Shri Ajay Tyagi, Chairman, SEBI, and other eminent guests

CRISIL Research was a knowledge partner at the annual Mutual Fund Summit of the **Association of Mutual Funds in India**, held in Mumbai.

**CRISIL Infrastructure Advisory** participated in the **Third Roundtable on Infrastructure Governance and Tools organised by the World Bank**, along with G20 GIH, Korea EximBank in Korea.



Ms Ashu Suyash, MD & CEO, CRISIL, presenting at the Morgan Stanley summit

Ms Ashu Suyash, CEO & MD CRISIL, speaks about **“Financial Sector: Passing Potholes”**, at Morgan Stanley’s Twenty first Annual India Summit in Mumbai.

**CRISIL Ratings** participated in the fourth conference on 'InvITs and REITs: Issues and Opportunities', held in Mumbai. The discussion focused on recent trends and experience in the private equity space, new opportunities in various infrastructure sectors, and the challenges and future prospects.



CRISIL team in discussion with senior industry professionals from the investment banking and financial services industry

CRISIL GR&A and Professional Risk Managers’ International Association (PRMIA) jointly hosted an event for a peer-to-peer discussion focusing on ‘Challenges and Impact of LIBOR Transition’, London.

CRISIL GR&A participated in the one-day session on 'Machine Learning in Finance', organised by Eurobanking 2019, held in Utrecht, the Netherlands.



Mr Amit Prakash, Head of Market Utilities, CRISIL, along with Mr Stephen Knights, Director, CRISIL GR&A and Mr Nageswara Ganduri, Director, CRISIL GR&A, spoke on 'Industry Risk Ecosystems', at the 'Technology Risk and Operational Resilience Summit' in RiskMinds International 2019

CRISIL was an exhibiting sponsor at the **RiskMinds International 2019** conference, organised by Informa Connect, in Amsterdam.



Coalition hosted its first annual roundtable breakfasts during the year, with presentations on the regional landscape for corporate investment banks across EMEA and the Americas.



Mr Ramesh Lakshminarayan, Chief Information officer, CRISIL, along with other panellists at the event

CRISIL's Chief Information officer was a speaker at Forbes' India Innovation Dialogues event held in Mumbai. The theme of the event was 'From sci-fi to reality: The journey of cloud, IoT, AI and ML.'

**CRISIL GR&A** hosted an industry discussion titled '**Implementing Model Risk Management (MRM) Practices at Insurers' in New York.**

The panel discussion was structured around key issues such as adoption and scope of MRM, model governance and workflow management initiatives and to discuss some of the best practices adopted by the industry.



Ms Maya Vengurlekar, COO, CRISIL Foundation, participated in the panel discussion titled, 'Financial Inclusion - The Digital Push'

**CRISIL Foundation** participated in the Digital India Summit in Delhi. We spoke about the role of the digital ecosystem in driving financial inclusion in the country.

# Employee Engagement Initiatives

## S&P Global Board's visit to India



Uday Kotak, Managing Director, Kotak Mahindra Bank and Doug Peterson, President & Chief Executive Officer, S&P Global, at a client dinner event in Mumbai.



(L to R) John Berisford, President, S&P Global Ratings and Chairman – CRISIL, with Members of the S&P Global Board, Stephanie C. Hill, William D. Green and Charles E. Haldeman, Jr., Non-Executive Chairman of the Board, S&P Global Inc., at a panel discussion at the Employee Town Hall.

^ The S&P Global Board of Directors visited India in 2019. This was the first time that the S&P Global Board Meeting was held in India. The Board and Operating Committee members also spent time visiting the CRISIL office in Mumbai, and meeting employees and clients over two days. The visit underlined India's importance in the plans of S&P Global.

## Employee connect



Team Argentina was honored by the visit of His Excellency, Mr Dinesh Bhatia, India Ambassador Extraordinary and Plenipotentiary to the Republic of Argentina, Uruguay and Paraguay during Diwali celebrations.

◀ Teams across the globe came together to celebrate **Diwali, Halloween, Navratri and Christmas.**

## Recognising talent



The CEO Awards winners of 2019 with the senior leadership team

◀ The **CEO Awards** celebrated outstanding contributions made by employees who exemplify the culture of excellence at CRISIL. In 2019, **33** employees were awarded across **09** categories.

Over 44 associates graduated as the eleventh batch of **CRISIL Certified Analyst Programme (CCAP)**, a two-year intensive work-cum-study programme aimed at developing world class finance professionals for various analyst roles in CRISIL and industry.

**Awards and recognition**



CRISIL won the prestigious **National CSR Award 2018** under the category 'CSR in Challenging Circumstances' for social impact in the North East. We have received this recognition for CRISIL Foundation's flagship programme on financial inclusion, Mein Pragati, Assam. The award has been instituted by the Ministry of Corporate Affairs, Government of India.



◀ **Business Today and Fortune India**, India's leading business magazines, featured Ms Ashu Suyash, MD & CEO, CRISIL, as one of the Most Powerful Women in business in their respective annual lists. Both magazines recognised that despite the challenging environment in the Indian credit ratings industry, CRISIL stood tall with Ms Suyash at the helm.

CRISIL won the 2019 Working Mother & Avtar PUTHRI Award for Excellence in CSR and was also recognised as one of the 100 Best Companies for Women in India in 2019 for the fourth consecutive year at the same forum.

CRISIL won the SAP ACE Award 2019 under the category 'Best Implementation in Strategic HR & Talent Management'.

**Commitment to diversity and inclusion**



Our colleagues across the globe came together to celebrate International Women's Day. We also launched the S&P Global campaign, #ChangePays. The campaign sought to increase awareness and advance the discussion about the benefits of greater participation by women for a more inclusive workforce.



◀ For the second year in a row, our colleagues from the Argentina office volunteered for a non-profit civil association that works for the integration and improvement of people with special abilities. They volunteered to bake sweet breads and donated it to public shelters in need of food donations.

**Learning and development**



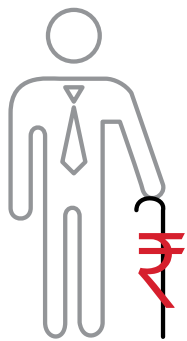
L-R Pawan Agrawal, Chief Risk Officer, CRISIL; Anupam Kaura, President HR, CRISIL; Somshekhar Baksi, Director, CRISIL; Ashutosh Jain, Chief Information Officer, Axis Bank; Gaurav Ahuja, Director, CRISIL.

◀ CRISIL hosted a session on '**Building a robust risk culture**' in Mumbai. The session was aimed at increasing awareness around building a robust risk management culture and combating cyber threats. It was followed by an engaging fire side chat that covered various trends in data security and Cyber security.



CRISIL has taken several steps to become an innovative global analytics company. We organised our first '**Technology Day**' in collaboration with new age start-ups. At the event, we showcased capabilities for key solutions which could be leveraged to propel our transformation agenda.

# When it's about the future, dependability is the key.



CRISIL Research has helped **benchmark and monitor investment performance of Employees Provident Fund (EPF) and National Pension System (NPS)** portfolio managers for the last **12** and **7** years respectively.



Our insights and opinions support the **Employees Provident Fund Organisation (EPFO)** in **investment policy formation and review.**



Our intelligence covers retirement savings for a **population of over 20 crore.**

## TRUST Matters



# **Corporate Social Responsibility**

# Corporate Social Responsibility

CRISIL's policy on corporate social responsibility (CSR) drives our engagement with socially and economically disadvantaged sections in society. Over six years, CRISIL Foundation has established a strong base through flagship projects, **Mein Pragati**, for financial capability building, and **CRISIL Re**, which is focused on environment conservation.

## 1. Mein Pragati in Assam

Mein Pragati was launched in Assam in 2015. CRISIL Foundation works with project implementation partner Rashtriya Gramin Vikas Nidhi to empower rural women in six districts of Assam – Barpeta, Darrang, Goalpara, Kamrup, Morigaon and Nalbari. Phase I of the programme empowered 1 lakh women from over 9,000 Self Help Groups (SHGs) in rural Assam through multi-touchpoint financial literacy workshops.

The programme entered its second phase in 2018, with the goal to strengthen, sustain and expand the impact created in Phase I by:

- Developing a strong community cadre – Sakhi – which will continue supporting the community to build financial capabilities beyond 2020
- Continuing engagement with women beneficiaries covered in Phase 1
- Expanding outreach to other members in these communities with a focus on driving long-term behavioural change



Sakhi, Bina Das (centre), educates her community members about relevant financial linkage schemes.

### Sustaining a robust cadre of community workers, the Sakhis

The Sakhi cadre was created to drive long-term behavioural change in personal finance, 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.

Through extensive research, the Foundation defined a "basket of services" to include diverse products/ services, and has trained the Sakhis for doorstep-based service delivery. This enabled significant cost savings for villagers when accessing government schemes. Majority of the Sakhis are actively driving linkages and earning income through a 'service fee model' and guided rate card for these services.

## Early, visible signs of success

The Sakhi model for community outreach has demonstrated efficacy. Continuous focus on building the Sakhis' capacities has also resulted in steady growth in their income, the community's improved access to services, and their enhanced credibility and acceptance in their villages. There is visible demand for the Sakhi – the cadre is trusted, and is the key channel promoting government

schemes, validating its acceptance by the community. The Sakhi has also emerged as a powerful model of convergence, being a primary point of contact for linkages to financial products and services, as also to government welfare schemes.

Independent midline assessment through a third-party agency<sup>1</sup> has also verified the on-ground impact.

## Focus on deepening impact in a sustainable manner

To further augment the impact of Mein Pragati, the basket of services and schemes have been expanded to include a comprehensive database of social security and welfare schemes, such as the PM Fasal Bima Yojana, and scholarships, resulting in higher economic value for the beneficiary and higher service fee for the Sakhis.

To enhance the institutional ecosystem and to keep the intervention sustainable, almost 78% or 7,402 of the self-help groups (SHGs) of the 9,383 SHGs have been linked to the Assam State Rural Livelihood Mission platform.

With the objective of creating sustainable livelihood for Mein Pragati beneficiaries, livelihood pilots were conducted in specific locations.

- **Areca-nut plate manufacturing** – to establish a community-owned, operated and managed areca-nut plate manufacturing unit
- **Eri Silk cultivation** – to establish a community-owned, operated and managed Eri Silk producing unit and move up the value chain (cocoon – yarn – yardage – apparel)
- **Handloom** – to set up backward (production) and forward (marketing) linkages

Eri Silk and handlooms have now been scaled up through partnerships with Rashtriya Gramin Vikas Nidhi, Grameen Sahara and Tata Trusts. Support in Eri Silk has been extended to cover 500 new beneficiaries. For handloom, Mein Pragati will create independent weaver-entrepreneurs in collaboration with Tata Trusts, supporting 250 weavers for the next three years.



| A beneficiary of Mein Pragati cultivates castor plants to produce eri silk.

## Impact and outreach as on December 31, 2019\*



**Assam**  
(Barpeta, Darrang, Goalpara, Kamrup, Morigaon, and Nalbari)

### Sakhi cadre

**413**

Active Sakhis

**2,08,814**

Outreach

### Linkages enabled by Sakhis' basket of services

**1,29,000**

Financial linkages

**38,479**

Government scheme linkages

**7,557**

Livelihood linkages

**52,087**

PAN card applications

\*Cumulative data from April 1, 2018

<sup>1</sup>Midline impact assessment conducted by Prime M2i Consulting Pvt Ltd in October-November 2019.



## 2. Mein Pragati in Rajasthan

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.

In its first phase of implementation, from May 2016 to August 2018, Mein Pragati in Rajasthan reached out to over 60,000 rural women who are members of Self Help Groups (SHGs). From August 2018, the project advanced into Phase II, implemented directly by CRISIL Foundation in Alwar and Dausa.

Phase II of the project focused on sustainable impact and ensuring the community has the need-based handholding support at its doorsteps. The key objectives of Phase II in Rajasthan are:

- Consolidate the programme in areas where density of Phase I participants and SHGs were higher to achieve deeper and more meaningful intervention
- Develop a strong cadre of Sakhis which will continue to support the community in building financial capabilities after 2020
- Expand outreach to other members in these communities with focus on driving long-term behavioural change



Members of a self-help group enroll in social security schemes in Sonad village, Dausa.

### Last-mile Sakhi cadre creating value for the community

The last mile cadre, the Sakhis, has been successful in creating awareness and access to banking and financial services as well as government schemes in Rajasthan. The field staff trained and guided 294 Sakhis to reach out to communities in 230 villages for awareness and handholding support to access services.

Phase II of the project is also focused on covering all SHGs in the implementation villages and non-SHG member households. The presence of one Sakhi per village, sometimes more in a large village, who attend all SHG meetings in a month, has been instrumental in enabling outreach. This has also resulted in closer convergence with RGAVP (Rajeevika), Rajasthan's rural livelihood mission.

### Impact and outreach as on December 31, 2019\*

Rajasthan  
(Alwar and Dausa)



#### Sakhi cadre

**294**

Active Sakhis

**65,874**

Outreach

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

**10,046**

Linkages to banking, financial products and services, and government schemes

\*Cumulative data from September 1, 2018

### 3. MoneyWise Centres for Financial Literacy (CFL)



CFL staff reaches out to villagers through a flipbook-based training on banking services in Agon Village, Nuh (Mewat).

CRISIL Foundation was the only corporate CSR arm selected by the Reserve Bank of India (RBI) to implement its Moneywise Centres for Financial Literacy (CFLs) project for financial inclusion, in 2017.

Under this three-year pilot project, CRISIL Foundation set up 20 CFLs in six districts in Haryana and Maharashtra. These centres completed two years in October 2019. Since inception, the centres in 20 selected blocks of Haryana and Maharashtra have reached over 3.7 lakh participants through training and awareness camps.

The MoneyWise CFLs act as “hubs”, actively supporting local banks and stakeholders, and are an integral part of the financial inclusion ecosystem. The centres have received over 21,500 walk-ins seeking resolution of queries/issues related to financial products and services, as well as to avail of financial products and services, both of which indicate these centres’ growing popularity.

As the programme design is based on the hub-and-spoke model, over 470 members from the local communities have been on-boarded and trained to provide handholding support in their respective villages.

The CFLs have received positive feedback from the regulator and other stakeholders. Over the course of two years, they have also become an integral component of the financial inclusion ecosystem in the districts. In August 2019, the RBI awarded CRISIL Foundation five additional tribal blocks in Rajasthan, thereby expanding the scope to 25 centres across three states.



CFL staff conduct an interactive session on financial literacy, using the Snakes and Ladders game in Khed, Ratnagiri

#### Impact and outreach as on December 31, 2019\*



**Haryana, Maharashtra and Rajasthan**

**7**  
Districts

**25**  
Blocks

**1,444**  
Villages

**21,698**  
Walk-ins to CFL offices

**79,002**  
Applications mobilised for banking services  
(Bank account opening, PMSBY, PMJJBY, digital linkages, Aadhaar seeding, etc)

**3,72,983**  
Outreach

\*Cumulative data from October 1, 2017

PMSBY: Pradhan Mantri Suraksha Bima Yojana; PMJJBY: Pradhan Mantri Jeevan Jyoti Bima Yojana

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

Best practices from the Sakhi model have been captured in a first-of-its-kind training-cum-certification programme called “GramShakti” to enable creating a cadre of community workers to promote financial literacy and inclusion at the community level.

The cadre undergoes capacity building through a mobile-based learning application, customised in regional languages, with interactive and engaging learning content – comprising theory as well as practical assignments.

CRISIL Foundation launched this certification programme in June 2018, leveraging its experience of building a



The first batch of GramShakti participants at their convocation ceremony in Haryana.

trained cadre of Sakhis in Assam and Rajasthan, as well as financial health workers in Haryana and Maharashtra.

The GramShakti Certification is intended to elevate public perception of the cadre as certified and astute

financial inclusion experts. The programme currently has over 500 end-users across project locations of CRISIL Foundation. The first batch of 80 Sakhis who have successfully passed the certification, graduated in December 2019.

#### 5. CRISIL Re – CRISIL’s flagship environment conservation programme



Volunteers plant saplings at a site earmarked for Miyawaki plantation in Mumbai.

CRISIL’s environment conservation programme is actively focused on tree plantations, beach clean-up drives and several other initiatives. The programmes include centrally-driven and employee-led projects, and strive to constructively engage employees and their families, friends and relatives in environment conservation. “Re” is a sustained endeavour of CRISIL to work towards preserving the oceans and forests, tackling climate change and its impact – thereby positively impacting “Life below Water” and “Life on Land” – two of the key United Nations Sustainable Development Goals (UN SDGs).

In 2019, the Foundation planted 9,700 trees in five cities, taking the total number of trees planted to over 28,370 between 2015 and 2019. In addition, CRISIL, in collaboration with United Way Mumbai, has adopted Dadar Chaityabhoomi beach. CRISIL volunteers completed beach clean-up drives and participated in sensitisation sessions, including interactions with shopkeepers and hawkers, to reduce marine pollution.

CRISIL Re also leverages CRISIL’s vibrant workforce as ‘agents of change’, who enthusiastically completed 58 activities, including tree plantation and maintenance, and beach clean-up drives in 2019.



**Trees planted**

**9,700**

During 2019

**28,370**

Till 2019



**Trees maintained**

**18,670**

During 2019

**28,370**

Till 2019

### Volunteers involved



CRISIL employees

**1,789**

During 2019

**8,334**

Till 2019



Family and friends

**256**

During 2019

**1,707**

Till 2019

CRISIL Foundation also collaborated with IIT Mumbai to promote financial literacy among students at **“Techfest”** – Asia’s Largest Science and Technology Festival. Through this, financial literacy workshops for engineering college students are

being held across tier I and II cities. The content was designed by CRISIL Foundation, covering basic know-how of finance, CRISIL employees facilitated training sessions. Till date, financial literacy workshops have been organised in three colleges of Mumbai.

Going forward, CRISIL will also provide assistance in the creation of the questionnaire for All India Financial Literacy Test, a national level test conducted to test students on their financial knowledge.

### Change the Scene - A social impact incubator

Since 2016, CRISIL Foundation has sponsored 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.

From the perspective of social impact incubation, a few projects have been scaled up with an eye on the impact generated. These include:

**Book Share India** – A book donation platform that has enabled donation of over 1 lakh books since its launch in April 2016. This year alone, the platform donated 8,000+ books to various NGOs and collected 9,600+ books. The platform also hosted the fourth book donation drive at the ML Dahaukar College of Commerce, Mumbai this year.

**Red is the new Green** – The project was started in 2016 at a school for underprivileged girls in Wadala, Mumbai, focused on promoting awareness on menstrual hygiene. It was scaled up in 2017 to include more municipal schools in partnership with Aga Khan Foundation. After 2017, the project has been running without support from CRISIL Re. As on date, the project has connect with 1 lakh women through awareness programmes as well as through installation of vending machines.

In addition, some of the key initiatives supported in 2019 are:

- **Unnati**, which aims to create a well-designed group micro-insurance

policy anchored by the NGO partner through a community-based literacy programme and peer supported insurance enrolment drive;

- **Waste to Wonders**, which looks to improve the lives of rag-pickers by training them in simple techniques to convert waste into useful products for an alternate source of income;
- **Eye Donation**, which aims to create awareness on eye donation and encouraging people to pledge for donating eyes; and
- **United for Road Safety**, which aims to sensitise millennials about the ill-effects of drunk-driving through experiential activities.

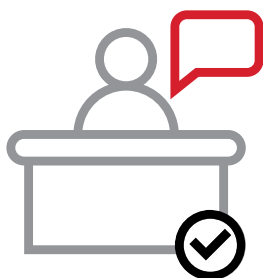
### Emergency response

In 2019, employee donation drives were launched for relief efforts to people in affected states of Assam, Bihar, Kerala, Maharashtra and Karnataka. While employees donated a total of Rupees 12.50 lakh, CRISIL extended a matching grant in 1:4 ratio,

considering the scale and magnitude of the damage. The disaster relief flood intervention includes school refurbishment and reconstruction, installation of water and sanitation facilities in schools, and creation of livestock platforms and hand pumps.

In addition, an in-kind collection drive was organised across CRISIL locations, through which 76 boxes of items were mobilised and delivered to Goonj collection centres.

# When global bankers seek strategic insights, high quality data and analytics is vital.



When the **world's leading financial institutions** need clear insight about their position in the market they turn to CRISIL Coalition.



Coalition works closely with **30+ Global Corporate and Investment Banks** to provide incisive intelligence, with in-depth analysis that help banks make strategic decisions with conviction.

## Coalition Index

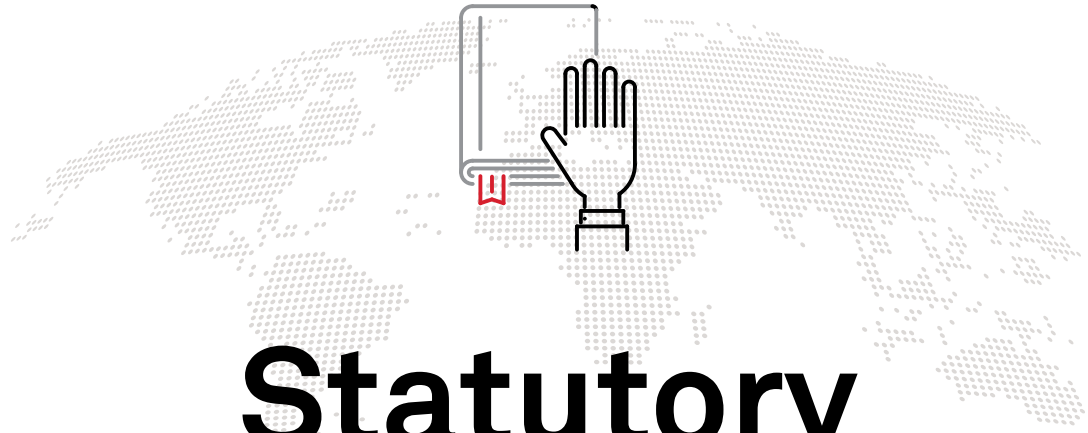


Referenced by leading global banks in **100+ investor relations** presentations.



Quoted in **90+ publications** globally.

# TRUST Matters



# Statutory Reports

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# Directors' Report

Dear Member,

The Directors are pleased to present to you the 33rd Annual Report of CRISIL Limited, along with the audited financial statements, for the year ended December 31, 2019.

## Financial performance

A summary of the Company's financial performance in 2019:

(Rupees in crore)

Particulars	Consolidated		Standalone	
	2019	2018	2019	2018
Total income	1,804.56	1,821.90	1,307.72	1,270.86
Profit before interest, depreciation, exceptional items and taxes	528.68	544.64	403.47	410.42
Finance cost	0.23	2.23	-	1.18
Deducting depreciation of	36.86	42.82	25.63	28.67
Profit before tax	491.59	499.59	377.84	380.57
Deducting taxes of	147.64	136.49	111.55	103.04
Profit after tax	343.95	363.10	266.29	277.53
Other comprehensive income	(87.75)	(94.63)	(95.94)	(99.51)
Total other comprehensive income	256.20	268.47	170.35	178.02
<b>Appropriations are:</b>				
Final dividend	79.38**	71.73*	79.38**	71.73*
Interim dividend	137.35	136.79	137.35	136.79
Corporate dividend tax	34.89	42.86	34.89	42.86
Special Economic Zone reinvestment reserve	-	1.50	-	1.50

\*\*Final dividend for 2018: Rupees 11 per equity share of Rupee 1 each

\*Final dividend for 2017: Rupees 10 per equity share of Rupee 1 each

The financial statements for the year ended December 31, 2019 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

Revenue from the Company's consolidated operations for 2019 was Rupees 1,804.56 crore, as against

Rupees 1,821.90 crore in the previous year. Overall expenses were Rupees 1,312.97 crore as against Rupees 1,322.31 crore in the previous year. Profit before tax was Rupees 491.59 crore as against Rupees 499.59 crore in the previous year. Profit after tax was Rupees 343.95 crore as against Rupees 363.10 crore in the previous year.

### b) Standalone operations

Revenue from the Company's standalone operations for 2019 was Rupees 1,307.72 crore, compared with Rupees 1,270.86 crore in the previous year. Overall expenses were Rupees 929.88 crore as against Rupees 890.29 crore in the previous year. Profit before tax was Rupees 377.84 crore as against Rupees 380.57 crore in the previous year. Profit after tax was Rupees 266.29 crore as against Rupees 277.53 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 21, 2020, payment of final dividend of Rupees 13 per equity share of face value of Rupee 1 each for the year under review. During the year, the Company paid three interim dividends; first and second interim dividends of Rupees 6 each, and third interim dividend of Rupees 7 per equity share of face value of Rupee 1 each. The total dividend will be Rupees 32 per share on a face value of Rupee 1 per share in 2019 as against a total dividend of Rupees 30 per share on a face value of Rupee 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 1,88,544 equity shares to eligible employees on exercise of options granted under the Employee Stock Option Schemes of the Company. At the end of the year, CRISIL's issued, subscribed and paid-up capital was 7,23,04,326 equity shares of Rupee 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 Rupee 1 each)
Capital at the beginning of the year, i.e., as on January 1, 2019	-	7,21,15,782
Allotment of shares to employees on February 12, 2019, pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	50,617	7,21,66,399
Allotment of shares to employees on April 17, 2019, pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	87,634	7,22,54,033
Allotment of shares to employees on July 23, 2019, pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	46,143	7,23,00,176
Allotment of shares to employees on November 8, 2019, pursuant to exercise of options granted under Employee Stock Option Scheme, 2014	4,150	7,23,04,326
Capital at the end of the year, i.e., as on December 31, 2019	-	7,23,04,326

## 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 part of the financial statements.

## Review of operations

### A. Ratings

#### Highlights

- Announced 2,232 new bank-loan ratings (BLRs) in 2019; total ratings outstanding exceeded 10,000
- Assigned a rating to Bharat Bond ETF, India's first wholesale real estate sector receivables securitisation transaction and the first retail operating lease rental securitisation transaction
- Rated the first partial credit enhanced (PCE) bond transaction under the Reserve Bank of India's (RBI's) PCE guidelines

- Strengthened leadership position in the corporate bond market, backed by preference for quality ratings among both investors and issuers
- Launched a series of high-profile initiatives during the year that were extensively covered by the media and well appreciated by stakeholders
- Announced over 7,500 gradings and assessments of small and mid-sized enterprises (SMEs) during the year
- Assigned over 150,000 SME gradings and assessments to date

#### Business environment

Corporate bond issuances increased, driven by issuances from a smaller base of issuers comprising public sector financial institutions and financial sector entities with strong parentage. Certain issuers, especially non-banks and housing finance companies with the wholesale-lending model, continue to face resource-raising challenges.

Muted private expenditure, combined with slowing domestic and export demand, is likely to constrain demand for



wholesale credit. Besides sluggish demand for wholesale bank credit, the BLR market remains affected by the guidance from several large banks increasing the minimum threshold exposure that would require a bank loan rating.

Issuance in the securitisation market remains buoyant due to investor preference for securitisation in a cautious environment and the partial credit enhancement (PCE) announced by the government.

On the regulatory front, the Securities and Exchange Board of India (SEBI) announced a series of changes aimed at higher disclosure by credit rating agencies in the interest of investors. SEBI brought in standardisation in monitoring and recognition of defaults, and prescribed standardised and uniform probability of default (PD) for all credit rating agencies – a global first. SEBI has instructed credit rating agencies to seek inputs directly from the audit committees of issuers of listed securities they rate and called for increased disclosure from listed issuers on any defaults on their financial obligations.

The SME business is working continuously on expanding reach through digitisation.

### Operations

New client acquisitions, healthy traction of securitisation transactions and independent credit evaluation products strengthened CRISIL Ratings' market leadership in 2019. CRISIL assigned 2,232 new BLRs and 7,500 SME gradings and assessments during the year. With this, CRISIL has assigned ratings to more than 33,000 large and mid-sized corporates and assessed the performance of over 150,000 SMEs till date.

That said, focus on high-growth segments and existing relationships strengthened our share in the bond market. We also on-boarded several new large corporate clients. We increased our market presence in BLR and gained ground in assessment of stressed assets.

On the innovation front, CRISIL Ratings continues to be the first port of call for innovative instruments. In 2019, CRISIL Ratings assigned a rating to Bharat Bond ETF and India's first PCE covered bond transaction under the RBI's PCE scheme. We also rated the first retail operating lease rental securitisation. In another first, we assigned a credit rating to a wholesale real estate sector securitisation transaction in the market.

CRISIL Ratings maintained its multifaceted approach towards stakeholder relationship management. In addition to consistent engagement with issuers, we expanded our structured platform to engage with investors for deepening the relationship and a better understanding of their perspective on the credit environment. To strengthen our engagement with issuers and investors, we extensively engaged with their senior management, delivered sectoral presentations, and leveraged the digital channel to share our 'thought leadership' reports and publications regularly.

As a part of CRISIL's continuing improvement initiatives, we commenced the development of a new technology-based workflow platform and a documentation maintenance platform in 2019 for the ratings' operations.

CRISIL Ratings hosted its annual flagship event, 'The NBFC Reset – Re-orienting business models amid headwinds', providing business leaders, issuers, investors, policymakers and other market participants a platform to deliberate and exchange perspectives on issues relevant to non-banking financial companies (NBFCs). The seminar was attended by more than 500 participants, including prominent stakeholders.

Other noteworthy franchise activities in 2019 included webinars on telecom, textiles, steel, healthcare, roads, real estate, auto-components, hospitality, pharma, stressed assets and renewables sectors.

We strengthened our market presence by hosting web conferences on topical areas, giving interviews to premier news channels, and engaging with industry associations through panel discussions and speaking assignments, or as a knowledge partner, at various conferences. We also worked with regulators to put forth our opinions on rating standards and governance policies for the credit rating industry.

During the year, the SME business continued with its strategy to focus on counterparty evaluation for institutions supported by proprietary data and analytics, alternate data, digitisation and automation. Despite economic slowdown, the institutional business continued with its agenda of addition of new clients to build a robust pipeline for the subsequent year.

The Global Analytical Centre (GAC) enhanced its support to S&P Global Ratings on surveillance activities and led streamlining initiatives in the data and analytical domains. GAC also continued to partner in market-outreach efforts and content creation for publications.

With the increasing focus on digitisation, GAC stepped up its efforts on the ongoing process improvement and automation by leveraging new age technologies. With focus on strengthening the first line of defence, several initiatives have been taken to strengthen the internal controls framework. Adoption of lean management tools, work standardisation and process modernisation initiatives facilitated consistent support across diverse geographies and asset classes.

## B. Research

### B.1. Global Research & Analytics

#### Highlights

- Expanded client footprint across buy side, sell side and credit risk
- Gained momentum in credit risk partly offsetting weakness in sellside - added new clients

- Conceived and developed offerings in the 'Environmental, Social and Governance' (ESG) data analytics and automation segments
- Improved demand for risk modelling and change-management services in Europe partly offset reduced demand from US
- Entered new risk and analytics domains, such as risk technology, Current Expected Credit Loss (CECL), finance change and transformation, and Internal Ratings-Based (IRB) implementation

### Business environment

The overarching themes of 2019 were sluggish economic growth, trade wars and uncertainty surrounding Brexit. The research market remained in a flux, disrupted by the Markets in Financial Instruments Directive (MiFID) II, technological tidal waves and rapid shifts in investor preferences.

The global investment banking segment continued to face market headwinds, as revenue declined in cash equities and margin pressures rose in research. Competition intensified as existing players struggled to maintain their wallet share, creating undue pricing pressure. As a result, global banks shifted their focus to managing margins and improving operational performance. The sell-side pie shrunk as many asset managers cut their overall research budgets and increasingly moved their research in-house.

While larger US banks matured with regard to compliance with banking regulations, Tier-II and regional banks continued to invest incrementally in 'model risk' functions. The European Union (EU) market saw increased regulatory- and disclosure-related mandates. It remained the growth locomotive of model-risk management and stress testing services, driven by the European Central Bank's Targeted Review of Internal Models (TRIM) regulation and changes in the definition of default.

Globally, firms are increasingly spending on business process optimisation and transformation to gain competitive advantage, achieve cost efficiency and improve customer experience. London Interbank Offered Rate (LIBOR) transition will affect millions of contracts and models, cash products and derivatives, and financial accounting, creating opportunities in analytics, technology, change and risk modelling.

In the credit risk segment, the adoption of the third-party model for bespoke services increased, helped by sustained regulatory focus and emerging client pain points. On the buy side, we expect firms to further reduce their reliance on investment bank research and use more data to power internal research.

As margins become stressed and talent acquisition costs rise in an uncertain economic environment, demand for more robust, intelligent and self-learning models and systems is

rising. Interest in ESG, data analytics and automation-based solutions is growing. We expect analytics to become integral to investment decisions on the buy side. While both buy-side and sell-side firms are enhancing analytics capabilities, the approach and staffing strategy are evolving. In data analytics, we see good demand for web scraping. Clients are also slowly embracing more advanced analytical approaches. Within data analytics, interest in automation, visualisation, and alternative data extraction is increasing.

### Operations

Despite a challenging business environment in 2019, business activity increased in focus segments across our research and risk solutions. We continued to expand into newer work streams and customised offerings to meet changing customer requirements.

In the model risk and traded risk segments, we expanded into newer work streams and evolved offerings. These included Finance Change and Transformation, Fundamental Review of the Trading Book, CECL, Standardised Approach for Measuring Counterparty Credit Risk Exposures (SA-CCR), eTrading, IRB implementation and Uncleared Margin Rules (UMR) Phase 5. Demand for our business transformation and risk analytics services was healthy, as some banks invested to refine their processes by leveraging emerging technologies. Marquee client wins in the model risk segment included an international public lending institution, one of the largest providers of annuities and life insurance in the US, a leading pension fund, and one of the largest stock exchanges in the world.

The productisation agenda continued in full swing in 2019. Traction for utilities increased, and several products are in advanced stages of development, including products to automate model validation, provide banks with early warning signals for risky portfolios, expand and manage scenarios, and manage model inventory and workflows.

In credit risk, demand for SPARC, our credit assessment product, and bespoke services was strong. We won mandates from a French bank and an Australian bank. Our thought process, especially in credit risk automation, resonated well with clients.

The sell-side business continued to face adverse market conditions, resulting in a shift in focus towards managing margins and stemming the decline in bulge-bracket accounts. On the buy side, we added headcount in the largest asset management accounts and in an India-based professional services firm.

Cognisant of the pivotal role of human capital, we maintained an unwavering focus on harnessing our diverse and prodigious talent. To build and nurture our talent, we implemented a comprehensive and dynamic training programme, imparting relevant technical and soft skills.

Similarly, franchise-building and 'thought leadership' were on top of our agenda for 2019. We participated in panel discussions on the impact of regulations such as MiFID II and emerging technologies on investment research. Associating with the Professional Risk Managers' International Association, we hosted two events on LIBOR transition in London and New York. We also demonstrated our thought leadership in many other forums, conferences and industry events. Within the model-risk and traded-risk segments, we published white papers and literature on topics ranging from stress tests by regulators to algorithmic trading.

Innovation was a leitmotif throughout the year. Our robotic-fund automation tool is an intelligent automation framework for NAV-based surveillance and preliminary ratings generation. Further, we developed a package – a collection of functions and data sets – based on natural language processing to extract specific information from 10-K/10-Q filings.

We implemented SMART (Simple, Modular, Analytics & Research Toolkit) for a major global investment bank, supporting its ESG research coverage. We also implemented SMART-driven automated model and report-generation tools for a Singapore-based investment bank and an Indian broking house.

A prototype of the covenant monitoring tool was launched to generate efficiency in highly operational credit-risk activities. We also launched Model Infinity, a comprehensive model repository, lifecycle management and governance platform. Our innovative model-validation utility (MVU) enables rapid model validation through highly automated data processing, testing, result interpretation and documentation.

Another innovation was the scenario expansion manager (SEM) platform, which enables banks to perform regulatory stress-testing more efficiently. Our low-default portfolios (LDP) solution enables banks to build more robust probability-of-default models, leading to reduced costs, improved transaction pricing and better regulatory relations.

To sum up, against a tough market backdrop in 2019, we achieved significant milestones in customer outreach, franchise-building, talent, collaboration and innovation.

## B.2 India Research

### Highlights

- Continued to be a premium provider of Industry Research
- Witnessed healthy revenue growth in the Funds and Fixed Income business
- Continued to be the leading provider of fixed-income indices in India and consolidated our position by launching five new indices in 2019, taking the total count to 96

- Successfully launched new offerings – AlphaTrax – a multi-asset wealth tracking solution offering superior reporting and stronger risk control, new modules in learning solution platform and new reports in industry research
- Expanded the database of Quantix, the comprehensive and high-end data analytics tool, by covering more than 60,000 + companies and added new modules in analytics based on structured and unstructured data.

### Business environment

- The key client segments for India Research – the BFSI and auto sectors – witnessed a slowdown or significant changes impacting discretionary spends on data & research. The other dominant theme has been the consolidation of public sector banks. Capital infusion into these banks and easing of liquidity situation at large NBFCs can help revive demand in the segment.
- Recent credit concerns have led to increased risk awareness and demand for stronger credit research, analytics and risk-monitoring tools. There is also constant need for upskilling the talent pool at NBFCs, small-finance banks (SFBs) and banks. These changes augur well for our Data, Training, Research and Valuation services.
- Evolving regulations (such as guidelines for uniform valuations applicable for banks as well as asset managers, the separation of investment advisory and distribution by SEBI) are positive and will increase the need for research and analytics.
- There is increasing competition in the valuation and indices space as well as data and analytics, especially from fintechs and other new players.

### Operations

We successfully launched new offerings (including industry reports, AlphaTrax wealth tracking platform, wealth management certification programmes), on-boarded new clients and strengthened existing relationships, despite the ongoing slowdown in our key client segments. Further, we continued to make investments in our data and analytics vertical, which has helped drive significant growth. Quantix, our data platform, with its advanced tools, analytics and a large database of more than 60,000 companies, caters to the needs of the clients in banking and financial services and corporate sector. The comprehensive data and analytics solution, based on both, structured and unstructured data, can be integrated into the legacy workflows of clients, and enables them to make informed decisions.

In the Fixed-Income Research business, we enhanced our strong position in the valuations space by winning mandates from general insurers and corporates. We remain one of the largest providers of fixed-income indices in India. We launched five new indices in 2019, taking our total count of indices to

96. We enhanced our presence with investors for research and risk monitoring on different classes of investments.

We witnessed growth in demand for learning solutions across banking and financial services clients. We launched 50 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. We also launched a state-of-the-art learning management solution (LMS) to provide complete e-learning solutions and on-boarded many large clients.

Further, the CRISIL Centre for Economic Research and CRISIL Research businesses continued to focus on various other franchise and thought-leadership activities by developing distinctive studies and reports on contemporary issues.

### B.3. CRISIL Coalition

#### Highlights

- Added four new clients, including regional players
- Deepened relationships with existing clients in a tough market environment
- Successful partnership with a large management consulting firm
- Extended outreach by presenting views to 150+ executive committees at banks and meeting with all the heads of global markets (GM), investment banking (IB), and transaction banking divisions across all large banks
- Continued automation agenda across all offerings.
- Referenced in 450+ articles across 90+ global publications and in 100+ investor relations presentations made by leading global banks.

#### Business environment

The year 2019 proved to be challenging for global investment banks; a slow start led to low double-digit revenue in the first half of the year. The second half did witness some recovery, especially across bond and equity underwriting, and fixed income, currencies and commodities (FICC) trading. The Coalition IB Index tracked the performance of the top 12 global investment banks.

#### Operations

CRISIL Coalition continued initiatives to enhance market relevance and broaden the reach to include more regional players. In 2019, Coalition added four new logos to its impressive list of global investment banks. New and more granular IP was developed to cater to new clients such as regional banks.

Coalition reinforced its leadership with the top 15 banks by meeting most of the heads of Corporate Investment Banks and all heads of GM/IB businesses, in addition to presenting to 150+ executive committees at various banks. More than 90+ publications globally carried our views and quoted us

during the year. We were referenced by leading global banks in 100+ investor relations presentations.

On the operations side, we continued our focus on automation and digitisation. We remain focused on automating our research value chain, which will enable better data discovery in research and analytics. Coalition retained the coveted SSAE16 SOC2 Type II certification, which is a testimony of the stringent controls and measures deployed for data and IP protection.

### C. Advisory

#### C.1. CRISIL Infrastructure Advisory

##### Highlights

- Built a strong order book by winning mandates across sectors
- Deepened client relationships with multilateral agencies and at the state level
- Augmented outreach in select international markets and global multilaterals, with increased business pipeline
- Hosted the third edition of 'CRISIL India Infrastructure Conclave', with the theme "The 'Central' role of states in India's infrastructure build-out"

#### Business environment

With the Lok Sabha elections scheduled in 2019, a slowdown was expected in announcements of new programmes and tenders, especially during the first half of the year. Besides, reeling under the NBFC crisis and faced with a risk-averse financial sector, private investments in infrastructure development were few and far. Fortunately, the government cranked up infrastructure spending in the existing schemes, such as Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation, Bharatmala, Ujjwala, Ude Desh ka Aam Naagrik, and Saubhagya Scheme.

A major initiative during the year was the successful privatisation of six airports by the Airports Authority of India, where operational airports were offered to private bidders under the monetisation 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.

Further, the government has announced a plan to spend Rupees 100 lakh crore on infrastructure over the next five years. States will have to do the heavy lifting by directly taking ownership of the infrastructure projects, including financing. However, the fiscal squeeze, weak institutional capacity, and inadequate reforms and programmatic impetus to scale commercial financing and PPPs will constrain infrastructure investment in states. States are likely to focus on addressing these constraints to meet infrastructure requirement.

## Operations

CRISIL Infrastructure Advisory booked several new assignments, further strengthening the order book despite continued slowdown in the economy. The business won a couple of large-value multi-year implementation support and programme management mandates. Some of the prestigious mandates were programme management for the Smart City Implementation Project for Diu; development plan of new towns proposed along the Nagpur-Mumbai Expressway, land use and development plan for Panvel city, project management unit (PMU) for sustainable green finance housing project from the National Housing Bank, various mining-auction assignments in Karnataka, Gujarat and Odisha; assistance in setting up first gas-trading hub; airport privatisation; PMU for Swasthya Sathi programme in West Bengal, and assisting National Highways Authority of India as a transaction advisor for Toll-Operate-Transfer Bundle 3, including organising two high-level investor roadshows.

The business deepened its international presence by winning mandates in the emerging markets of Asia and Africa, including development of a modern and cost-efficient freight logistics system in Uganda; mine sites and mine-closure guidelines for Zambia; undertaking solid waste management and PPP prefeasibility studies in Tanzania; strategic assessment of solid waste management services and systems in Nepal, identification of PPP projects in Namibia; and study of investment funding mechanisms and institutional setup options for National Urban Flood Risk Investment Program for Indonesia.

CRISIL Infrastructure Advisory successfully hosted the third 'CRISIL India Infrastructure Conclave' on November 26, 2019, in New Delhi under the signature franchise platform, Infra Intelligence. The conclave theme this year was "The 'Central' role of states in India's infrastructure build-out". The event also saw the launch of the third edition of the CRISIL Infrastructure Yearbook – a one-of-its-kind annual publication that provides deep insights into the infrastructure sectors in India, with a specific focus on preparedness of states this year. The yearbook was launched by Shri Nitin Gadkari, Minister for Road Transport & Highways of India. Shri KT Rama Rao, Minister for Information Technology, Industries and Commerce, Telangana, was the keynote speaker, and Mr Kenichi Yokoyama, Country Director, Asian Development Bank, was the guest of honour. Several dignitaries and speakers/panellists also participated. The event received good media coverage.

## C.2. Business Intelligence & Risk Solutions

### Highlights

- Secured significant wins in the regulatory reporting and credit monitoring space
- Continued our flagship position in the internal credit rating platform, with the implementation of new-age Risk

Assessment Model in India and overseas

- Focus on international markets continued with new client additions in the Middle East and US markets

### Business environment

The banking sector in India remains stressed because of heightened levels of non-performing assets, and is consequently cautious in its approach to fresh investments in new solutions. However, increased regulatory focus and weak credit environment made a compelling pitch for our risk solution products, including Risk Assessment Model (RAM), Early Warning System, regulatory reporting and portfolio evaluation and monitoring. The business saw a modest uptick in demand for these solutions towards the second half/ end of 2019.

There were some significant wins in all these offerings this year – from both public and private financial institutions – and the business continues to build a strong pipeline.

We are also aligning our offerings roadmap to integrate data sources with our methodology and platforms to address market needs.

### Operations

We successfully launched our ICON platform with the new-age RAM this year, with more modular and configurable features. We continue to expand and invest in our technology capabilities on our existing Fulkrum platform (analytics platform) and suite of risk products. With the successful integration of the delivery teams of Risk Solutions and Pragmatix, we have not only realised significant operational synergy, but continue to cross-leverage on product synergy to offer robust risk and analytical solutions. Talent development has been a key initiative with investments made on upskilling and reskilling.

### D. Collaboration with S&P Global

We significantly enhanced our thought-leadership agenda and deepened collaborative efforts with S&P Global. CRISIL and S&P Global Ratings jointly hosted the fourth edition of India Outlook seminar in Mumbai. The theme of this year's seminar was 'Tracing the grind-up'. This seminar was a part of our unique platform 'CRISIL India Outlook', where we share forecasts and insights on India's macro-economic indicators, commentary on the expected credit behaviour and outlook on various sectors and industries.

CRISIL and S&P Global Ratings also hosted the annual India Credit Spotlight seminar in Singapore. The event aimed to provide insights into various sectors and touched on the current key issues in the Indian markets.

CRISIL Research participated in the Platts Commodity Markets Forum held on June 11, 2019, at New Delhi. The

forum was aimed at discussing key issues, such as economic uncertainty, unsettling trade wars, and rising geo-political tensions by market specialists and how these will play out and affect India's commodities markets.

In the GR&A business, the year saw increased collaboration with S&P in expanding our market outreach, especially within the credit risk segment. Collaboration with S&P Global (SPGI) led to greater synergy, adoption of best practices and improved customer focus. We jointly bid for RFPs in the credit-risk segment, winning a major deal. Collaboration initiatives resulted in several joint campaigns and increased referrals for SPGI customer solutions, leading to new opportunities. Apart from joint go-to-market initiatives, integration of SPGI content as a part of customer solutions is also proceeding apace.

BIRS continued collaboration efforts with S&P Global to leverage its client franchise and offer combined solutions synching its risk scorecard with our technology platform. We expanded our suite of offerings with innovative business analytics and digital enablement solutions implementations in the Middle East.

The S&P Global Board of Directors and Operating Committee members visited India in November 2019. This was the first time the S&P Board Meeting was held in India. The Board members and Operating Committee also spent time visiting the CRISIL facility in Mumbai and meeting with employees and clients over two days. The visit underlined the importance of India, and specifically CRISIL, in the global plans for S&P Global.

## **E. Human Resources**

The Human Resources team made good strides in 2019. At the closure of its end of 2019, CRISIL's headcount was 3609, including the 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 now have employees representing 18 nationalities.

Women comprise about 36.6% of CRISIL's workforce. Our programme 'Winspiration' continues to provide different initiatives for our female employees, encouraging and fostering their growth.

Our maternity benefits programme and other initiatives allows working mothers the desired flexibility to provide support and care to their children.

#### **Employee engagement**

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

To constantly improve employee experience, we have

continued our use of 'ECHO', a programme aimed at connecting with new joiners and ex-employees with the aim of obtaining candid feedback, of both qualitative and quantitative fronts, enabling us to make a tangible difference to employee experience.

Millennials make up about 89 % of our workforce. CrisBuzz, an in-house social collaboration platform, empowers employees to voice their opinions and collaborate with colleagues. The mobile app-based platform makes optimal use of technology with the aim of bringing together our global offices.

At CRISIL, employee health and well-being is another key focus area. Our employee-friendly revisions to the Group mediclaim policy and our annual health check programme have been very well received by the employees.

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

Our stock incentives programme serves to reward and retain high contributors and senior leadership.

#### **Fostering a positive work environment**

To foster a positive work environment, free from harassment of any nature, we have institutionalised the Prevention of Sexual Harassment 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 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. YOUiverse, a learning-management tool, enables us to make learning more intuitive and interactive. CRISIL has also launched mobile-based programmes for employees to learn on the go. We also expanded the scope of our globally applicable Education Assistance Programme that enables our employees to reap the benefits from contemporary avenues of professional learning and consistently upskill themselves.

#### **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 meetings and preparation. In terms of requirement of Listing Regulations, 2015, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses for effective functioning, which are detailed in the Corporate Governance Report.

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 business presentations at meetings. An annual planner of topics to be discussed at the Board meetings is pre-approved by the Directors. The Board / committee meetings are pre-scheduled and a tentative annual calendar of the meetings is circulated to the Directors well in advance to help them plan their schedules and ensure meaningful participation in the meetings. Only in the case of special and urgent business, should the need arise, is the Board's approval 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 informed decisions. The Company follows 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 2019 - on February 12, April 8, April 17, July 23, November 8 and December 19. 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 of the Board, criteria for Directorship, terms and removal, succession planning, evaluation framework, and ongoing 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**

### **Resignation**

Ms Martina Cheung, Non-Executive Director, resigned as Director with effect from April 18, 2019, in view of her larger responsibilities within the S&P Global group. CRISIL's Directors place on record their sincere appreciation of Ms Cheung's valuable contributions as a Director of the Company and the immense expertise she brought to the table in aspects of strategy, M&A and other matters that helped chart the Company's roadmap for future growth.

### **End of directorship**

Mr Ravinder Singhania, Alternate Director, ceased to be a Director with effect from July 22, 2019 in view of the cessation

of his Alternate Directorship in terms of Section 161(2) of the Companies Act, 2013. CRISIL's Directors place on record their appreciation of the support rendered by Mr Singhania during his tenure.

### **Appointment**

Mr Martin Fraenkel was appointed as an Additional Director of the Company with effect from April 18, 2019. The Company received a notice under Section 160 of the Companies Act, 2013, from a member signifying his intention to propose the candidature of Mr Martin Fraenkel to the office of Director.

### **Re-appointment**

During the year, Mr M Damodaran and Ms Vinita Bali were due for retirement from their first term as Independent Directors on November 30, 2019. The Board at its meeting held on July 23, 2019, considered the valuable contributions made to the Board by these Independent Directors, that they possessed the requisite expertise and experience and were persons of high integrity and repute and accordingly approved their re-appointment as Independent Directors for a second term, subject to approval of the shareholders of the Company. Mr. M Damodaran will attain seventy five years of age during the proposed second term of appointment. The members of the Company, by way of Special Resolutions passed through Postal Ballot dated September 7, 2019, approved the re-appointment of Mr M Damodaran for a second term upto January 13, 2024 and Ms Vinita Bali, for a second term upto February 13, 2024, being dates on which they respectively complete 10 years as CRISIL Directors.

In terms of the recently introduced regulatory requirements providing for establishment of an on-line database of Independent Directors by Indian Institute of Corporate Affairs, every Independent Director appointed during the year, shall pass an online proficiency self-assessment test conducted by the Institute. However, exemption has been granted to an individual who has served for a period of not less than ten years as on the date of inclusion of his/her name in the databank, as director or key managerial personnel in a listed public company or in an unlisted public company having a paid-up share capital of Rupees 10 crore or more. Mr Damodaran and Ms Bali are eligible for the exemption stated above and hence are not required to pass the proficiency self-assessment test.

### **Re-appointment of Managing Director & CEO**

Ms Ashu Suyash was appointed as Managing Director & CEO for a period of five years with effect from June 1, 2015, which term comes to an end on May 31, 2020. The Board at its meeting held on February 11, 2020 recommended the re-appointment of Ms Suyash for a second term of five years commencing June 1, 2020, on the terms and conditions mentioned in the Notice accompanying this Report, subject to approval of the shareholders of the Company at the forthcoming Annual General Meeting.

### Retiring by rotation

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

Brief profiles of Mr Martin Fraenkel, Mr Ewout Steenbergen and Ms Ashu Suyash 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

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Companies Act, 2013, the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are independent of the management.

### Committees of the Board

The Board has five committees:

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

CRISIL Limited constituted a Risk Management Committee with effect from April 1, 2019. The Investment Committee of the Board of Directors, being a non-statutory committee, was dissolved with effect from April 18, 2019.

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 the Chairman of the Board. During the year, the Company engaged an independent

consultant to conduct this evaluation, to benefit from expertise, best practise and professional insights in this area. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman and individual Directors, as well as in-person interviews by the consultant. The Chairman's performance evaluation was carried out by Independent Directors at a separate meeting.

The parameters assessed included various aspects of the Board's functioning such as Board effectiveness, Board meetings, quantity and timeliness of the information flow between Board members and management; Board member participation; quality and transparency of Board discussions; Board composition and understanding of roles and responsibilities; succession and evaluation; time devoted by the Board to strategy, performance and risk issues and Board members possessing required experience and expertise.

The performance of the committees was evaluated on the basis of their effectiveness in carrying out their respective mandates.

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

The Board noted the key improvement areas emerging from this exercise and action plans to address these are in progress.

During 2019, the Company actioned the feedback from the Board evaluation process conducted in 2018. Inputs from the chairpersons were sought to finalise the agenda of the Board and Committee meetings. Expert speaker sessions on emerging and relevant themes were organised. To allow sufficient discussion time for quarterly performance reviews and to sharpen focus on important strategic matters, certain Committee meetings were planned in months other than quarter ends and interim updates were shared with the Board through calls/mailers. Certain strategic discussions brought to the fore in Board discussions were around long-term strategy of core businesses, technology, regulatory changes, and operational strategy.

### 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 of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Company's internal control systems are commensurate with the nature of its business, and the size and complexity of its operations.



Significant audit observations and follow-up actions thereon are reported to the Audit Committee. For ensuring 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. In 2019, Risk Management Committee of the Board was constituted and two meetings were held during the year. CRISIL Risk Management Policy was also revised to outline key accountabilities and responsibilities of managing risks at CRISIL. CRISIL has adopted a balanced approach to risk management by mitigating risks to an acceptable level within its tolerances and protecting CRISIL's reputation and brand while supporting the achievement of operational and strategic goals. To strengthen the overall risk culture, various awareness initiatives were conducted for all employees in 2019 with a specific focus on cyber security, information security, business continuity and compliance.

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 2019.

#### Directors' responsibility statement

The Directors hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going-concern basis;
- v. they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.

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

The particulars regarding foreign exchange earnings and outgo appear as separate items in the notes to the accounts. 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 that 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 2019 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.html> and further details about the initiatives taken by the Company on CSR during the year under review have been appended as **Annexure I** to this 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.

## Significant developments

### *Scheme of arrangement between CRISIL Ratings Limited (the 'Transferee Company') and CRISIL Limited (the 'Transferor Company') in terms of Section 230 to 232 of the Companies Act, 2013*

The Securities and Exchange Board of India's (SEBI) notifications dated May 30, 2018, and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, mandated the segregation of Ratings and Non-Ratings businesses of credit rating agencies. Pursuant to, and in order to comply with, these notifications, CRISIL Limited's Board of Directors approved the transfer of the Ratings business to a 100% subsidiary of the Company on April 17, 2019. CRISIL Ratings Limited, the wholly owned subsidiary of CRISIL Limited, was incorporated on June 3, 2019, with the objective to take over the Ratings business of the Company.

The Ratings business undertaking will be transferred to CRISIL Ratings Limited as a going concern, by way of a slump sale. Since the transfer of Ratings business is a transfer from CRISIL to its wholly owned subsidiary, consideration for such transfer shall be a lump sum consideration equal to the Net Asset Value of Ratings business undertaking as on the Appointed Date of January 1, 2020.

The Scheme has been presented under Sections 230-232 of the Companies Act, to the National Company Law Tribunal, Mumbai Bench, (NCLT) and will be effective upon receipt of the necessary shareholder approvals, approvals by NCLT and transfer of business licences/ accreditations from SEBI and RBI in respect of the Ratings business.

### *Acquisition of Greenwich Associates LLC*

The Board of Directors of CRISIL Limited, at its meeting held on December 19, 2019, approved the acquisition of 100% of the equity share capital of Greenwich Associates LLC and its subsidiaries. The acquisition is being done through CRISIL Limited's 100% subsidiary, CRISIL Irevna US LLC. Greenwich Associates is a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. Greenwich, a Stamford, Connecticut-based company, serves over 300 of the top investment banks, corporate banks, commercial banks, asset managers and key players in the market infrastructure space globally.

The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and asset and wealth managers. The deal will accelerate CRISIL's strategy to be the leading player in the growing market of global benchmarking analytics.

Greenwich Associates' deep expertise in 'Voice of Customer' surveys, proprietary data assets, and capabilities to source and aggregate high value private performance data will provide a new layer of insights to CRISIL's existing offerings under its Coalition division. Greenwich Associates' portfolio of products includes MarketView, Fee Clearinghouse, ACCESS™, Focus and Explorer.

With this acquisition, CRISIL will strengthen its position as the foremost global benchmarking analytics provider for financial services.

## Subsidiaries

As on December 31, 2019, the Company had three Indian and seven overseas wholly owned subsidiaries. CRISIL Ratings Limited became a wholly owned subsidiary of CRISIL Limited with effect from June 3, 2019. 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 the fourth proviso of the said section, audited accounts of all subsidiaries as on December 31, 2019, 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's 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 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 2019 were in the ordinary course of business and at an arm's length. During the year, there were no related-party transactions that 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 a 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 Chandio & 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 the appointment of M/s. Walker Chandio & 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 M/s 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 M/s Walker Chandio & 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 auditor 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 the Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015, 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 2019, there were no material changes in the Employee Stock Option Schemes of the Company. The Schemes are in compliance with the Securities and Exchange Board of India 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 No CIR/CFD/POLICY CELL/2/2015 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>.

The Company has received a certificate from M/s. Walker Chandio & Co LLP that ESOS 2011, ESOS 2012 and ESOS 2014 have been implemented in accordance with the Securities and Exchange Board of India 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

A 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 11, 2020.

#### 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, Securities and Exchange Board of India, the Reserve Bank of India, the Government of India and the state governments. The role played by the media in highlighting the good work done by CRISIL is deeply appreciated.

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

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

Mumbai, February 11, 2020

# 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: Kindly refer the Corporate Social Responsibility Report published elsewhere in this Annual Report and the Company's website, www.crisil.com
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 (2016-2018):** Rupees 366.67 crore.
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (2016 -2018):** Rupees 7.33 crore.
5. **Details of CSR spend during the financial year:**
  - (a) Total amount spent for the financial year: Rupees 7.61 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 programmes wise (Rupees crore)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (Rupees crore)	Amount spent : Directly or Through Implementing Agency*
					Direct expenditure on programmes or projects (Rupees crore)	Overheads (Rupees crore)		
1	Mein Pragati - Assam	Education & Women Empowerment – Financial Capability Building	Assam	1.64	1.61	0.08	1.69	Rashtriya Grameen Vikas Nidhi, Haqdarshak,
2	Mein Pragati - Rajasthan	Women Empowerment – Financial Capability Building	Rajasthan	1.62	1.81	0.10	1.91	Direct
3	CRISIL Re	Environmental Conservation – through Tree Plantation & Reducing plastic in oceans	Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai, Pune	0.75	0.82	0.04	0.86	United Way of Mumbai, Green Yatra, IAHV, Nature Forever Society
4	Centre for Financial Literacy	Financial Literacy & Inclusion	Maharashtra / Haryana	0.65	0.70	0.04	0.74	Direct
5	Gram Shakti	Women Empowerment – Financial Capability Building	Assam, Rajasthan, Maharashtra, Haryana	0.75	0.73	0.04	0.77	Training Central
6	Livelihood Pilots	Women Empowerment & livelihoods	Assam	0.65	0.80	0.04	0.84	RGVN, Gramin Sahara, Centre for Microfinance & Livelihoods (CML)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (Rupees crore)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (Rupees crore)	Amount spent : Directly or Through Implementing Agency*
					Direct expenditure on programmes or projects (Rupees crore)	Overheads (Rupees crore)		
7	Support for Education	Education of underprivileged children	Karnataka	--	0.19	0.01	0.20	Each One Educate One
8	Other Projects	Education & Women Empowerment – Financial Capability Building	Maharashtra, Rajasthan and Uttarakhand	0.07	0.08	--	0.08	Community Radio, ITC, RGVN (RBI DEAF)
9	Disaster Relief	Flood Relief Program	Assam, Bihar, Karnataka, Kerala, Maharashtra	0.25	0.49	0.03	0.51	RGVN, SEEDS, United Way of Mumbai (UWM), HOPE Foundation
<b>TOTAL</b>				<b>6.38</b>	<b>7.23</b>	<b>0.38</b>	<b>7.61</b>	

## NGO Partners\*

### A. Financial Capability Building:

#### Rashtriya Grameen Vikas Nidhi (RGVN)

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

#### Haqdarshak Empowerment Solutions Pvt. Ltd. (HESPL)

HESPL was founded in 2015 with the goal to ensure that each and every citizen is aware of their entitlements and can benefit from them. Currently operational across 20 states in India, HESPL works on alleviating poverty through use of technology to transform the way citizens find out about, apply for and benefit from various welfare schemes.

#### Training Central Solutions Pvt. Ltd. (TcSPL)

Training Central Solutions Pvt. Ltd., came into existence in 2009, is an end-to-end solution provider in the training space for the Banking, Financial Services and Insurance (BFSI) segment, and works in developing content, design and technology for effective training delivery through e-learning, mobile learning, classroom training and publication.

### B. Women Empowerment Through Livelihoods

#### Centre for Microfinance & Livelihoods (Antaran Project):

Centre for Microfinance & Livelihood (CML) is a support umbrella organisation for capacity building, collaborative interventions, research, facilitating implementation of government programs and aiding policy formulations in the development space. It was established in 2008, under the aegis of Grameen Sahara- an NGO based in Assam, with the support of Tata Social Welfare Trust (TSWT) – an ally of Sir Dorabji Tata Trust, Mumbai. CML was registered under the Meghalaya Societies Registration Act, XII of 1983 on June 18, 2012. CML is located in Guwahati, Assam. The centre is envisioned to emerge as a resource and capacity building platform in North East. At present CML has linkage with more than 500 NGOs in the region.

Antaran is a key intervention of the Tata Trust's craft based livelihood programme, initiated to bring changes in the development of the crafts sector. The program is being implemented by Tata Trusts in Odisha, Assam, Nagaland and Andhra Pradesh in association with associate organizations. Centre for Microfinance and Livelihoods (CML), an associate organization of Tata Trusts is executing the Antaran program in Assam. Program is in 2nd year of operation in the Kamrup Cluster.

#### Grameen Sahara:

Grameen Sahara was started in the year 2001, with awareness and training program at small scale in

different livelihood activities like fisheries, sericulture, horticulture, piggery etc. along with the awareness program on health, education etc. for rural people. On February 12, 2002 Grameen Sahara was formally registered as a society under Societies Registration Act XXI of 1860. Grameen Sahara's key areas of work include mobilization and capacity building of grassroots community based organizations (CBOs) such as the FPOs, SHGs, MBTs, Women Federations, skill upgradation through technological intervention etc.

### 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 organization, Green Yatra is dedicated to the protection, conservation and improvement of the environment.

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

The International Association for Human Values 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 programs focused towards disaster, education, environment care, sustainable rural development, women and youth empowerment.

#### Nature Forever Society

Nature Forever Society (NFS) is a not-for-profit entity registered under the Societies and Registration Act, 1860, working for the conservation of house sparrows and other common flora and fauna since 2006. Started by Mohammed Dilawar (founder and president), Nature Forever Society was registered in 2008. The mission of the Nature Forever Society is to involve citizens in the

conservation movement in India. To achieve this Nature Forever Society has been working by launching initiatives which are simple and have far reaching conservation value.

### D. Education for the Underprivileged

#### Each One Educate One

Each One Educate One Foundation, a partner unit of Sri Sathya Sai Loka Seva Group of Educational Institutions is registered under Section 25 of The Companies Act 1956 on September 28 2017. It is engaged in social welfare activities in the field of values based education imparted free of cost to children hailing from the underprivileged and underserved sections of society, residing in the rural hinterlands of India.

### E. Flood Relief

#### HOPE Foundation

HOPE foundation a society registered in Delhi and is engaged in initiatives involving education, care for orphans & elderly, skill development, health, disaster relief and livelihood enhancement.

#### SEEDS (Sustainable Environment and Ecological Development Society)

SEEDS (Sustainable Environment and Ecological Development Society), a society registered in Delhi under the Societies registration Act, 1860 with one ultimate goal: protecting the lives and livelihoods of people exposed to disasters. They are engaged in initiatives involving disaster risk reduction, shelter construction and settlement, education, health, school safety and capacity building.

CRISIL Foundation has also collaborated with Bhumi, Green For Life Foundation, I am Gurgaon, and SayTrees Environmental Trust for environment conservation.

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

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

For CRISIL Limited

#### Ashu Suyash

Managing Director  
& Chief Executive Officer  
(DIN: 00494515)

Mumbai, February 11, 2020

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

#### Vinita Bali

Chairperson  
Corporate Social Responsibility Committee  
(DIN : 00032940)

# 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 arms-length transactions under third proviso thereto.

### 1. Details of Contracts or arrangements or transactions not at arm's length basis:

Sl. no.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	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)	
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 Center	Ongoing subject to renewal as per contractual terms	Support SPGI and its group in their global operations, consideration of around Rupees 188.78 crore in 2019	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.	December 14, 2018	Nil	December 15, 2014
2	CRISIL Irevna UK Limited (100% Subsidiary)	Global Research and Analytical Services (GR&A)	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 Rupees 164.38 crore in 2019).	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 CRISIL Irevna UK.	December 14, 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)
3A	CRISIL Irevna US LLC (100 % Subsidiary)	Global Research and Analytical Services (GR&A)	Ongoing subject to renewal as per contractual terms	CRISIL invoices CRISIL Irevna US LLC for GR&A services which CRISIL Irevna US LLC has recovered from external clients. The pricing is after considering appropriate remuneration to CRISIL Irevna US LLC to meet its functional obligation (Amount invoiced by CRISIL to CRISIL Irevna US LLC Rupees 216.27 crore in 2019)	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 CRISIL Irevna US.	December 14, 2018	Nil	Not applicable
3B	CRISIL Irevna US LLC (100 % Subsidiary)	Global Research and Analytical Services (GR&A)	Ongoing subject to renewal as per contractual terms	CRISIL Irevna US LLC invoices CRISIL for marketing support fee. (Amount invoiced by CRISIL Irevna US LLC to CRISIL Ltd is Rupees 59.04 crore in 2019)	Services rendered by CRISIL Irevna US are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna US.	December 14, 2018	Nil	Not applicable
4	CRISIL Irevna Argentina, S.A.	Global Research and Analytical Services (GR&A)	Ongoing subject to renewal as per contractual terms	CRISIL Irevna Argentina, S.A. is a research centre and provides research services to CRISIL GR&A clients. (Amount invoiced by CRISIL Irevna Argentina to CRISIL Ltd is Rupees 49.10 crore in 2019)	Services rendered by CRISIL Irevna Argentina, S.A. are at arm's length pricing (ALP) and in the ordinary course of business. CRISIL maintains appropriate documentation to support ALP with CRISIL Irevna Argentina S.A.	December 14, 2018	NIL	Not applicable

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

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

Mumbai, February 11, 2020

# Annexure III to the Directors' Report

FORM NO. MR.3

## SECRETARIAL AUDIT REPORT

[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-400076

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 authorized 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, 2019 (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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The 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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period); and**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) **We further report that**, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records including Internal audit report in pursuance thereof on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company:
  - The Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999 ("CRA Regulations")
  - The Securities and Exchange Board of India (Research Analysts) Regulations, 2014

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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under.

**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 Board at its meetings has allotted 1,88,544 equity shares of face value of Rupee 1 each pursuant to Employee Stock Option Scheme of the Company.

**For Makarand M Joshi & Co.**  
Practising Company Secretaries

**Makarand Joshi**

Partner  
FCS No. 5533  
CP No. 3662

Place: Mumbai  
Date: February 10, 2020

UDIN: F005533B000133892  
Peer Review No. P2009MH007000

# 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:**

Sl. no.	Name of the director	Ratio of the remuneration to the median remuneration of the employees	2019 remuneration (Rupees) <sup>®</sup>	Percentage increase in remuneration	No. of ESOPs granted during 2019
a.	Mr. John L Berisford, Chairman, Non-Executive Director	NA <sup>*</sup>	NA	NA	NA
b.	Mr. M Damodaran, Independent Director	3.31	41,00,000	4.33%	NA
c.	Ms. Vinita Bali, Independent Director	3.27	40,50,000	-2.06%	NA
d.	Mr. Girish Paranjpe, Independent Director	3.20	39,70,000	4.34%	NA
e.	Ms. Arundhati Bhattacharya, Independent Director <sup>^</sup>	2.81	34,90,000	338.99%	NA
f.	Ms. Martina Cheung, Non-Executive Director <sup>%</sup>	NA <sup>*</sup>	NA	NA	NA
g.	Mr. Martin Fraenkel, Non-Executive Director <sup>§</sup>	NA <sup>*</sup>	NA	NA	NA
h.	Mr. Ewout Steenbergen, Non-Executive Director	NA <sup>*</sup>	NA	NA	NA
i.	Mr. Ravinder Singhanian, Alternate Director to Mr. John L Berisford <sup>**</sup>	NA	NA	NA	NA
j.	Ms. Ashu Suyash, MD & CEO	45.07	5,58,99,508	-2.17%	21,056
k.	Mr. Amish Mehta, COO	NA	3,63,73,498	15.58%	11,633
l.	Mr. Sanjay Chakravarti, CFO	NA	1,55,33,796	-14.62%	5,488
m.	Ms. Minal Bhosale, Company Secretary	NA	90,90,845	6.30%	1,039

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

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

<sup>%</sup> Ceased to be a Director with effect from April 18, 2019

<sup>\*\*</sup> Ceased to be Director with effect from July 22, 2019

<sup>§</sup> Appointed as a Director on April 18, 2019

<sup>^</sup> Remuneration not comparable since Ms. Bhattacharya joined the board in October 2018 and last year's remuneration is for part of the year

**2. The percentage increase in the median remuneration of employees in the financial year:** Median pay has increased by 5.99% in 2019 compared with 2018

**3. The number of permanent employees on the rolls of Company:** 3,609

**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 employees over 2018 was 6.30%. Average increase in remuneration of KMPs from 2018 was 1.34%. This was on account of the performance linked variable pay being lower than last year.

**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, 2019 [Pursuant to Section 92(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. Registration and other details

i. CIN	<b>L67120MH1987PLC042363</b>
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	KFin Technologies Private Limited Unit: CRISIL Limited Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Phone: +91 40 6716 2222 Toll Free No.: 1-800-34-54-001 Fax: +91 40 6716 1567

### II. Principal business activities of the Company

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

Sl. no.	Name and description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1.	Ratings: Providing credit ratings including bond ratings, bank loan ratings, SME ratings, other grading services	66190	46%
2.	Research: Research services include GR&A activities divided into financial research, risk and analytics and corporate research, and India research activities comprising economy and industry research, funds and fixed income research, and equity and company research	66190	54%

### III. Particulars of holding, subsidiary and associate companies as on December 31, 2019

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	43.16%	2(46)
ii.	S&P Global Asian Holdings Pte Ltd., 12 Marina Boulevard, #23-01, Marina Bay Financial Centre, Tower 3, Singapore 018982	Not applicable	Holding company	15.94%	2(46)

Sl. no.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
iii.	Standard & Poor's International LLC, 251 Little Falls Drive, Wilmington, DE 19808, USA	Not applicable	Holding company	8.30%	2(46)
iv.	CRISIL Risk and Infrastructure Solutions Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U72100MH2000PLC128108	Subsidiary company	100%	2(87)
v.	Pragmatix Services Private Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U67190MH2010PTC205794	Subsidiary company	100%	2(87)
vi.	CRISIL Ratings Limited* CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400 076	U67100MH2019PLC326247	Subsidiary company	100%	2(87)
vii.	CRISIL Irevna UK Limited, C/o Penningtons Manches Cooper LLP, 125 Wood Street, London EC2V 7AW	Not applicable	Subsidiary company	100%	2(87)
viii.	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)
ix.	CRISIL Irevna Argentina S.A. Reconquista 1088, 9th floor Provincia de Buenos Aires, Argentina	Not applicable	Subsidiary company	100%	2(87)
x.	CRISIL Irevna Poland SP.ZO.O., Renaissance Business Centre, 6th Floor, Ul Swietego Mikotaja 7, 50 - 125 Wroctaw, Poland	Not applicable	Subsidiary company	100%	2(87)
xi.	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)
xii.	Coalition Development Limited, C/o Penningtons Manches Cooper LLP, 125 Wood Street, London EC2V 7AW	Not applicable	Subsidiary company	100%	2(87)
xiii.	Coalition Development Singapore Pte Limited, 60 Robinson Road, # 11-01, BEA Building, Singapore 068892	Not applicable	Subsidiary company	100%	2(87)

\*CRISIL Ratings Limited has become a wholly owned subsidiary of the Company with effect from June 3, 2019

#### IV. Shareholding pattern (equity share capital breakup as percentage of total equity)

##### i) Category-wise share holding

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 / FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	-	-	-	-	-	-	-	-	-
a) NRIs -									
Individuals	-	-	-	-	-	-	-	-	-
b) Other -									
Individuals	-	-	-	-	-	-	-	-	-
Bodies corp	4,87,32,586	-	4,87,32,586	67.58	4,87,32,586	-	4,87,32,586	67.40	(0.18)
Banks / FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>4,87,32,586</b>	<b>-</b>	<b>4,87,32,586</b>	<b>67.58</b>	<b>4,87,32,586</b>	<b>-</b>	<b>4,87,32,586</b>	<b>67.40</b>	<b>(0.18)</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4,87,32,586</b>	<b>-</b>	<b>4,87,32,586</b>	<b>67.58</b>	<b>4,87,32,586</b>	<b>-</b>	<b>4,87,32,586</b>	<b>67.40</b>	<b>(0.18)</b>
<b>B. Public shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual funds	8,26,886	-	8,26,886	1.15	9,18,321	-	9,18,321	1.27	0.12
b) Banks / FI	1,41,384	2000	1,43,384	0.20	1,36,890	2000	1,38,890	0.19	(0.01)
c) Central govt	-	-	-	-	-	-	-	-	-
d) State govt(s)	-	-	-	-	-	-	-	-	-
e) Venture capital funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	75,71,371	-	75,71,371	10.50	75,97,878	-	75,97,878	10.51	0.01
g) FIIs/FPI	41,64,998	-	41,64,998	5.78	41,39,057	-	41,39,057	5.72	(0.06)
h) Foreign venture capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate investment funds	10,826	-	10,826	0.02	18,000	-	18,000	0.03	0.01
j) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	<b>1,27,15,465</b>	<b>2000</b>	<b>1,27,17,465</b>	<b>17.63</b>	<b>1,28,10,146</b>	<b>2000</b>	<b>1,28,12,146</b>	<b>17.72</b>	<b>0.09*</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	
<b>2. Non-institutions</b>									
a) Bodies corp									
i) Indian	9,94,504	-	9,94,504	1.38	3,83,447	-	3,83,447	0.53	(0.85)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rupees 1 lakh	49,05,835	1,00,642	50,06,477	6.94	46,99,465	74,072	47,73,537	6.60	(0.34)
ii) Individual shareholders holding nominal share capital in excess of Rupees 1 lakh	43,00,261	-	43,00,261	5.96	45,58,673	-	45,58,673	6.30	0.34
c) Others (specify)									
Non-resident individuals	3,13,500	-	3,13,500	0.44	4,30,720	-	4,30,720	0.60	0.16
Clearing members	8,112	-	8,112	0.01	33,011	-	33,011	0.05	0.04
Trusts	1,919	-	1,919	0.00	-	-	-	-	0.00
IEPF	40,040	-	40,040	0.06	38,142	-	38,142	0.05	(0.01)
Foreign Nationals	918	-	918	0.00	918	-	918	0.00	0.00
Qualified Institutional Buyer	-	-	-	-	5,41,146	-	5,41,146	0.75	0.75
<b>Sub-total (B) (2)</b>	<b>1,05,65,089</b>	<b>1,00,642</b>	<b>1,06,65,731</b>	<b>14.79</b>	<b>1,06,85,522</b>	<b>74,072</b>	<b>1,07,59,594</b>	<b>14.88</b>	<b>0.09</b>
<b>Total public shareholding (B) = (B)(1)+(B) (2)</b>	<b>2,32,80,554</b>	<b>1,02,642</b>	<b>2,33,83,196</b>	<b>32.42</b>	<b>2,34,95,668</b>	<b>76,072</b>	<b>2,35,71,740</b>	<b>32.60</b>	<b>0.18</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand total (A+B+C)</b>	<b>7,20,13,140</b>	<b>1,02,642</b>	<b>7,21,15,782</b>	<b>100</b>	<b>7,22,28,254</b>	<b>76,072</b>	<b>7,23,04,326</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 percentage of shareholding during the year is consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes 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	3,12,09,480	43.28	Nil	3,12,09,480	43.16	Nil	(0.12)
2.	S&P Global Asian Holdings (Singapore) Pte Ltd.	1,15,23,106	15.98	Nil	1,15,23,106	15.94	Nil	(0.04)
3.	Standard & Poor's International LLC	60,00,000	8.32	Nil	60,00,000	8.30	Nil	(0.02)
	<b>Total</b>	<b>4,87,32,586</b>	<b>67.58</b>	<b>Nil</b>	<b>4,87,32,586</b>	<b>67.40</b>	<b>Nil</b>	<b>(0.18)</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 percentage of shareholding during the year is consequent to allotment of shares to employees exercising their options under Employee Stock Option Schemes of the Company

(iii) Change in promoters' shareholding

The percentage change in the promoters' holding is owing to the increase in the paid-up share capital of the Company as a consequence of allotment of shares to employees exercising their options under the Employee Stock Option Schemes 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*
1.	<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 01, 2019	47,71,286	6.62*	-	-
	January 04, 2019 - Purchase	6,887	0.00	47,78,173	6.62
	January 11, 2019 - Purchase	18,520	0.02	47,96,693	6.64
	January 18, 2019 - Purchase	1,100	0.00	47,97,793	6.64
	December 31, 2019	-	6.64*	-	-
2.	<b>Jhunjhunwala Rakesh and Rekha</b>				
	January 01, 2019	39,65,000	5.50*	-	-
	December 31, 2019	39,65,000	5.48*	-	-
3.	<b>General Insurance Corporation of India</b>				
	January 01, 2019	26,70,000	3.70*	-	-
	December 31, 2019	26,70,000	3.69*	-	-
4.	<b>Platinum Asia Fund</b>				
	January 01, 2019	3,77,342	0.52*	-	-
	March 22, 2019 - Purchase	3,93,454	0.54	7,70,796	1.06
	November 08, 2019 - Sale	-73,651	-0.10	6,97,145	0.96
	December 31, 2019	6,97,145	0.96*	-	-
5.	<b>Pari Washington India Master Fund, Ltd.</b>				
	January 01, 2019	0	0.00*	-	-
	July 26, 2019- Purchase	1,58,000	0.00	1,58,000	0.22
	August 16, 2019- Purchase	1,75,000	0.24	3,33,000	0.46

Sl. no.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company*
	September 02, 2019- Purchase	84,334	0.12	4,17,334	0.58
	October 18, 2019- Purchase	1,27,891	0.17	5,45,225	0.75
	November 29, 2019- Purchase	27,517	0.04	5,72,742	0.79
	December 31, 2019	5,72,742	0.79*	-	-
<b>6.</b>	<b>Hdfc Life Insurance Company Limited/ HDFCSL shareholders' solvency margin account</b>				
	January 01, 2019	4,62,667	0.65*	-	-
	May 17, 2019- Sale	-6,367	-0.02	4,56,300	0.63
	July 05, 2019 – Sale	-583	0.00	4,55,717	0.63
	July 19, 2019 – Sale	-804	-0.01	4,54,913	0.63
	July 26, 2019 – Sale	-2,000	0.00	4,52,913	0.63
	August 02, 2019 – Sale	-3	0.00	4,52,910	0.63
	August 09, 2019 – Sale	-14	0.00	4,52,896	0.63
	August 16, 2019 – Sale	-13	0.00	4,52,883	0.63
	August 23, 2019 – Sale	-13	0.00	4,52,870	0.63
	August 30, 2019 – Sale	-13	0.00	4,52,857	0.63
	September 06, 2019 – Sale	-32	0.00	4,52,825	0.63
	September 20, 2019 – Sale	-978	0.00	4,51,847	0.63
	September 27, 2019 – Purchase	532	0.00	4,52,379	0.63
	October 04, 2019 – Sale	-24	0.00	4,52,355	0.63
	October 11, 2019 – Sale	-121	0.00	4,52,234	0.63
	October 18, 2019 – Sale	-40	0.00	4,52,194	0.63
	October 25, 2019 – Sale	-20	0.00	4,52,174	0.63
	November 01, 2019 – Sale	-49	0.00	4,52,125	0.63
	November 15, 2019 – Sale	-64	0.00	4,52,061	0.63
	November 22, 2019 – Sale	-74	0.00	4,51,987	0.63
	November 29, 2019 – Sale	-45	0.00	4,51,942	0.63
	December 6, 2019 – Sale	-42	0.00	4,51,900	0.63
	December 13, 2019 – Sale	-24	0.00	4,51,876	0.62
	December 20, 2019 – Sale	-126	0.00	4,51,750	0.62
	December 27, 2019 – Sale	-4327	0.00	4,47,423	0.62
	December 31, 2019 – Sale	-111	-0.01	4,47,312	0.62
	December 31, 2019	4,47,312	0.62*	-	-
<b>7.</b>	<b>L&amp;T Mutual Fund Trustee Ltd-L&amp;T Mid Cap Fund</b>				
	January 01, 2019	50,000	0.07*	-	-
	August 23, 2019 – Purchase	1,17,837	0.16	1,67,837	0.23
	August 31, 2019 – Purchase	5,380	0.01	1,73,217	0.24
	October 11, 2019 – Purchase	9,002	0.01	1,82,219	0.25
	October 18, 2019 – Purchase	43,335	0.07	2,25,553	0.32
	November 01, 2019 – Purchase	19,909	0.02	2,45,462	0.34
	November 08, 2019 – Purchase	1,16,538	0.16	3,62,000	0.50
	November 15, 2019 – Purchase	35,000	0.05	3,97,000	0.55
	November 22, 2019 – Purchase	33,158	0.04	4,30,158	0.59
	November 29, 2019 – Purchase	281	0.00	4,30,439	0.59
	December 20, 2019- Purchase	9,869	0.02	4,40,308	0.61
	December 31, 2019	4,40,308	0.61*	-	-
<b>8.</b>	<b>Wasatch Emerging India Fund</b>				
	January 01, 2019	1,70,920	0.24*	-	-
	January 18, 2019 - Purchase	11,139	0.01	1,82,059	0.25
	May 10, 2019 - Sale	-4,079	0.00	1,77,980	0.25
	September 27, 2019 - Purchase	4,392	0.00	1,82,372	0.25

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*
	October 18, 2019 - Purchase	1,32,466	0.18	3,14,838	0.43
	November 29, 2019 - Purchase	7,582	0.05	3,22,420	0.44
	December 13, 2019 - Purchase	10,289	0.00	3,32,709	0.46
	December 31, 2019 - Purchase	5,461	0.04	3,38,170	0.47
	December 31, 2019	3,38,170	0.47*	-	-
<b>9.</b>	<b>The Brown Capital Management International Small C</b>				
	January 01, 2019	87,751	0.12*	-	-
	January 04, 2019- Purchase	7,936	0.00	95,687	0.12
	January 18, 2019- Purchase	11,715	0.03	1,07,402	0.15
	February 01, 2019- Purchase	5,759	0.01	1,13,161	0.16
	February 08, 2019- Purchase	7,792	0.01	1,20,953	0.17
	February 15, 2019- Purchase	2,575	0.00	1,23,528	0.17
	February 22, 2019- Purchase	2,563	0.00	1,26,091	0.17
	March 01, 2019- Purchase	2,451	0.01	1,28,542	0.18
	March 08, 2019- Purchase	4,793	0.00	1,33,335	0.18
	March 15, 2019- Purchase	6,321	0.01	1,39,656	0.19
	March 22, 2019- Purchase	6,604	0.01	1,46,260	0.20
	March 29, 2019- Purchase	1,564	0.00	1,47,824	0.20
	April 05, 2019- Purchase	3,545	0.01	1,51,369	0.21
	April 10, 2019- Purchase	4,078	0.00	1,55,447	0.21
	April 19, 2019- Purchase	2,540	0.01	1,57,987	0.22
	May 03, 2019- Purchase	1,512	0.00	1,59,499	0.22
	May 10, 2019- Purchase	4,950	0.01	1,64,449	0.23
	May 17, 2019- Purchase	4,017	0.00	1,68,466	0.23
	May 24, 2019- Purchase	2,000	0.01	1,70,466	0.24
	May 31, 2019- Purchase	2,458	0.01	1,72,924	0.24
	June 07, 2019- Purchase	2,790	0.00	1,75,714	0.24
	June 14, 2019- Purchase	10,681	0.02	1,86,395	0.26
	June 21, 2019- Purchase	11,381	0.01	1,97,776	0.27
	June 28, 2019- Purchase	17,435	0.03	2,15,211	0.30
	July 05, 2019- Purchase	31,054	0.04	2,46,265	0.34
	July 12, 2019- Purchase	900	0.00	2,47,165	0.34
	July 19, 2019- Purchase	5,849	0.01	2,53,014	0.35
	July 26, 2019- Purchase	4,770	0.01	2,57,784	0.36
	August 02, 2019- Purchase	2,224	0.00	2,60,008	0.36
	September 13, 2019- Purchase	4,417	0.01	2,64,425	0.37
	September 20, 2019- Purchase	1,442	0.00	2,65,867	0.37
	September 27, 2019- Purchase	5,152	0.01	2,71,019	0.38
	September 30, 2019- Purchase	2,175	0.00	2,73,194	0.38
	October 04, 2019- Purchase	8,762	0.01	2,81,956	0.39
	October 11, 2019- Purchase	2,191	0.00	2,84,147	0.39
	October 25, 2019- Purchase	2,453	0.01	2,86,600	0.40
	November 08, 2019- Purchase	14,481	0.02	3,01,081	0.42
	November 15, 2019- Purchase	9,351	0.01	3,10,432	0.43
	November 22, 2019- Purchase	4,594	0.01	3,15,026	0.44
	December 20, 2019- Purchase	4,606	0.00	3,19,632	0.44
	December 31, 2019	3,19,632	0.44*	-	-
<b>10.</b>	<b>Aditya Birla Sun Life Trustee Private Limited</b>				
	January 01, 2019	2,58,549	0.36*	-	-
	December 31, 2019	2,58,549	0.36*	-	-

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

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

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

(Rupees in crore)

Particulars	Secured loans	Unsecured	Deposits	Total
	excluding deposits	loans		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	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
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 & CEO

(Rupees)

Sl. no.	Particulars of remuneration	Name of MD/WTD/manager: Ms Ashu Suyash, MD & CEO	Total
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961*	3,65,99,044	3,65,99,044
	(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	0	0
2.	Stock options (perquisite value)	Nil	Nil
3.	Sweat equity	Nil	Nil
4.	Commission		
	- As % of profit	Nil	Nil
	- Others (variable pay)	1,75,50,000	1,75,50,000
5.	Others, please specify (Provident Fund)	17,10,864	17,10,864
	<b>Total (A)</b>	<b>5,58,99,508</b>	<b>5,58,99,508</b>
	No. of ESOPs granted during 2019	21,056	21,056
	Ceiling as per the Act	Rupees 18.66 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 (Rupees)
		Fee for attending board / committee meetings (Rupees)	Commission (Rupees)	Others, please specify (Rupees)	
<b>Independent directors</b>					
1.	Mr. M Damodaran	11,00,000	30,00,000	Nil	41,00,000
2.	Ms. Vinita Bali	10,50,000	30,00,000	Nil	40,50,000
3.	Mr. Girish Paranjpe	9,70,000	30,00,000	Nil	39,70,000
4.	Ms. Arundhati Bhattacharya	4,90,000	30,00,000	Nil	34,90,000
<b>Non-executive directors</b>					
5.	Mr. John L Berisford	Nil*	Nil*	Nil	Nil*
6.	Mr. Ewout Steenbergen	Nil*	Nil*	Nil	Nil*
7.	Mr. Martin Fraenkel <sup>§</sup>	Nil*	Nil*	Nil	Nil*

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

<sup>§</sup> Appointed as a Director on April 18, 2019

**Total managerial remuneration**

Sl. no.	Particulars	Amount (Rupees)
1.	Remuneration to MD, WTDs and/or managers (as per A above)	5,58,99,508
2.	Remuneration to other directors (as per B above)	1,56,10,000
	<b>Total</b>	<b>7,15,09,508</b>
	Overall ceiling as per the Act (%)	Rupees 22.39 crore (being 6% of net profit 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 (Amish Mehta)	CFO (Sanjay Chakravarti)	Company Secretary (Minal Bhosale)	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,73,24,341	1,22,02,500	75,27,818	4,70,54,659
	(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				
2.	Stock option (perquisite value)	Nil	Nil	Nil	Nil
3.	Sweat equity	Nil	Nil	Nil	Nil
4.	Commission				
	- As % of profit	Nil	Nil	Nil	Nil
	- Others (variable pay)	82,40,000	29,49,696	13,39,379	1,25,29,075
5.	Others, please specify (Provident Fund)	8,09,157	3,81,600	2,23,648	14,14,405
	<b>Total</b>	<b>3,63,73,498</b>	<b>1,55,33,796</b>	<b>90,90,845</b>	<b>6,09,98,139</b>
	No. of ESOPs granted during 2019	11,633	5,488	1,039	18,160

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

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

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

Mumbai, February 11, 2020

# 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 responsible 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, 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.

### Ratings

Corporate bond issuances rose during the year, albeit driven by issuances from a smaller base of issuers comprising public sector financial institutions and financial sector entities with strong parentage. Certain issuers, especially non-banks and housing finance companies with wholesale lending model, continue to face resource-raising challenges.

Going forward, muted private expenditure, combined with slowing domestic and export demand, are likely to constrain wholesale credit demand. Besides sluggish demand for wholesale bank credit, the BLR market remains affected by the guidance from several large banks increasing the minimum threshold exposure that would require a bank loan rating.

The securitisation market continues to see buoyant issuances on the back of investor preference for securitisation in a cautious environment and partial credit enhancement (PCE) scheme announced by the government.

On the regulatory front, the Securities and Exchange Board of India (SEBI) announced a series of changes aimed at higher disclosure by credit rating agencies (CRAs), in the interest of investors. It brought in standardization in monitoring and recognition of defaults and also prescribed standardised and uniform probability of default (PD) benchmarks for all CRAs. The latter was a global first. SEBI has instructed CRAs to seek inputs directly from audit committees of issuers of listed securities they rate. It has also asked for greater disclosures from listed issuers on any defaults on their financial obligations.

New client acquisitions, healthy traction in securitisation, and independent credit evaluation of stressed assets maintained CRISIL Ratings' market leadership in 2019. As

many as 2,232 new BLRs and over 7500 SME gradings and assessments were assigned in the year. Ratings have been assigned to more than 33,000 large and mid-size corporates till date, and performance of over 1,50,000 SMEs assessed. We also on-boarded several new large corporate clients and also gained significant revenue traction in stressed assets. Despite intense competition and considerable price erosion, we were able to increase our market share in the BLR space, in terms of no. of new clients rated.

CRISIL Ratings initiated development of a new platform and enhanced the existing technology platform in 2019, which would further enhance operational effectiveness and regulatory compliance.

On the innovation front, CRISIL Ratings continues to be the first port of call for innovative instruments. In 2019, CRISIL Ratings assigned rating to the Bharat Bond ETF and India's first PCE covered bond transaction under Reserve Bank of India's (RBI's) PCE scheme. We also rated first retail operating lease rental securitisation. In another first, we assigned credit rating to a wholesale real estate sector securitisation transaction in the market.

Further, during the year, CRISIL GAC enhanced its support to S&P Global Ratings Services on surveillance activities and led streamlining initiatives in the data and analytical domains. GAC also continued to partner in market outreach efforts and content creation for publications.

### Research

#### GR&A

The global banking industry continues to face global headwinds and increasing margin pressures. Though the regulatory environment has matured across the US, the EU environment remains volatile. In addition, trade war and Brexit-related developments have added to the business uncertainties.

However, 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. This has driven an appetite for automation and data analytics driven solutions, as firms look to adapt technology to improve their operational performance and gain competitive advantage.

Our research business is looking at expanding in areas such as credit risk and buy side with increased engagement with global financial institutions. Emerging pain across many regions will continue to keep credit risk in focus, which augurs

well for our offerings. While working towards making further inroads in existing relationships within credit risk, we will continue to focus on selling 'subsidiary analysis' in the EU and target regional banks in the US.

For bespoke, we plan to tap opportunities within the lending business, reserve-based lending offerings, and covenant monitoring offerings in the coming quarters. The approach and staffing strategy of our customers with respect to analytics is evolving. We see more promise on the products/solutions side over the mid-term. We also expect increased interest in our credit risk automation solutions.

The business saw impact from a maturing CCAR cycle. However, we are witnessing increasing traction for our model development, validation, documentation, and audit offerings across Tier-II and regional banks. Opportunities across European (ex-UK) banks will continue to grow on the back of the targeted review of internal models (TRIM) audits conducted by the European Central Bank (ECB).

There is also a growing demand for modular, off-the-shelf solutions across the spectrum of model risk management (MRM) and financial crime and compliance (FCC) analytics, as an increasing number of smaller, regional banks are being brought under the regulatory radar. Additionally, our clients' needs to continually benchmark their efforts, improve risk management practices, and gain efficiencies will drive the ecosystem agenda. A business model that enables mutualisation of non-competitive processes, tackles emerging risks, and allows for data pooling, will continue to gain momentum across the industry.

## India Research

Despite the ongoing slowdown in the economy, the India Research business saw significant traction for data, analytics and benchmarking mandates from the banking and financial services sector.

In Fixed Income Research, we consolidated our strong position in the valuation space by winning mandates from general insurers and corporates. We continue to be one of the largest providers of fixed-income indices in India. We launched five new indices in 2019, which took the total count of our indices to 96.

We have also identified customer need for comprehensive data – both structured and unstructured – solutions that can be integrated into legacy workflows that facilitate way better analytics. Quantix, our new product, fulfils this need with its advanced tools and analytics, and comprehensive database of more than 60,000 companies.

Our Training Business offered multiple open house and customised programmes during the year, tapping demand from NBFCs, small finance banks (SFBs) and public sector banks. We launched 50 unique open house programmes and an e-learning course to enable a much larger user base to benefit from CRISIL's expertise in credit and risk management.

We also launched the state-of-the-art learning management system (LMS portal) to provide complete e-learning solutions and on-boarded three large clients.

The CRISIL Centre for Economic Research (C-CER) and the CRISIL Research businesses continued to focus on franchise and thought-leadership activities by conducting distinctive research on contemporary issues.

## CRISIL Coalition

CRISIL Coalition continued initiatives aimed at enhancing market relevance and broadening the reach to include more regional players. In 2019, Coalition added four new logos to its impressive list of global investment banks. New and more granular IP was developed to cater to newer clients, such as the regional banks.

Coalition reinforced its 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 150+ Executive Committees at various banks. More than 90+ publications globally carried our views and quoted it during the year. We were referenced by leading global banks in 100+ investor relations presentations.

On the operations side, we continued our focus on automation and digitisation. We remain focused on automating our research value chain, which will enable better data discovery in research and analytics. Coalition retained the coveted SSAE16 SOC2 Type II certification, which is a testimony of the stringent controls and measures deployed for data and IP protection.

## Infrastructure Advisory

Despite continued slowdown, CRISIL Infrastructure Advisory booked several new assignments and strengthened the order book during the year. The business won a couple of large-value multi-year implementation support and programme management mandates. Some of the prestigious mandates were programme management for the Smart City Implementation Project for Diu; development plan of new towns proposed along the Nagpur-Mumbai Expressway, land use and development plan for Panvel city, project management unit (PMU) for sustainable green finance housing project from the National Housing Bank, various mining-auction assignments in Karnataka, Gujarat and Odisha; assistance in setting up first gas-trading hub; airport privatisation; PMU for Swasthya Sathi programme in West Bengal, and assisting National Highways Authority of India as a transaction advisor for Toll-Operate-Transfer Bundle 3, including organising two high-level investor roadshows.

The business deepened international presence by winning mandates in the emerging markets of Asia and Africa, including: development of a modern and cost efficient freight logistics system in Uganda, framing mine sites and mine closure guidelines for Zambia, solid waste management and

PPP prefeasibility studies in Tanzania, strategic assessment of solid waste management services and systems in Nepal, identification of PPP projects in Namibia, investment funding mechanisms and institutional setup options for a national urban flood risk investment programme for Indonesia.

CRISIL Infrastructure Advisory also successfully hosted the third 'CRISIL India Infrastructure Conclave' on November 26, 2019 in New Delhi under the signature franchise platform, Infra Intelligence. The conclave theme this year was - 'The 'central' role of states in India's infrastructure build-out'. The event also saw the launch of the third edition of the CRISIL Infrastructure Yearbook – a one-of-its-kind annual publication that provides deep insights into the infrastructure sectors in India, with a specific focus on preparedness of states this year. The yearbook was launched by Nitin Gadkari, Minister for Road Transport & Highways of India. K T Rama Rao, Minister for IT, Industries and Commerce, Telangana was the keynote speaker, and Kenichi Yokoyama, Country Director, ADB, was the guest of honour. Several dignitaries and speakers/panelists also participated. The event was well received by media.

## **Business Intelligence & Risk Solutions (BIRS)**

The BIRS business is uniquely positioned to help banks and financial institutions in their data and analytics needs. Our deep domain knowledge of processes and best practices across the entire BFSI spectrum enables us to offer innovative solutions that aid decision-making across CIB, commercial and retail banking, cards, asset management, and insurance. Our proprietary technology platform combined with deep business domain knowledge helps us deliver best-in-class solutions across all key functional areas, including risk management, sales and marketing, financial control and reporting, regulatory compliance, and governance.

The year saw increased demand for our risk solution products like RAM, Early Warning System (EWS) and regulatory reporting solution (ADF - Automated Data Flow). Demand from both public and private FIs has been strong. However, we are cautiously optimistic since implementation challenges and timelines are a concern.

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

In response to the need for digitisation of risk assessment and lending processes, we incorporated more digital and analytical components into our technology agenda.

We successfully implemented our ECL offering (under the new International Financial Reporting Standards, or IFRS regime) at seven FIs in India and overseas.

We continue to invest in our technological capabilities and launched our new-age RAM solution in August 2019. We also continue to leverage our proprietary analytics platform, Fulkrum, for hosting innovations in our solutions.

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

Consolidated financial statements include financial statements of CRISIL Ltd combined with its wholly owned subsidiaries ('Group'). Subsidiaries are entities controlled by the Company.

Financial statements of the Group and its subsidiaries have been combined on a line by line basis by adding the book values of like items – assets, liabilities, income, and expenses – after duly eliminating intra-group balances and transactions, and the resulting gains/ losses.

Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, read along with Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. 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 financial statements as well as for various estimates and judgment used therein.

Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to, and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of CRISIL Limited. This transfer would be undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') to be approved by the Stock Exchanges and the National Company Law Tribunal (NCLT). Having received the requisite approvals from the Stock Exchanges, the Company has filed the Scheme with NCLT on October 25, 2019. NCLT has admitted the Scheme and has ordered convening of shareholders' meetings for approving the Scheme.

On December 19, 2019, CRISIL Irevna US LLC, a subsidiary company has entered into a definitive agreement to acquire 100% of the equity share capital of Greenwich Associates LLC ('Greenwich') and its subsidiaries, a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and asset and wealth managers.

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 the 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 Rupees 25.49 crore to its gross block and deducted Rupees 7.81 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.

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:

(Rupees in crore)

Details	As on December 31,		Growth %
	2019	2018	
Carrying value			
Property, plant, equipment, and intangible assets	238.35	219.91	8
Less accumulated depreciation	178.08	147.23	21
<b>Net block</b>	<b>60.27</b>	<b>72.68</b>	<b>(17)</b>
Depreciation as a % of total income	2%	2%	
Accumulated depreciation as % of gross block	75%	67%	

### 2. Goodwill on consolidation

Goodwill on consolidation represents excess of purchase consideration over the 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 growth in goodwill is due 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.

- a. Equity investments:** All equity investments (quoted and unquoted) are measured at Fair Value Through Other Comprehensive Income (FVTOCI).
- b. 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 Rupees 595.35 crore as on December 31, 2019, as against Rupees 386.18 crore in the previous year.

(Rupees in crore)

Details	As on December 31,				Growth %
	2019	%	2018	%	
Cash and bank balance	113.78	19	90.49	24	26
Fixed deposits	229.32	39	112.66	29	104
Mutual funds	252.25	42	183.03	47	38
<b>Total</b>	<b>595.35</b>	<b>100</b>	<b>386.18</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 staff. Loans were Rupees 41.43 crore as on December 31, 2019, as against Rupees 45.19 crore in the previous year.

#### C. Trade receivables

Trade receivables at gross levels were Rupees 223.12 crore as on December 31, 2019, compared with Rupees 324.70 crore in the previous year. Trade receivables constituted 13% of operating revenue compared with 19% of operating revenue during the previous year .

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

(Rupees in crore)

Segment	As on December 31,				Growth %
	2019		2018		
	Amount	%	Amount	%	
Ratings	47.91	21	62.28	19	(23)
Research	133.97	60	203.12	63	(34)
Advisory	41.24	19	59.31	18	(30)
<b>Total</b>	<b>223.12</b>	<b>100</b>	<b>324.70</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 Rupees 23.75 crore as on December 31, 2019, as against Rupees 39.87 crore in the previous year. Provision for bad debt as a percentage of revenue for the year ended December 31, 2019, was 1 % compared with 2% in the previous year.

#### D. Other financial assets

Other financial assets comprise unbilled receivables, accrued interest, and forward contract receivable. Other financial assets amounted to Rupees 79.88 crore for the year ended December 31, 2019, compared with Rupees 94.49 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 Rupees 42.59 crore as on December 31, 2019, as against Rupees 56.76 crore in the previous year. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The net advance income tax asset was Rupees 58.66 crore as on December 31, 2019, compared with Rupees 44.29 crore in the previous year.

#### 5. Other assets

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

## 6. Equity share capital

The Company's authorised capital is Rupees 10 crore, comprising 100,000,000 equity shares of Rupee 1 per share. During the year, the company issued and allotted 188,544 equity shares to eligible employees on exercise of options granted under Employee Stock Option Scheme (ESOP) 2014. Consequently, the company issued, subscribed and paid-up capital increased from 72,115,782 to 72,304,326 equity shares of Rupee 1 each.

## 7. Other equity

Other equity was Rupees 1,164.69 crore as on December 31, 2019, as against Rupees 1,129.04 crore in the corresponding period of the previous year. Other equity comprises reserves & surplus, and other comprehensive income (OCI).

## 8. Financial liabilities

### A. Trade payables

Trade payables as on December 31, 2019, were Rupees 75.46 crore as against Rupees 64.77 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 and miscellaneous liabilities were Rupees 168.17 crore as on December 31, 2019, as against Rupees 167.13 crore in the previous year.

## 9. Provisions and other liabilities

### A. Provision for employee benefits

The overall liability was Rupees 81.27 crore as on December 31, 2019, compared with Rupees 77.11 crore in the previous year. The increase in the current year is in line with merit increase.

### B. Others

Other non-financial liabilities include unearned revenue and statutory liabilities. Unearned revenue represents fee received in advance for which services have not been rendered. Other liabilities were Rupees 173.99 crore as against Rupees 174.20 crore in the previous year.

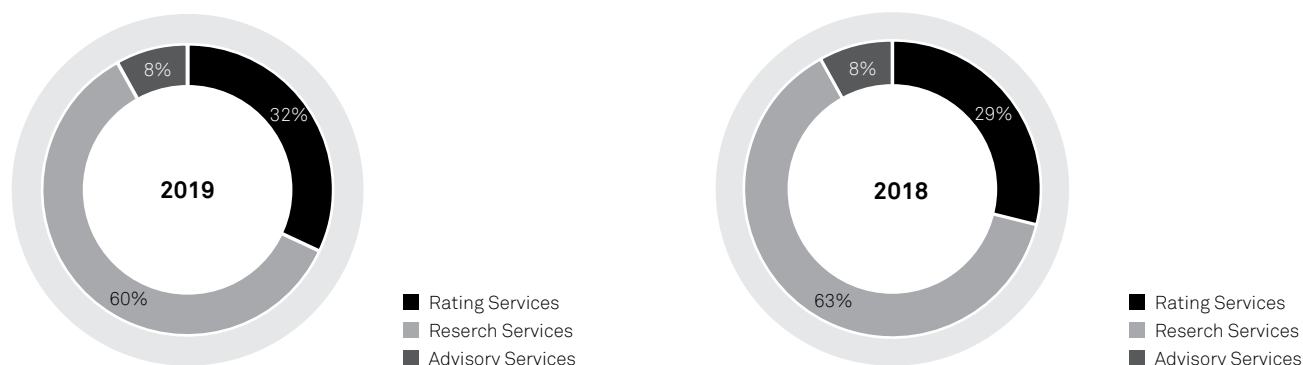
## B. Results of operations

The summary of the operating performance is given below:

(Rupees in crore)

Particulars	Year-ended December 31,			
	2019	% of revenue	2018	% of revenue
Income from operations	1,731.72	96	1,748.49	96
Other income	72.84	4	73.41	4
<b>Total income</b>	<b>1,804.56</b>	<b>100</b>	<b>1,821.90</b>	<b>100</b>
<b>Expenses</b>				
Personnel expenses	877.56	49	887.36	49
Finance cost	0.23	0	2.23	0
Depreciation	36.86	2	42.82	2
Other expenses	398.32	22	389.90	21
<b>Total expenses</b>	<b>1,312.97</b>	<b>73</b>	<b>1,322.31</b>	<b>73</b>
<b>Profit before tax</b>	<b>491.59</b>	<b>27</b>	<b>499.59</b>	<b>27</b>
Tax expense	147.64	8	136.49	7
<b>Profit after tax</b>	<b>343.95</b>	<b>19</b>	<b>363.10</b>	<b>20</b>

### Segmental revenue analysis



### Segmental results

(Rupees in crore)

Segmental details	Year ended December 31,		Growth %
	2019	2018	
<b>Revenue</b>			
Ratings	544.81	507.30	7
Research	1,044.40	1,106.01	(6)
Advisory	142.51	135.18	5
<b>Total</b>	<b>1,731.72</b>	<b>1,748.49</b>	
<b>Segmental profit</b>			
Ratings	219.54	184.17	19
Research	233.68	326.44	(28)
Advisory	12.73	(8.09)	257
<b>Total</b>	<b>465.95</b>	<b>502.52</b>	

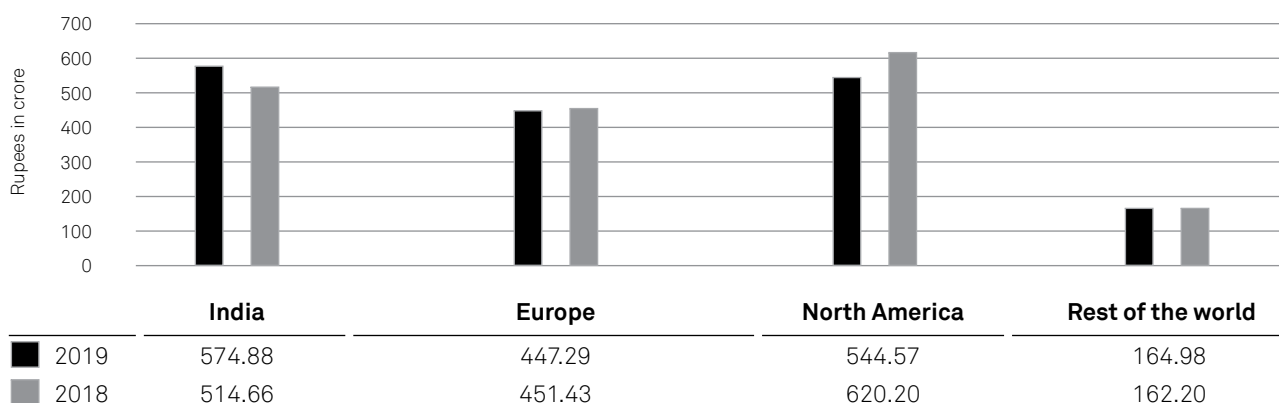
CRISIL Ratings revenue showed healthy growth on the back of ratings quality, addition of large corporate clients, increase in securitisation mandates, and new offerings such as Independent Credit Evaluation (ICE). The Global Analytical Center (GAC) increased coverage for S&P Global Ratings in the areas of new analytics such as ESG, and sharpened focus on automation and optimisation by leveraging new technologies to streamline operations in data and analytics.

Research segment performance was led by Coalition, which saw robust traction in client and competitor analytics. India Research business saw growth in funds and fixed-income research by leveraging its proprietary data and analytics platform Quantix for asset and wealth managers, and institutional investors. The segment's performance was affected by changing demand in the risk and analytics space, with the global financial services sector preparing itself for the next wave of regulations.

Advisory segment grew on the back of new wins in the credit risk, regulatory reporting and business analytics space in addition to new mandates from government and multilaterals in the infrastructure space.

### Revenue by geography

Of the total revenue for the year ended December 31, 2019, exports contributed 67% and domestic services 33%.



### Other income (net)

Other income was Rupees 72.84 crore as on December 31, 2019, compared with Rupees 73.41 crore in the previous year.

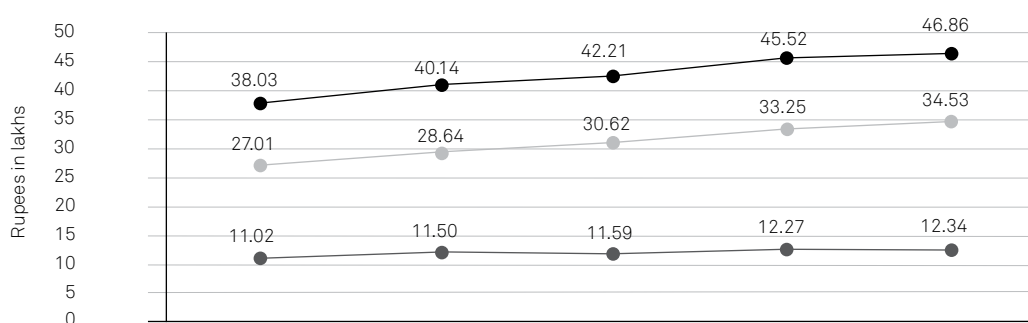
### Expense analysis

Total expenses in the year was Rupees 1,312.97 crore as against Rupees 1,322.31 crore in the previous year. The composition of expenses is given below:

Particulars	(Rupees in crore)	
	Year ended December 31,	
	2019	2018
Personnel expenses	877.56	887.36
Finance cost	0.23	2.23
Depreciation	36.86	42.82
Other expenses	398.32	389.90
<b>Total Expenses</b>	<b>1,312.97</b>	<b>1,322.31</b>

Overall costs were lower than previous year due to strong control on costs

### Revenue and profit per employee for the past five years



	2015	2016	2017	2018	2019
● Ope. Rev per employee	38.03	40.14	42.21	45.52	46.86
● Ope. Expense per employee	27.01	28.64	30.62	33.25	34.53
● Operating Profit per employee	11.02	11.50	11.59	12.27	12.34

— Ope. Rev per employee    — Ope. Expense per employee    — Operating Profit per employee

Note: Figures for 2019, 2018, 2017 and 2016 are as per Ind AS and for 2015 is as per IGAAP.

### Key Ratios

Particulars	2019	2018	2017	2016	2015
Personnel expenses/revenue (%)	49	49	50	50	49
Operating and other expenses/revenue (%)	73	73	74	73	71
Operating profit (PBIDT)/revenue (%)	29	30	29	31	31
Depreciation and amortisation/revenue (%)	2	2	3	3	3
Tax/revenue (%)	8	7	8	9	8
PAT/revenue (%)	19	20	18	18	20
Debtor turnover ratio	6	6	7	7	8
Current ratio	2	2	2	2	2
Operating profit margin(%)	26	27	27	29	29
Net profit margin(%)	19	20	18	18	20
Return on networth (%)	30	33	30	32	33

Note: Figures for 2019, 2018, 2017 and 2016 are as per Ind AS and 2015 is as per IGAAP.

Operating revenue per employee increased 3% on-year. Operating profit per employee increased to Rupees 12.34 lakhs, which was achieved through increased productivity and effective utilisation of resources.

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

### 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 Rupees 17.56 crore to its gross block and deducted Rupees 5.50 crore from the gross block on disposal of various assets. Property, plant, and equipment 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 current year. The Company expects to fund its investments in fixed assets and infrastructure from internal accruals and liquid assets.

At the end of the year, the Company's investments in net property, plant, equipment, and intangible assets were Rupees 39.16 crore as against Rupees 48.72 crore in the previous year.

Category	(Rupees in crore)				
	As on December 31,				Growth %
	2019	%	2018	%	
Cash and bank balance	67.27	21	47.74	20	41
Fixed deposit	5.43	2	1.39	1	291
Mutual funds	252.25	77	183.03	79	38
<b>Total</b>	<b>324.95</b>	<b>100</b>	<b>232.16</b>	<b>100</b>	

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 security deposits and loans to subsidiaries and staff. As on December 31, 2019, the outstanding amount totaled Rupees 39.65 crore compared with Rupees 45.77 crore in the previous year.

#### C. Trade receivables

Trade receivables at gross levels were 148.95 crore as on December 31, 2019, compared with Rupees 182.37 crore in the previous year. Trade receivables as a percentage of operating revenue is at 13% compared to 15% in previous year.

The Company believes that the outstanding trade receivables are recoverable and it has adequate provision for bad debt. Provision for doubtful debt balance was Rupees 10.08 crore

### 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. As on December 31, 2019, the cost of investment in subsidiaries stood at Rupees 182.93 crore.

#### 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 Rupees 324.95 crore as on December 31, 2019, as against Rupees 232.16 crore in the previous year.

Cash and bank balance remained constant at 21% of the treasury as on December 31, 2019. The treasury position is after considering dividend payouts of Rupees 251.62 crore.

as on December 31, 2019, as against Rupees 17.55 crore in the previous year. Provision for bad debt as a percentage of revenue for the year ended December 31, 2019, remained constant at 1% in the year.

#### 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, 2019, amounted to Rupees 51.77 crore compared with Rupees 33.21 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 were valued at Rupees 28.36 crore as on December 31, 2019, as against Rupees 45.40 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.

Advance income tax asset was Rupees 48.15 crore as on December 31, 2019, compared with Rupees 36.18 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 Rupees 10 crore, comprising 100,000,000 equity shares of Rupee 1 per share. During the year, the Company issued and allotted 188,544 equity shares to eligible employees on exercise of options granted under ESOP 2014. Consequently, the issued, subscribed and paid-up capital of the Company increased from 72,115,782 equity shares of Rupee 1 each to 72,304,326 equity shares of Rupee 1 each.

#### 6. Other equity

Other equity comprises reserves, surplus and OCI. It was Rupees 751.52 crore as on December 31, 2019, as against Rupees 801.72 crore in the corresponding previous

period. This was after considering the final and interim dividend payouts amounting to Rupees 251.62 crore during the year ended December 31, 2019.

### 7. Financial liabilities

#### A. Trade payables

Trade payables amounted to Rupees 67.58 crore as on December 31, 2019, as against Rupees 52.07 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 Rupees 85.90 crore as on December 31, 2019, as against Rupees 76.03 crore in the preceding year.

### 8. Provisions

Provisions comprise provisions for employee benefits. The overall liability was Rupees 70.45 crore as on December 31, 2019, as against Rupees 67.79 crore at the end of the previous year. Growth in the current year is in line with merit increase.

### 9. Other liabilities

Other liabilities mainly represent payables on account of withholding tax, Goods and 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 is given below:

(Rupees in crore)

Particulars	Year ended December 31,			
	2019	% of revenue	2018	% of revenue
Income from operations	1,178.68	90	1,181.99	93
Other income	129.04	10	88.87	7
<b>Total income</b>	<b>1,307.72</b>	<b>100</b>	<b>1,270.86</b>	<b>100</b>
<b>Expenses</b>				
Personnel expenses	517.04	39	504.19	40
Finance cost	-	-	1.18	-
Depreciation	25.63	2	28.67	2
Other expenses	387.21	30	356.25	28
<b>Operating expenses</b>	<b>929.88</b>	<b>71</b>	<b>890.29</b>	<b>70</b>
<b>Profit before tax</b>	<b>377.84</b>	<b>29</b>	<b>380.57</b>	<b>30</b>
Tax expense	111.55	9	103.04	8
<b>Profit after tax</b>	<b>266.29</b>	<b>20</b>	<b>277.53</b>	<b>22</b>

#### Revenue analysis

##### Other income (net)

Other income during the year increased to Rupees 129.04 crore from Rupees 88.87 crore in the previous year. This was mainly due to dividend on investments.

#### Expense analysis

The total expenses for the year ended December 31, 2019 was Rupees 929.88 crore as against Rupees 890.29 crore during the corresponding previous year. Growth in other expenses was mainly on account of professional fees that are linked to revenue.

## C. Risk management

The Company has a robust risk management framework in place with overall governance and oversight from the Risk Management Committee of the Board and oversight from Audit Committee and Board of Directors. Risk Management policy of CRISIL clearly outlines the key accountabilities and responsibilities of managing risks at CRISIL. CRISIL has a balanced approach to risk management by mitigating risks to an acceptable level within its tolerances and protecting CRISIL's reputation and brand while supporting the achievement of operational and strategic goals and objectives. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives. The Internal Risk Management Committee, comprising senior members of the leadership team, provides governance and oversight on the process. The Company has 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 are 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 a 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 the strategy of diversifying into new products/services and 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, introducing relevant tools, platforms, and products, 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 rating 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 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. We evaluate exchange rate exposure arising from these transactions and enter into foreign exchange hedging contracts to mitigate the risks arising out of movement in the rupee. The foreign exchange management programme covers a large portion of projected future revenue over a 12-month period and is restricted to standard forward contracts and options.

Appropriate internal controls are in place for monitoring.

### 3. Policy risk

In the past two to three years, Securities and Exchange Board of India (SEBI), the regulator for credit rating agencies (CRA's) in India, has issued guidelines to mandate more disclosures by CRA's, ensure greater discipline in the rating processes, and set enhanced norms for functioning of rating committees. Further, it has defined the process to be adopted in the event of non-cooperation by issuers, introduced independent member(s) in the Rating Committees for appeal cases, initiated segregation of legal entity for regulated and non-regulated businesses, introduced and standardized probability of default (PD) benchmarks, added a new subscript to the ratings symbols for credit enhanced (CE) ratings, strengthened the board composition of CRA's, and introduced a new role of a Chief Ratings Officer. SEBI has also raised the bar on the eligibility to set up a CRA and stipulated greater disclosure for issuers on their financial performance. Overall, the revisions in guidelines will improve transparency of the credit rating process and enhance standards of the CRA industry. At the same time, the recent guidelines increase the operational intensity of the rating process. CRISIL continues to focus on leveraging technology to build appropriate controls and monitoring tools for safeguarding the rating process and facilitating necessary disclosures. Further, the Company has made significant progress towards its plan of legal entity restructuring.

The policy announcements for development of the bond market have been supportive in recent years. The steps towards nudging large corporates to raise 25% of their funding needs from the bond market, persuading insurance and pension regulators to accord recognition to corporate bonds rated in 'A category', recently announced plan to allow netting off financial contracts for Credit Default Swaps (CDS), and ongoing implementation of insolvency and bankruptcy code (IBC) will structurally enhance the bond market's role 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 market 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 the potential to expand the role of the bond market.



#### 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, the environment, corporate governance, listing and disclosure, employment, and taxes. Failure to comply with laws and regulations could expose CRISIL to civil and/or criminal actions leading to damages, fines and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation. Changes to laws and regulations could have a material impact on the cost of doing business. CRISIL is committed to complying with the laws and regulations of the countries in which it operates. 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 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 set 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. These functions aim 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 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 IT 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 a 'Data Leakage Prevention' process. The Information security team acts as a second line of defense in driving the agenda pertaining to information security trainings, implementing tools to strengthen information security posture and evaluate areas of vulnerabilities, and improve the controls to prevent/ detect/ neutralise malicious network penetration (cyber-attack). Incidents of cyber-attacks globally as well as in India have increased. The Company continues to evaluate and invest in additional mitigation plans through tools and infrastructure and enhanced monitoring.

CRISIL'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 an adequate database for our knowledge. The technology used by the Company at all locations provides for redundancy and 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 the changes, and suitably undertakes projects for technology upgradation to keep the infrastructure current and to provide for redundancy.

#### 7. Internal audit and internal financial controls system

The Audit Committee provides oversight of the Company's internal audit process. The Audit Committee reviews and concurs in the appointment, replacement, performance, and compensation of the Company's internal auditor and approves internal audit's annual audit plan and budget. The Audit Committee also receives regular updates on the audit plan's status and results including reports issued by 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, if any, are remediated.

# 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 22, 2019.
2. We have examined the compliance of conditions of corporate governance by CRISIL Limited ('the Company') for the year ended on December 31, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## Management's Responsibility

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

## Auditor's Responsibility

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

Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended December 31, 2019.

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

**Khushroo B. Panthaky**

Partner

Place: Mumbai

Date: February 11, 2020

Membership No.: 42423

UDIN: 200424323AAAAAX1874

# Managing Director & CEO's Declaration

To the members of CRISIL Limited

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

For CRISIL Limited

**Ashu Suyash**

Managing Director & CEO

DIN: 00494515

Mumbai, February 11, 2020

# 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 of 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, helps 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. 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.

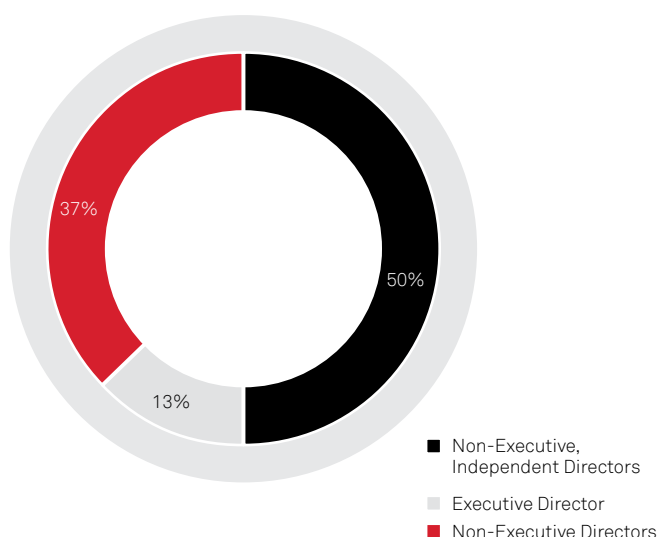
The composition of the Board of Directors of the Company as on December 31, 2019, was as follows:

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	Mr Ewout Steenbergen (DIN: 07956962) Mr Martin Fraenkel (DIN: 08410263)
Managing Director & Chief Executive Officer	Ms Ashu Suyash (DIN: 00494515)

#### Notes:

- The Board of Directors has appointed Mr Martin Fraenkel as Additional Non-Executive Director of the Company with effect from April 18, 2019.
- Ms Martina Cheung (DIN:07551069) tendered her resignation as a Director of the company with effect from April 18, 2019.
- Mr Ravinder Singhania (DIN:00006921), Alternate Director to Mr John Berisford, ceased to be an Alternate Director, with effect from July 22, 2019.
- Mr M Damodaran and Ms Vinita Bali, were re-appointed as Independent Directors, with effect from December 1, 2019

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 skillsets, so that the Company benefits from new insights, guidance and challenges to business proposals. The Policy outlines the appointment criteria and qualifications of 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 gives an insight into the education, expertise, skills and experience of CRISIL Directors, thus bringing in diversity to the Board's perspectives. In terms of the requirement of the Listing Regulations, the Board has identified the core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

	John Berisford	M Damodaran	Vinita Bali	Girish Paranjpe	Arundhati Bhattacharya	Ewout Steenbergen	Martin Fraenkel	Ashu Suyash
<b>STRATEGIC ORIENTATION</b> – Ability to think expansively, evaluate alternatives and make choices	√	√	√	√	√	√	√	√
<b>COMMERCIAL ORIENTATION</b> – Understanding of business model and how the business makes money	√	√		√			√	√
<b>CUSTOMER ORIENTATION</b> – Creating compelling value propositions for customers as the differentiating attribute			√	√			√	√
<b>PEOPLE ORIENTATION</b> – Track record and understanding of what motivates and inspires people to deliver superior performance	√	√	√		√		√	√
<b>TECHNOLOGY &amp; BUSINESS TRANSFORMATION</b> – Knowledge and understanding of how technology can be leveraged to produce competitively superior results and stay ahead				√	√	√		
<b>EXPERIENCE IN M&amp;A</b> – Ability to identify, value and coalesce acquisitions and mergers			√	√		√	√	
<b>GLOBAL BUSINESS EXPERIENCE</b> – Experience of overseeing and managing businesses across multiple countries and environments	√		√	√		√	√	
<b>KNOWLEDGE OF FINANCIAL MARKETS</b> – Understanding of Indian and global trends and challenges across banking and securities markets, other credit rating agencies, asset management and advisory firms		√			√	√		√
<b>GOVERNANCE &amp; REGULATION</b> – Experience of corporate governance; and understanding of regulatory environment across banking and securities laws, data protection and privacy, and cyber security for India and countries where business is transacted	√	√			√			
<b>STAKEHOLDER MANAGEMENT</b> – Experience of dealing with government officials, regulators, customers, boards, partners and suppliers, employees; and broader community for corporate social responsibility agenda	√	√	√		√	√		√

None of the Directors is a relative of an Executive Director or of a Non-Executive Director.

#### **Certificate from Practicing Company Secretary regarding Non-Debarment and Non-Disqualification of Directors**

The Company has obtained a certificate from M/s Makarand M Joshi & Co., Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report as Annexure II.

#### **Membership term**

As per the Articles of Association of the Company, at least two-thirds of the Board members shall be retiring Directors, excluding Independent Directors. One-third of such Directors are required to retire every year and if eligible, the retiring directors qualify for re-appointment. The Managing Director is appointed by the shareholders for a period of five years but can be reappointed on

completion of the term, if eligible. The employment may be terminated by either party by giving three months' notice. Independent Directors shall hold office for upto 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 of the Board and Senior Management.

The Board has adopted a retirement policy for its members. The maximum age of retirement for 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.

### Membership 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 20 companies, of which not more than 10 shall be public companies and not more than 8 shall be listed companies. No Director of the Company shall serve on more than ten committees or can act as a Chairman of more than five committees across all Indian public limited companies in which he / she is a Director. For the purpose of this limitation, membership and chairmanship of the Audit Committee and Stakeholders' Relationship Committee are only considered. No Independent Director shall serve as Independent Director in more than seven listed companies or three listed companies in case he is a Whole-time Director in any listed company.

Furthermore, every Director shall inform the Company about the directorship / committee positions he / she occupies in other companies and notify the changes as and when they take place. The details of other directorships held by the Company's Directors as on December 31, 2019, are given below:

Name of the Director	Directorship <sup>#</sup>	Name of other listed companies where he/ she is a Director		Membership of committees*	Chairmanship of committees*
		Company	Type of directorship		
Mr M Damodaran	10	Biocon Limited	Independent Director	4	4
		Larsen & Toubro Limited	Independent Director		
		Tech Mahindra Limited	Independent Director		
		Hero Motocorp Limited	Independent Director		
		InterGlobe Aviation Limited	Independent Director		
Ms Vinita Bali	3	Syngene International Limited	Independent Director	1	0
Mr Girish Paranjpe	5	Axis Bank Limited	Independent Director	2	1
Ms Arundhati Bhattacharya	7	Reliance Industries Limited	Independent Director	3	1
		Piramal Enterprises Limited	Independent Director		
		Wipro Limited	Independent Director		
Mr John L. Berisford	1	-	-	0	0
Mr Ewout Steenberg	1	-	-	1	0
Mr Martin Fraenkel	1	-	-	1	0
Ms Ashu Suyash	1	-	-	1	0

<sup>#</sup> 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, 2019

None of the Directors hold any shares in the Company. However, Ms Ashu Suyash, Managing Director & Chief Executive Officer, has been granted 1,12,125 options under the Company's ESOP Scheme 2014.

### Responsibilities

The Board takes decisions on 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, 2019, the Board met six times - on February 12, April 8, April 17, July 23, November 8 and December 19. A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations and action taken reports from previous meetings, where applicable, is sent to each Director at least seven days before the date of the Board and committee meetings. The Directors are also provided the facility of video conferencing to enable them to participate effectively in the meeting(s), as and when required.

The Company has an executive committee comprising the Managing Director and a team of senior leaders with proper demarcation of responsibilities and authority. The Managing Director is responsible for corporate strategy, planning, external contacts and Board matters. The heads of individual businesses and the CRISIL leadership team are responsible for business development, customer relations, day-to-day operations-related issues, profitability, productivity, recruitment and employee retention in 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 during 2019 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
Mr M Damodaran	6	6	Yes
Ms Vinita Bali	6	6	Yes
Mr Girish Paranjpe	6	6	Yes
Ms Arundhati Bhattacharya	6	5	Yes
Mr John L Berisford	6	6	Yes
Ms Martina Cheung*	3	1	No
Mr Martin Fraenkel <sup>§</sup>	3	3	NA

Name of the Directors	No. of Board meetings held during the tenure	No. of Board meetings attended out of those held	Last Annual General Meeting attendance
Mr Ewout Steenbergen	6	6	Yes
Ms Ashu Suyash	6	6	Yes
Mr Ravinder Singhanian <sup>#</sup> (Alternate Director)	4	--@	--@

\* Of the above six meetings, four were scheduled meetings for approval of Financial Results and two were additional meetings for various other matters

<sup>^</sup> Ceased to be Director with effect from April 18, 2019

<sup>§</sup> Appointed with effect from April 18, 2019 and hence was not a Director as on AGM date

<sup>#</sup> Vacated office with effect from July 22, 2019

<sup>@</sup> Mr Ravinder Singhanian did not attend the meetings as the Director for whom he was Alternate Director, attended all the Meetings.

### Role of Independent Directors and familiarisation process

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 requisite disclosures regarding fulfilment 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 such as overview of the various CRISIL businesses, offerings, 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 2019 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 the Company's performance, prevailing norms and roles and contributions of Board members. In terms of a shareholders' resolution passed on April 20, 2017, the Company can pay remuneration not exceeding 1% of the net profits to the Non-Executive Directors. The Non-Executive Directors have not been granted any stock options of the Company.

### 2) Managing Director

Ms Ashu Suyash, Managing Director & CEO, has signed an agreement containing the terms and conditions of

employment. The agreement is for a term of five years, but either the Company or the Managing Director may generally terminate the agreement upon three months' notice to the other party. She is not eligible for any severance fee.

The remuneration and reward structure for Managing Director comprises two broad components — short-term remuneration and long-term rewards. The remuneration package of Ms Ashu Suyash comprises a fixed salary, allowances, perquisites, reimbursements and retirement benefits, and a variable pay to be determined by the Board on the recommendation of the Nomination and Remuneration Committee.

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

Plan	Date	Nos	Price	Remarks
Employee Stock Option Scheme – 2014	June 1, 2015	71,507	Rupees 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
Employee Stock Option Scheme – 2014	April 4, 2018	19,562	Rupees 1,841.35	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
Employee Stock Option Scheme – 2014	April 16, 2019	21,056	Rupees 1,568.85	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

Ms Suyash is eligible for benefits under any long-term incentive plan, stock option plan, excess contribution and other benefits in accordance with the rules of the Company applicable to all employees. The Nomination and Remuneration Committee determines the remuneration of Managing Director. The detailed policy of the Company on 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	Total
Mr M Damodaran	11,00,000	30,00,000	41,00,000
Ms Vinita Bali	10,50,000	30,00,000	40,50,000
Mr Girish Paranjpe	9,70,000	30,00,000	39,70,000
Ms Arundhati Bhattacharya	4,90,000	30,00,000	34,90,000
Mr John L Berisford	Nil*	Nil *	Nil *
Ms Martina Cheung^	Nil*	Nil *	Nil *
Mr Ewout Steenbergen	Nil*	Nil *	Nil *
Mr Martin Fraenkel**	Nil*	Nil *	Nil *

Name of Directors	Sitting Fees	Commission	Total
Mr Ravinder Singhania (Alternate Director)#	Nil	Nil	Nil
<b>TOTAL</b>	<b>36,10,000</b>	<b>1,20,00,000</b>	<b>1,56,10,000</b>

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

^ Ceased to be Director with effect from April 18, 2019

\*\* Appointed with effect from April 18, 2019

# Vacated office with effect from July 22, 2019

### Remuneration paid to the Managing Director & CEO for the year ended December 31, 2019

Name	Ashu Suyash
Salary*	3,65,99,044
Variable pay	1,75,50,000
Provident fund	17,10,864
Perquisites	39,600
Appointment valid till	May 31, 2020

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

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

## 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, 2019, the Company had the following committees:

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

The Investment Committee, being a non-statutory committee and having overlap in terms of reference with the Audit Committee, was dissolved by the Board of Directors with

effect from April 18, 2019. Each committee 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 2019 — on February 11, April 16, June 21, July 22, November 8 and December 10. 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, 2019. The composition of the Committee during 2019 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2019	
			Held during the tenure	Attended out of those held
Mr M Damodaran	Independent, Non-Executive	Chairman	6	6
Ms Vinita Bali	Independent, Non-Executive	Member	6	6
Mr Girish Paranjpe	Independent, Non-Executive	Member	6	6
Ms Martina Cheung <sup>^</sup>	Non-Executive	Member	2	0
Mr Martin Fraenkel <sup>**</sup>	Non-Executive	Member	4	4

<sup>^</sup> Ceased to be a member with effect from April 18, 2019

<sup>\*\*</sup> Appointed as a member with effect from April 18, 2019

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 to 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 the 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 of 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 on any significant findings and follow up there on
- 15) Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- 16) Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- 18) To review the functioning of the whistleblower mechanism
- 19) Approval of the appointment of CFO
- 20) To review report submitted by the monitoring agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable
- 21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In line with its terms of reference, during 2019, 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 the 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 conducted thematic review of audit findings and improvement trends during the year and of the governance around analytical processes. The Committee also reviewed the system and processes in place for risk management, insider trading compliance, privacy law compliance and information technology. On a quarterly basis, the Committee continues to review whistle blower complaints with the corrective actions and controls put in place therefor, material litigations/ notices and related party transactions.

## 2. Risk Management Committee

The Risk Management Committee of the Company was constituted on April 1, 2019, in line with the provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The broad terms of reference of the Risk Management Committee are:

- 1) Oversight on the Risk Management Policy, Risk Management Framework and processes
- 2) Review and monitoring of operational, strategic risks and cyber risks, including, but not limited to, sectoral developments, risk related to market, competition, foreign exchange, political and reputational risks, client confidentiality, data security, disruptive technologies, change management, evolving regulations and cyber security
- 3) Review of the progress and effectiveness of mitigation actions planned, relating to existing and anticipated emerging risks
- 4) Monitoring of critical risk exposures and reporting details of any significant developments relating to these exposures to the Board
- 5) Performing such other functions as may be necessary or appropriate for the performance of its oversight function

The Committee met twice in 2019 - on June 21 and December 10. The necessary quorum was present for the meetings.

Name	Category	Position	Number of meetings during the year 2019	
			Held during the tenure	Attended out of those held
Mr Girish Paranjpe	Independent, Non-Executive	Chairman	2	2
Ms Arundhati Bhattacharya	Independent, Non-Executive	Member	2	1
Ms Ashu Suyash	Managing Director & CEO	Member	2	2

### 3. Nomination and Remuneration Committee

The broad terms of reference of the Nomination and Remuneration Committee are:

- Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills
- Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board
- Establishing and reviewing Board and senior executive succession plans
- Evaluation of Board Performance
- Assisting the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board
- Reviewing and making recommendations to the Board on:

- the remuneration of the Managing Director, Whole-time Directors and KMPs
- the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman
- the remuneration policies for all employees including base pay, incentive payments, equity awards, retirement rights and service contracts

The Nomination and Remuneration Committee met three times in 2019 - on February 11, April 16 and July 22. The necessary quorum was present for all the meetings. In terms of its mandate, during 2019, the Committee focussed on review of initiatives relating to talent acquisition and management, succession planning, employee engagement and employee compensation. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on April 17, 2019. The composition of the Committee during 2019 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2019	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairperson	3	3
Mr John L Berisford	Non-Executive	Member	3	3
Mr M Damodaran	Independent, Non-Executive	Member	3	3

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's website at <https://crisil.com/en/home/investors/corporate-governance.html>.

Further, the details of remuneration paid to all the Directors and the other disclosures required to be made under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been published in the previous section of this Report titled 'Board of Directors'.

### 4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee periodically reviews the status of shareholder grievances and redressal of the same. The Committee reviewed adherence to the service standards for investors adopted by CRISIL's Registrar & Share Transfer Agent and various measures and initiatives taken for ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company. 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 2019 - on February 11, April 16, July 22 and November 8. 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, 2019.

The composition of the Committee during 2019 and details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2019	
			Held during the tenure	Attended out of those held
Mr M Damodaran <sup>^</sup>	Independent, Non-Executive	Chairman	2	2
Ms Arundhati Bhattacharya <sup>**</sup>	Independent, Non-Executive	Chairperson	2	2
Mr Ewout Steenbergen	Non-Executive	Member	4	4
Ms Ashu Suyash	Managing Director & CEO	Member	4	4

<sup>^</sup> Ceased to be Chairman and member with effect from April 18, 2019

<sup>\*\*</sup> Appointed as the Chairperson and member with effect from April 18, 2019

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

## 5. Corporate Social Responsibility Committee

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee are:

- Formulate, monitor and recommend to the Board, the CSR Policy
- Recommend to the Board, modifications to the CSR policy as and when required
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken

- Review the performance of the Company in the area of CSR including the evaluation of the impact of the Company's CSR activities
- Review the Company's disclosure of CSR matters
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or regulation including the listing regulations, and the Companies Act, 2013

The Committee met thrice in 2019 - on February 11, June 21 and December 10. The necessary quorum was present for all the meetings. The composition of the Committee during 2019 and the details of meetings held and attended by the Directors are as under:

Name	Category	Position	Number of meetings during the year 2019	
			Held during the tenure	Attended out of those held
Ms Vinita Bali	Independent, Non-Executive	Chairperson	3	3
Mr Girish Paranjpe	Independent, Non-Executive	Member	3	3
Ms Ashu Suyash	Managing Director & CEO	Member	3	3

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 11, 2019, without the presence of the Managing Director & CEO, the Non-Executive, Non-Independent Directors and the Management Team. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

## 7. Performance evaluation

The Company has put in place a mechanism for performance evaluation of the Directors. The details of the same have been included in the Directors' Report.

terms of the Company's Policy for Disclosure of Material Information and is also available on the Company's website.

5. The Company's website contains information on the businesses of the Company, governance and important policies of the Company.

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

The Annual Report of the Company for the financial year 2019 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 to 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 the 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.

## C. Shareholders

### Means of communication

1. Quarterly and annual financial results are published in the leading national and regional newspapers, and displayed on the Company's website.
2. News releases, press releases and presentations made to investors and analysts, if any, are displayed on the Company's website.
3. The Annual Report is circulated to all members, and is also available on the Company's website.
4. Material developments relating to the Company that are potentially price sensitive in nature or which could impact continuity of publicly available information regarding the Company is disclosed to the stock exchanges in

**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
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 Employee Stock Option Scheme 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
Thirty Second Annual General Meeting	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	None

### Postal ballot

During fiscal 2019, two special resolutions were passed by the members through postal ballot for re-appointment of Mr M Damodaran (DIN: 02106990) and Ms Vinita Bali (DIN: 00032940) as Independent Directors with effect from December 1, 2019. The notice of the postal ballot dated July 23, 2019, was sent to the shareholders of the Company along with postage pre-paid envelopes. E-voting facility was also offered along with the postal ballot.

Mr Makarand Joshi, Practising Company Secretary, who was appointed as the Scrutiniser for the postal ballot and e-voting facility, submitted his report to Ms Ashu Suyash, the Managing Director & CEO of the Company. The results of the postal ballot and e-voting were announced on September 09, 2019. Both resolutions were passed with requisite majority.

Pursuant to the provisions of the Companies Act, in view of the e-voting facilities provided by the Company, none of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

### Disclosures

During the year, there were no related party transactions which were materially significant and that could have a potential conflict with the interests of the Company at large. Related party transactions have been disclosed in the annexures to the Directors' Report as required in terms of the provisions of the Companies Act.

There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.<sup>1</sup>

The Company has complied with all the mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also complied with the following discretionary requirements specified in Part E of Schedule II in terms of Regulation 27(1):

- Modified opinion(s) in Audit Report:** Company's financial statements have unmodified audit opinions
- 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 with 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 Personal Trading Policy for employees to comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations). This policy is framed adopting the standards set out in the Regulations to regulate, monitor, and report trading by its employees to achieve compliance with the said Regulations.

### Vigil mechanism and Whistleblower Policy

The Company has a Whistleblower Policy for establishing a vigil mechanism for directors and employees to report genuine

<sup>1</sup>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 Rupees 28.36 lakh.

concerns regarding unethical behaviour, grave misconduct, leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistleblower Policy has been hosted on the website of the company at <https://crisil.com/en/home/investors/corporate-governance.html>.

### **Policy for determining 'material' subsidiaries**

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy for determining 'material' subsidiaries which has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>.

### **Material unlisted subsidiary**

During 2019, the Company had three of its overseas unlisted subsidiary companies as material subsidiaries in terms of its policy on determination of material unlisted subsidiary companies. These are subject to special governance norms in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, minutes of the meetings of the Board of Directors of all subsidiary companies are placed before the Board of Directors of CRISIL Limited for their review and noting.

### **Policy against Sexual and Workplace Harassment**

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has a 'Policy on redressal of Sexual Harassment' for CRISIL and its subsidiary companies. As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"), the policy mandates strict confidentiality and recognizes the right of privacy of every individual. As per the policy, any employee may report a complaint to the 'Independent Committee' formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy.

During the year, 1 complaint was received from an CRISIL employee, which was resolved. Additionally 2 complaints were

received from off-roll personnel which were resolved as well. No complaints were received in respect of subsidiary companies.

### **Related Party Transactions Policy**

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy which has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html>.

### **Record Management Policy**

As required under Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have approved the Policy for Preservation of Documents. The same has been implemented in the Company with effect from December 1, 2015.

### **Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges**

As required under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure 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://crisil.com/en/home/investors/corporate-governance.html>.

The Board of Directors of the Company has authorised the Chief Financial Officer of the Company to determine materiality of an event or information and 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 in Chapter IV of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, has a 'CRISIL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'. The Code has also been hosted on the website of the Company, viz., [www.crisil.com](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 disclosures 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/2018/0000000141 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**

In terms of Regulation 39 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 read with Schedule VI thereof, the Company has opened a demat account in the name and style 'CRISIL Limited - Unclaimed Shares Suspense Account' for credit of shares which were unclaimed as per these provisions. At the beginning of the year, 3000 equity shares belonging to 3 shareholders were lying in the account. During the year, 1,000 equity shares, belonging to one shareholder, were claimed from the account, which were transferred after adequate verification.

At the end of the year, i.e. as at December 31, 2019, 2000 equity shares belonging to 2 shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on December 31, 2019, shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar & Share Transfer Agent, KFin Technologies Private Limited.

#### **Total fees for all services paid to the Statutory Auditors by the Company and its Subsidiaries**

Total fees paid by the Company and its Subsidiaries on a consolidated basis, to the Statutory Auditor viz. M/s. Walker Chandiook & Co LLP (an affiliate of Grant Thornton network) and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

(Rupees in lakhs)	
Particulars	Amount
Audit Fees	117.40
Other Services	24.97
<b>Total</b>	<b>142.37</b>

#### **SEBI Complaints Redress System (SCORES)**

SEBI administers a centralised web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website [www.scores.gov.in](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 4 investor complaints through SCORES, all of which were responded to within 15 days of their receipt.

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

As per SEBI norms, with effect from April 1, 2019, 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 procedure for dematerialization has been published on the Company's website <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 its concerned shareholder(s) and 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:**

1. Annual General Meeting
  - Date and Time : April 21, 2020 at 4.00 p.m.
  - Venue : Rangaswar Hall, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021
2. Calendar for Financial Reporting
  - First Quarter ending March 31, 2020 : In April 2020
  - Second Quarter ending June 30, 2020 : In July 2020
  - Third Quarter ending September 30, 2020 : In October 2020
  - Year ending December 31, 2020 : In February 2021
  - Newspapers where the results are published : Business Standard and Navshakti
  - Websites where the financial results, shareholding pattern, annual report etc. are uploaded : [www.crisil.com](http://www.crisil.com), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)
3. Proposed Final Dividend : Final Dividend of Rupees 13 per share having nominal value of Rupee 1 each
4. Dates of Book Closure : April 7, 2020 to April 8, 2020 (both days inclusive)
5. Dividend Payment Date : April 27, 2020 (if dividend payment is approved at the Annual General Meeting).

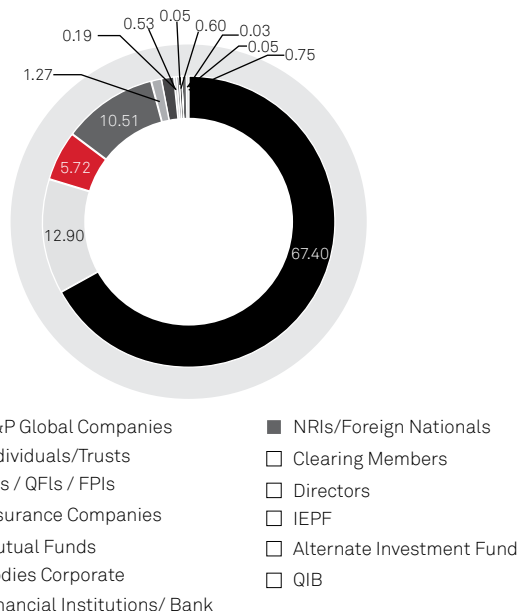
6. Listing Details : The shares of the Company are listed on:  
National Stock Exchange of India Ltd. (NSE) Exchange Plaza,  
5th Floor, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E), Mumbai 400 051  
BSE Ltd. (BSE)  
P.J. Towers, Dalal Street, Fort,  
Mumbai 400 001  
The Company has paid listing fees at both the exchanges and has  
complied with the listing requirements.
7. Stock Codes : NSE – CRISIL  
BSE – 500092  
ISIN : INE007A01025  
CIN : L67120MH1987PLC042363
8. Registrars and Share Transfer Agents : KFin Technologies Private Limited  
Unit : CRISIL Limited  
Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad 500032  
Email : einward.ris@kfintech.com  
Phone : +91 40 6716 2222  
Toll Free No. : 1-800-34-54-001  
Fax : +91 40 6716 1567
9. Compliance Officer : Ms. Minal Bhosale,  
Company Secretary,  
CRISIL House, Central Avenue, Hiranandani Business Park,  
Powai, Mumbai 400076  
Phone: 022-3342 3000  
Fax: 022-3342 3001
10. Depository System : As on December 31, 2019, 99.89% of the Company's share capital  
is held in dematerialised form. For any assistance in converting  
physical shares in electronic form, investors may approach KFin  
Technologies 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  
Prevention of Money Laundering Act, 2002.  
For transfer of shares in physical form (to the extent they are  
permitted as per SEBI norms), SEBI has made it mandatory for 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](mailto: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, 2019**

Sr. No.	Category	No. of shares	% holding
1.	Group holding of S & P Global, Inc: - S & P India LLC - Standard & Poor's International, LLC - S & P Global Asian Holdings Pte. Ltd.	4,87,32,586	67.40
2.	Individuals (includes trusts)	93,32,210	12.90
3.	FIs / QFIs / FPIs	41,39,057	5.72
4.	Insurance Companies	75,97,878	10.51
5.	Mutual Funds	9,18,321	1.27
6.	Financial Institutions / Banks	1,48,890	0.19
7.	Bodies Corporate	37,34,47	0.53
8.	NRIs / Foreign Nationals	4,31,638	0.60
9.	Directors	-	-
10.	Clearing Members	33,011	0.05
11.	Alternate Investment Funds	18,000	0.03
12.	Investor Education and Protection Fund	38,142	0.05
13.	Qualified Institutional Buyers	5,41,146	0.75
	<b>TOTAL</b>	<b>7,23,04,326</b>	<b>100.00</b>

Category-Wise Shareholding Pattern as on December 31, 2019



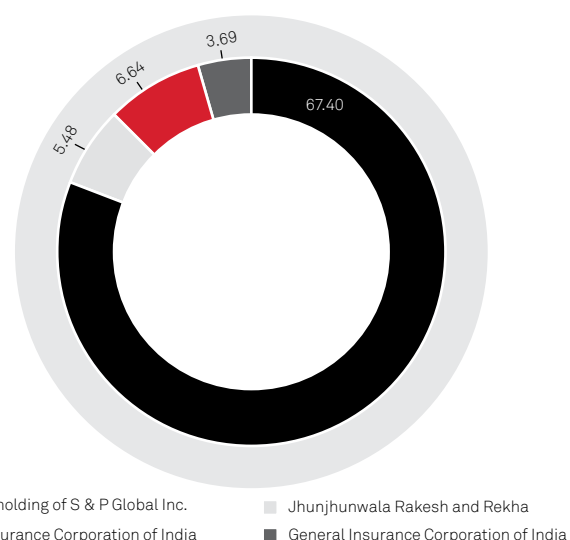
**17. Distribution of shareholding as on December 31, 2019**

Range of equity shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 – 5,000	30,228	99.28	35,15,721	4.86
5,001 – 10,000	88	0.29	6,52,129	0.90
10,001 – 20,000	43	0.14	6,49,252	0.90
20,001 – 30,000	25	0.08	6,17,393	0.85
30,001 – 40,000	8	0.03	2,78,579	0.39
40,001 - 50,000	5	0.02	2,43,408	0.34
50,001 – 1,00,000	22	0.07	16,10,945	2.23
1,00,000 and above	27	0.09	647,36,899	89.53
<b>Total</b>	<b>30,446</b>	<b>100.00</b>	<b>723,04,326</b>	<b>100.00</b>

**18. Members holding more than 1% of the paid-up share capital as on December 31, 2019**

Sr. No.	Name of the shareholder	No. of shares	% holding
1.	Group holding of S & P Global Inc: - S & P India LLC - Standard & Poor's International, LLC - S & P Global Asian Holdings Pte. Ltd.	4,87,32,586	67.40
2.	Jhunjhunwala Rakesh & Rekha	39,65,000	5.48
3.	Life Insurance Corporation of India	47,97,793	6.64
4.	General Insurance Corporation of India	26,70,000	3.69

Members Holding More than 1% as on December 31, 2019





### 19. Status report of shareholder complaints during the year ended December 31, 2019

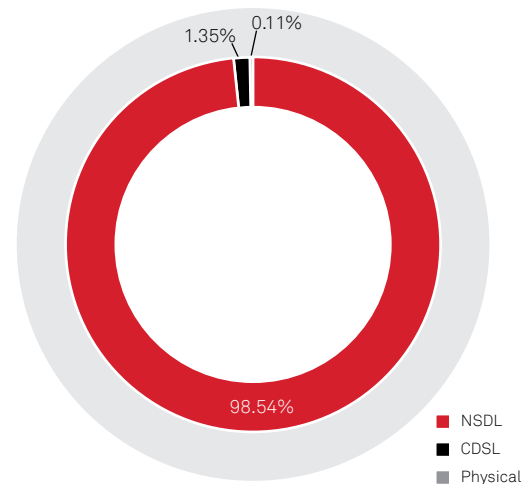
Nature of complaints	No. of complaints received
Outstanding as on January 1, 2019	1
Non-receipt of dividend	8
Non-receipt of shares	0
Non-receipt of Annual Report	0
Issues relating to General Meeting	1
Complaints received through SCORES/Stock Exchanges/Ministry of Corporate Affairs/Regulatory Authorities	10
<b>TOTAL</b>	<b>20</b>

The Company addressed all the investor complaints received as indicated above.

### 20. Shares held in Physical and Dematerialised form as on December 31, 2019

The break-up of physical and dematerialised shareholding as on December 31, 2019 is explained in the adjacent pie chart:

### Distribution of holding - 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, savings in stamp duty 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 Rupee 1 each after stock split	7,09,68,440	7,09,68,440
04.01.2012	Extinguishment of shares consequent to buy-back	(-) 9,10,000	7,00,58,440
16.04.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 1,09,950	7,01,68,390
17.10.2012	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 67,350	7,02,35,740
18.04.2013	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011	(+) 2,70,730	7,05,06,470
18.10.2013	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 1,46,420	7,06,52,890
17.04.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,09,140	7,09,62,030
17.10.2014	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 3,95,025	7,13,57,055
17.04.2015	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 93,465	7,14,50,520
16.07.2015	Extinguishment of shares consequent to buy-back	(-) 5,11,932	7,09,38,588
17.10.2015	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011, Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 2,70,515	7,12,09,103
19.04.2016	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 67,575	7,12,76,678

Date	Particulars	No. of shares	Cumulative no. of shares
14.10.2016	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 58,680	7,13,35,358
20.04.2017	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2011 and Employee Stock Option Scheme, 2012	(+) 21,750	7,13,57,108
18.07.2017	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 2,70,417	7,16,27,525
17.10.2017	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 77,403	7,17,04,928
13.02.2018	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2014	(+) 21,101	7,17,26,029
17.04.2018	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2012 and Employee Stock Option Scheme, 2014	(+) 80,920	7,18,06,949
17.07.2018	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2014	(+) 2,38,413	7,20,45,362
16.10.2018	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2014	(+) 70,420	7,21,15,782
12.02.2019	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2014	(+) 50,617	7,21,66,399
17.04.2019	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2014	(+) 87,634	7,22,54,033
23.07.2019	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2014	(+) 46,143	7,23,00,176
08.11.2019	Allotment of shares to employees on exercise of options granted under Employee Stock Option Scheme, 2014	(+) 4,150	7,23,04,326

## 22. Dividend

**Dividend Policy:** CRISIL believes in maintaining a fair balance between cash retention and dividend distribution. Cash retention is required to finance acquisitions and future growth, and also as a means to meet any unforeseen contingency. CRISIL Dividend Policy specifies the financial parameters that will be considered when declaring dividends, internal and external factors that would be considered for declaring dividends and the circumstances under which shareholders can or cannot expect a dividend. The Policy has been put up on the website of the Company at <https://crisil.com/en/home/investors/corporate-governance.html> and the same is also annexed herewith as Annexure I.

**Modes of payment of dividend:** The dividend is paid under two modes viz.,

- Credit to the Bank account via Electronic Clearing Services (ECS) / National Electronic Clearing Services (NECS) / SWIFT Transfer and;
- Despatch of physical dividend warrants / cheques

**Electronic Clearing Service (ECS/NECS):** The Company has extended the ECS/NECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants. Investors may obtain the ECS/NECS mandate form from the FAQs link (<https://www.crisil.com/en/home/investors/shareholder-services/faqs.html>) on Investors section of the Company's website, [www.crisil.com](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 its transfer to the unpaid dividend account, will, in terms of the provisions of Section 124(5) of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. In respect of the transfers made after coming into effect of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed. The details of unclaimed dividend as on December 31, 2019 are as follows:

S no	Dividend name	Dividend per share (Rupees)	%	Date of declaration / approval of dividend	Due date for transfer to IEPF*
1.	Unclaimed Final Dividend 2012	4.00	400%	18-Apr-2013	19-May-2020
2.	Unclaimed 1st Interim Dividend 2013	3.00	300%	18-Apr-2013	19-May-2020
3.	Unclaimed 2nd Interim Dividend 2013	3.00	300%	19-Jul-2013	19-Aug-2020
4.	Unclaimed 3rd Interim Dividend 2013	3.00	300%	18-Oct-2013	18-Nov-2020
5.	Unclaimed Final and Special Dividend 2013	10.00	1000%	17-Apr-2014	18-May-2021
6.	Unclaimed 1st Interim Dividend 2014	3.00	300%	17-Apr-2014	18-May-2021
7.	Unclaimed 2nd Interim Dividend 2014	3.00	300%	18-Jul-2014	18-Aug-2021
8.	Unclaimed 3rd Interim Dividend 2014	4.00	400%	17-Oct-2014	17-Nov-2021
9.	Unclaimed Final & Special Dividend 2014	10.00	1000%	17-Apr-2015	18-May-2022
10.	Unclaimed 1st Interim Dividend 2015	4.00	400%	17-Apr-2015	18-May-2022
11.	Unclaimed 2nd Interim Dividend 2015	4.00	400%	17-Jul-2015	17-Aug-2022
12.	Unclaimed 3rd Interim Dividend 2015	5.00	500%	17-Oct-2015	17-Nov-2022
13.	Unclaimed Final & Special Dividend 2015	10.00	1000%	19-Apr-2016	20-May-2023
14.	Unclaimed 1st Interim Dividend 2016	5.00	500%	19-Apr-2016	20-May-2023
15.	Unclaimed 2nd Interim Dividend 2016	6.00	600%	19-Jul-2016	19-Aug-2023
16.	Unclaimed 3rd Interim Dividend 2016	7.00	700%	14-Oct-2016	14-Nov-2023
17.	Final Dividend 2016	9.00	900%	20-Apr-2017	20-May-2024
18.	Unclaimed 1st Interim Dividend 2017	6.00	600%	20-Apr-2017	20-May-2024
19.	Unclaimed 2nd Interim Dividend 2017	6.00	600%	18-Jul-2017	17-Aug-2024
20.	Unclaimed 3rd Interim Dividend 2017	6.00	600%	17-Oct-2017	16-Nov-2024
21.	Final Dividend 2017	10.00	1000%	17-Apr-2018	17-May-2025
22.	Unclaimed 1st Interim Dividend 2018	6.00	600%	17-Apr-2018	17-May-2025
23.	Unclaimed 2nd Interim Dividend 2018	6.00	600%	17-Jul-2018	16-Aug-2025
24.	Unclaimed 3rd Interim Dividend 2018	7.00	700%	16-Oct-2018	12-Nov-2025
25.	Final Dividend 2018	11.00	1100%	17-Apr-2019	14-May-2026
26.	Unclaimed 1st Interim Dividend 2019	6.00	600%	17-Apr-2019	14-May-2026
27.	Unclaimed 2nd Interim Dividend 2019	6.00	600%	23-Jul-2019	19-Aug-2026
28.	Unclaimed 3rd Interim Dividend 2019	7.00	700%	08-Nov-2019	05-Dec-2026

**Notes:**

- Investors are requested to send in their claim at least 15 days prior to due date for transfer to IEPF for ensuring payment of their dividend.

**Transfer of shares to Investor Education & Protection Fund (IEPF)**

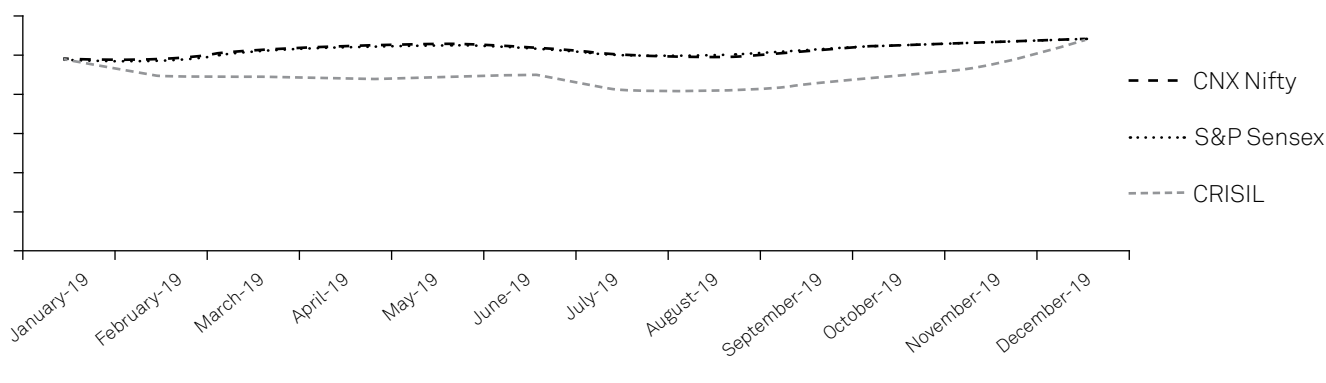
Pursuant to the provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously to IEPF. The Company has transferred 102 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 whom dividend will remain unclaimed progressively for seven consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of the such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website [www.crisil.com](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 2019 to December 2019:**

NSE			BSE		
Month	High (Rupees)	Low (Rupees)	Month	High (Rupees)	Low (Rupees)
January	1,669.95	1,601.00	January	1,673.50	1,601.00
February	1,675.00	1,440.35	February	1,674.30	1,441.00
March	1,529.35	1,423.65	March	1,525.55	1,427.50
April	1,620.00	1,415.00	April	1,619.95	1,405.00
May	1,500.00	1,357.10	May	1,575.00	1,340.95
June	1,532.95	1,371.80	June	1,530.00	1,375.10
July	1,498.90	1,263.10	July	1,499.60	1,265.65
August	1,310.00	1,135.55	August	1,305.00	1,135.45
September	1,379.15	1,248.00	September	1,377.00	1,250.00
October	1,471.50	1,256.30	October	1,470.00	1,257.60
November	1,609.00	1,375.00	November	1,608.80	1,376.85
December	2,068.00	1,587.00	December	2,070.00	1,551.00

**Price movement of CRISIL share in 2019 on NSE and BSE vis-a-vis movement of CNX Nifty and S&P Sensex**



**24. Shareholders' rights**

A shareholder in a Company enjoys certain rights, which are as follows:

- To receive share certificates, on allotment or transfer as the case may be, in due time.
- To receive copies of the Annual Report, Balance Sheet and Profit and Loss Account and the Auditor's Report.
- To participate and vote in General Meetings either personally or through proxies.
- To receive dividends in due time, once approved in General Meetings or Board Meetings.
- To receive corporate benefits like rights, bonus etc. once approved.
- To apply to the National Company Law Tribunal to call or direct the Annual General Meeting.
- To inspect the minute books of the General Meetings and to receive copies thereof.
- To proceed against the Company by way of civil or criminal proceedings.
- To apply for the winding-up of the Company.
- To receive the residual proceeds.
- Other rights are as specified in the Memorandum and Articles of Association available on the website, <https://www.crisil.com/en/home/investors/shareholder-services/faqs.html>

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.

**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. Resignation by Independent Directors before expiry of respective terms
2. Details of utilization of funds of Preferential Allotment/QIP
3. Disclosure in relation to recommendation made by any Committee which was not accepted by the Board

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

Mumbai, February 11, 2020

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

# Annexure I to Corporate Governance Report : Dividend Policy

## Policy for determining 'dividend pay-out' to shareholders

### 1. Purpose and scope

The purpose of this policy is to broadly specify external and internal factors including, financial parameters that will be considered when declaring a dividend, and the circumstances under which the shareholders of the Company may or may not expect a dividend. The Board of Directors will refer to the policy when declaring/recommending dividends on behalf of the Company.

The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration the guidelines issued by the Securities and Exchange Board of India to the extent applicable.

### 2. Decision framework

- i. The circumstances under which shareholders can or cannot expect a dividend:

The Company has been consistently paying out dividends to shareholders and can be reasonably expected to continue declaring more than 50% of standalone profit after tax in future unless the Company is constrained by insufficient profits or if any internal or external factor or financial parameter indicated below becomes adverse or if there is any likely requirement for business expansion or acquisition as determined by the Board

- ii. The financial parameters that will be considered when declaring dividends:

- a. Profit after tax
- b. Positive cash flow after taking into consideration future business needs
- c. Debt/EBITDA

- iii. Internal and external factors that would be considered for declaring dividends:

- a. Business environment and trends in capital markets
- b. Statutory regulations and guidelines
- c. Profit earned during the year
- d. Net worth
- e. Company's need for growth capital
- f. Working capital requirements and contingency plan
- g. Any other factor as deemed fit by the Board

- iv. Utilisation of retained earnings shall be towards:

- a. Business expansion and growth
- b. Acquisition
- c. Working capital requirements and contingencies

- v. Provision with regard to various classes of shares:

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof

The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

### 3. Policy review

This policy shall be reviewed by the Board as and when any changes are to be incorporated owing to changes in regulations or as may be felt appropriate by the Board. Any changes or modification in policy would be put up for approval of the Board of Directors.

This policy is dated October 14, 2016.

# Annexure II to Corporate Governance: Report Certificate from Practising Company Secretary regarding Non-Debarment and Non-Disqualification of Directors

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of  
CRISIL Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CRISIL Limited having CIN L67120MH1987PLC042363 and having a registered office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai, Maharashtra, 400076 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the period ended as on December 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. John Lee Berisford	07554902	19/07/2016
2.	Ms. Arundhati Bhattacharya	02011213	16/10/2018
3.	Mr. M. Damodaran	02106990	14/01/2014
4.	Ms. Vinita Bali	00032940	14/02/2014
5.	Ms. Ashu Suyash	00494515	01/06/2015
6.	Mr. Ewout Steenberg	07956962	17/10/2017
7.	Mr. Girish Paranjpe	02172725	17/10/2017
8.	Mr. Martin E. Fraenkel	08410263	18/04/2019

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**  
Practising Company Secretaries

**Kumudini Bhalerao**  
Partner  
FCS No. 6667  
CP No. 6690

Place: Mumbai  
Date: February 10, 2020  
UDIN: F006667B000134058

# Business Responsibility Report

The buzz around responsible business keeps getting louder by the year. Business entities are expected to take responsibility for their actions and drive positive impacts on the environment or the communities around them, and on their own employees, shareholders, consumers and other stakeholders. Such actions, in turn, have an incentive for the business, furthering its right to operate and remain sustainable.

The thinking applies to companies in the financial services space in equal measure as it does to manufacturing peers. At CRISIL, we commit to invest in the ecosystem where we operate in. This Business Responsibility Report articulates CRISIL's activities on sustainability during 2019, 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

CRISIL's Code of Ethics holds its employees to the highest standards of ethical conduct, conflict-free working and respect for client data confidentiality. These principles are the foundation of our business conduct and make CRISIL stand tall as an independent and credible opinion maker with high analytical rigour; a reputation maintained through a nervous investment climate in India in 2019. The Code of Ethics covers overarching norms for ethical business practices, non-discrimination, diversity, fair labour practices, workplace safety and conduct, environment protection, information protection and confidentiality, protection of CRISIL's assets, and employee conflicts. Individual policies reinforce and articulate detailed practices for certain principles. CRISIL's employees also adhere to the S&P Code of Business Ethics Policy. 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 Senior Management. During the year, special drives were conducted for raising awareness on compliance policies through floor walks and compliance/ risk events.

Confidentiality of client information is of utmost importance at CRISIL. The Company lays great stress 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 have enhanced control in this

area. The first was that of empanelling brokers through whom CRISIL's employees will henceforth be permitted to trade. The channelled approach has enabled monitoring of employee trades on a timely and independent basis, and reduced the reliance on self-disclosure by employees. The second is a first-of-its-kind approach for the industry, whereby individual employee holdings are tracked through depository records on a consolidated basis for all securities held and reported by the employees. The two initiatives have significantly strengthened monitoring and surveillance of security trades and holdings disclosed by employees as well as augmented our conflict management framework.

Policy level controls for confidentiality and conflict management are supplemented with continuous upgradation of CRISIL's information security infrastructure and policies to safeguard confidential and proprietary client data, and to monitor and control access.

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.

The Code of Ethics articulates the mechanism for reporting violations. The Whistle Blower Policy encourages and supports reporting of concerns about issues such as unethical behaviour, grave misconduct, leak of unpublished price sensitive information (UPSI), actual or suspected fraud or violation of the Code. The Policy provides for 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 the 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. Additionally, appropriate reporting is carried out in accordance with the Policy.

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

## Principle No. 2

### Sustainable services

CRISIL is a leading global analytics player, driven by its mission of making markets function better. CRISIL's clients range from micro, small and medium enterprises (MSMEs) to large corporates, investors and top global financial institutions. We help clients mitigate risks in businesses, take pricing

and valuation decisions, reduce time to the market, and generate more revenue and returns, which eventually leads to investments, growth and development in the economy. We showcased our significant projects/ services during 2019, which created a meaningful impact on some of our stakeholders:

## Ratings

Traditionally, Indians find bank fixed deposits more attractive than any other instruments, primarily because they offer a declared rate of return, fixed investment horizon and safety of capital. However, downtrend in interest rates in the economy has reduced the sheen of bank deposits. In this background, the government approved the launch of Bharat Bond Exchange Traded Fund (ETF), India's first corporate bond exchange traded fund, comprising debt of state-run companies, a move which will allow retail investors to buy government debt.

CRISIL has assigned its credit quality rating to the ETF. CRISIL's credit quality rating on the Bharat Bond ETF is the first such rating for a bond ETF. The introduction of bond ETFs in India is a step in the right direction because it can channel a sum of over Rupees 40 lakh crore retail term deposits held by households in banks to the corporate bond market and deepen the market.

CRISIL has also been instrumental in supporting various market development initiatives undertaken by regulators and the government by being the first agency to rate instruments issued under various schemes. CRISIL was the first to issue a rating under the partial credit enhancement or PCE guidelines of the RBI for banks and has evaluated several transactions under the recent partial credit guarantee scheme issued by the Ministry of Finance. CRISIL's reports and estimates on market developments are widely used by regulators in their policy formulation deliberations.

## SME

In line with increased digitisation of SMEs, CRISIL's offerings incorporate new data sources and non-traditional data, along with traditional financial data, to evaluate SMEs.

CRISIL's social sector assessments aim to ensure transparency in the social sector. CRISIL's social sector offerings facilitate a deep alignment with the CSR project lifecycle and its objectives. Our voluntary organisation/NGO grading for non-profits continues to benefit corporates and NGOs.

## 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, a comprehensive and high end data analytics tool,

has been released in a modular fashion and has received positive response from the market. We have an extensive database of 62,000+ companies.

In 2019, CRISIL Research developed the energy outlook for SAARC member states keeping in mind their sustainability development goals. The report's objective was to prepare demand and supply projections of all types of energy upto the year 2030 for the facilitation of policy / decision makers, planners and other stakeholders of the energy sector. The report will help combat the energy security challenges prevailing in the SAARC region.

## 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.

CRISIL GR&A's environmental, social and governance (ESG) research offerings help firms monitor dynamic regulatory landscape and integrate ESG data for alpha generation.

We are also the preferred end-to-end implementation partner for various banks for their **regulatory implementation programs** (FRTB, CECL, TRIM, MiFID II, UMR, IBOR, 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 Business Intelligence & Risk Solutions (BIRS) 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.

Our offerings assist banks to manage and streamline their process of submission of periodic reports to the regulator ensuring adherence to banks' compliance needs.

## 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, program management, capacity enhancement, and institutional strengthening for government and infrastructure agencies.

During the year, we supported the following important initiatives:

- The union territory of Daman and Diu was selected in the fourth round of selection in the Smart City Mission. CRISIL Infrastructure Advisory supported the city government in preparing the proposal that helped in this selection. In a subsequent 36-month engagement, CRISIL is now helping implement the projects in this proposal, which include conservation of historic buildings of heritage significance, urban design of the old walled-city areas, development of a continuous and well landscaped coastal promenade, creation of new tourist attractions and amenities, integrated e-mobility solutions, smart and sustainable utilities – all tied together and administered through a pan-island digitally-enabled framework. The objective of this engagement is to improve and diversify tourist offerings, and help position the union territory on the global tourism map.
- CRISIL Infrastructure Advisory has been appointed as Technical Consultant for SUNREF (Sustainable Use of Natural Resources and Energy Finance) – India's green affordable housing programme by National Housing Bank (NHB). SUNREF is a global programme funded by AFD (French Development Bank). SUNREF India was launched by AFD to utilise a credit line of 100 million euros granted by AFD in order to provide the stakeholders with adequately priced resources in the form of loans, in favour of affordable green housing. SUNREF will support NHB in providing more funding to the green housing sector by refinancing home buyers and developers of eligible green building projects certified by local labels via banks and housing finance corporations. Infrastructure Advisory has been appointed as the program support advisor to roll out and implement this program, supporting NHB to utilise the credit line under this program - the work involves promoting green affordable housing and the fund, establishing a pipeline of eligible projects, setting up framework for assessing projects, and supporting NHB in the successful implementation of the program.
- As a part of its Climate Smart Cities Project, GIZ has appointed CRISIL Infrastructure Advisory to prepare a framework and develop strategies to improve the urban green cover in Coimbatore. Internationally, this function is performed by national or city-level park boards. However, in the absence of such a dedicated body, our study maps out responsible institutes and their objectives, mandates, projects, regulations and funding sources for urban greening activities. Based on these findings, the study is expected to propose recommendations which include spatial targets, institution-wise responsibilities, revisions in regulations, acts and policies, and innovative

funding strategies for improvement and maintenance of a green cover in Coimbatore. The study is expected to further develop a template which can be replicated in other cities and then be institutionalised in the long run.

- Natural gas is expected to play a pivot role in meeting the COP21 gas emission target of India. The Ministry of Petroleum and Natural Gas, Government of India (GoI) has undertaken a few encouraging measures to develop the requisite platforms for a wider reach of natural gas. One such measure is to establish a gas trading hub/exchange for an Indian gas pricing benchmark. CRISIL Infrastructure Advisory was mandated to prepare a roadmap for functioning of India's first gas trading exchange. CRISIL Infrastructure Advisory's deep understanding of gas regulations and natural gas trading process across mature gas markets assisted in preparing a robust mechanism for the establishment of the Natural Gas Exchange. The seamless functionality of the exchange requires comprehensive market rules, process guidelines, standardised gas agreements and risk mitigation measures which CRISIL Infrastructure Advisory is framing for the exchange. The Natural Gas Exchange is expected to lead to a paradigm shift in gas price discovery which will scale natural gas demand across segments, thereby addressing the ambitious plan of augmenting the natural gas share in primary energy in the years to come.

### Coalition

Coalition is a leading analytics and business intelligence provider to more than 30 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 2019, Coalition was referenced in 450+ articles across 90+ global publications and its analytics were referenced in 100+ 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 expected from our suppliers in providing products, services and headcount to us by embedding in the general terms and 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.

With a view to enhance the financial expertise of non-finance professionals, to better prepare them for the corporate world and, thus, strengthen the talent pipeline in general, CRISIL collaborated with IIT Mumbai to promote financial literacy

among students with Techfest – Asia’s largest science and technology festival; under which financial literacy workshops for engineering college students were held across Tier 1 and Tier 2 cities across the country. The content was designed by CRISIL Foundation covering basic know-how of finance and training sessions were facilitated by CRISIL employees. Till date, financial literacy workshops have been organised in three colleges of Mumbai.

CRISIL Foundation also sponsors projects under CRISIL Re Change the Scene, empowering employees to drive change through interventions for financial capability building and education among underprivileged communities and general public. From the perspective of social impact incubation, few projects have been scaled-up considering the impact generated. Prominent amongst these was Book Share India (BSI) – a book-sharing platform that has enabled donation of over 1 lakh books since its launch in April 2016. During this year alone, the platform donated 8,000+ books to various NGOs and collected 9,600+ books. The platform also hosted the fourth book donation drive at the M. L. Dahanukar College of Commerce this year.

In addition, some of the key initiatives we supported during 2019 are:

**Unnati** aims to create a well-designed group micro insurance policy anchored by the NGO partner through a community-based literacy program and peer supported insurance enrolment drive.

**Waste to Wonders** looks to improve the lives of rag pickers by providing them with training on simple techniques to convert waste into useful products for an alternate source of income.

**Promise Hill** aims to leverage the RTE platform and enable quality education to children below poverty line.

**United for Road Safety** aims to sensitise millennials about ill-effects of drunk driving through experiential activities.

In addition, at CRISIL local offices, we have empanelled women entrepreneurs for services such as horticulture and composting.

### Principle No. 3

#### Our employees

CRISIL takes a holistic approach to its employees’ work life to help build a long-lasting and fruitful career. A number of initiatives were taken in this direction in 2019.

#### Safe and flexible work culture

A safe, flexible and hassle-free work culture at CRISIL elicits optimum performance as employees are assured of their safety and security. Towards this end, 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.

CRISIL believes in a flexible work culture and strongly propagates work-life balance. Towards this end, we provide paid maternity leave of six months, child crèche tie-ups, 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 at the end of financial year
Child labour/forced labour/involuntary labour	Nil	Nil
Sexual harassment*	3	0
Discriminatory employment	Nil	Nil

\*The aforesaid data relates to CRISIL Limited on a stand-alone basis. During the year, 1 complaint was received from a CRISIL employee which has been resolved. Additionally, 2 complaints were received from off-roll personnel which have been resolved. No complaints were received in respect of subsidiary companies.

Besides the above, the company received complaints from employees that were resolved through an appropriate redressal mechanism. During the year, four complaints were received of which none was pending resolution as on December 31, 2019.

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 program or closer leadership engagement.

With the aim of obtaining candid feedback, we continue to use ECHO – a program to connect with new joiners and employees that have left through a neutral and independent firm.

CrisBuzz – the internal social and communication collaboration platform – serves as a popular means of reaching out to colleagues for sharing important work-related highlights, new policies and important updates, and also facilitates spontaneous feedback on new developments and policies, fostering a culture of open communication. The year 2019 saw new interactive formats for conducting senior leadership town halls, for greater participation from employees. During the year, employees got an opportunity to meet and interact with senior members from the Board of S&P Global, CRISIL and our Senior Management, which was an enriching experience for young CRISILites.

At CRISIL, employee health and well-being is another key focus area. Our annual health check-up program has been very well received by employees.

To ensure employees are motivated and at their productive best, we continue to strengthen our Reward & Recognition program, with annual awards for excellence, quarterly rewards for service excellence, and spot recognition programs.

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 program was leveraged for rewarding and retaining our high-potential employees and Senior Leadership during 2019.

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 18 nationalities.

Women comprise about 36.6% of CRISIL's workforce. Our flagship program Winspiration has been driving different interventions for our women colleagues, encouraging and fostering their development and growth.

We had more than 1,182 people working on a contract basis as on December 31, 2019. Our employee distribution across regions and gender over the past three years was as follows:

Regions	2019			2018			2017		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
America	63	120	183	65	140	205	60	153	213
Europe	35	90	125	30	95	125	34	119	153
APAC	36	25	61	38	28	66	35	30	65
India	1183	2029	3212	1222	2150	3372	1291	2182	3473
UAE	5	23	28	3	25	28	NA	NA	NA
<b>Total</b>	<b>1322</b>	<b>2287</b>	<b>3609</b>	<b>1358</b>	<b>2438</b>	<b>3796</b>	<b>1420</b>	<b>2484</b>	<b>3904</b>

The above table covers permanent 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. With digital learning being the new mantra of learning anytime, anywhere, we launched Coursera and LinkedIn learning for our employees. These platforms offer learning on a wide variety of technical and behavioural themes. YOUiverse continues to be used as the learning management platform as well, through which many in-house courses are launched and made available to employees. Through these mobile-based programs, employees are now able to learn on the go. These programs have enhanced the reach of the structured e-learning process across the Company.

In 2019, a program on managerial effectiveness was launched to train managers on essentials of people management that included 3Cs: caring, coaching and challenging.

Besides this, CRISIL Conclave is our Thought Leadership forum in which reputed external speakers share their experiences, providing an opportunity for our employees 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	3626	35284	9.73
Permanent women employees	1322	12246	9.26
Contract staff	1182	10823	5.85

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. CRISIL revamped the performance management framework this year. The new framework @spire is a key lever to pivot

us towards future readiness by focusing on present and future goals, and leadership behaviour to get us there. The changes in the framework are focused on making it easy to use, sharpening differentiation, enhancing accountability on outcomes, retaining the most relevant competencies/ leadership behaviours to enable CRISIL to achieve its present and future goals. The revised competencies have a strong reference to our Company's vision of becoming a leading agile, innovative, and global analytical organisation.

## 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 discrimination-free work environment 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, four vendor complaints were received and one is 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' needs, and improve our offerings and service quality. Besides this, monthly newsletters are sent, and knowledge sharing sessions, workshops and webinars 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 calls; 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 No. 3.

The Policy on Corporate Social Responsibility (CSR) 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, non-banking financial companies (NBFCs), and other financial intermediaries helps us take care of their information needs and engage with them regularly.

In 2019, we shared several 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, and industries such as renewable energy, auto, agri, infrastructure and others. We also prepared many reports jointly with industry bodies such as the Pension Fund Regulatory and Development Authority (Securing life's second innings – Opportune time to create a sustainable pension system), the Association of Mutual Funds in India (Sip-Shape, Retail investors catalysing growth of mutual funds in India), SEBI and ASSOCHAM (Deepening the Debt market, 'Strengthening the Code – on Insolvency and Bankruptcy Code, Bolstering ARCs), 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 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 that 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, café, and employee transport services to check on compliance requirements.

Being in the financial services sector, our workplace and processes are inherently non-hazardous and safe in nature. We are focused on providing comfortable and safe workplaces, which keep the employees' motivation level high and enable them to focus on contributing effectively to their work.

During the year, trainings on prevention of sexual harassment were enhanced with improved interactive learning courses for employees. Each year, all the employees are mandated to take the online learning course. Capacity enhancement programs were organised for Internal POSH Committee members.

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, monitoring energy consumption and embracing composting techniques to reduce waste removal to landfills. CRISIL House, Mumbai, our corporate headquarters, remains a platinum-rated green building and is a hallmark of our commitment to the environment.

This year, the air quality levels in some northern states deteriorated significantly. In our endeavour to provide employees with better quality of air inside the work premises, we installed 53 air purifiers in our Gurugram office. We also distributed 3M face masks for use outside of office areas.

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.

### Environment conservation programme

CRISIL's environment conservation programme, under the aegis of the CRISIL CSR Policy, focuses on tree plantation and a number of other initiatives. The programme includes centrally-driven and employee-led projects, and strives to constructively engage employees and their families, friends and relatives in conservation.

In 2019, the Foundation planted 9,700 trees across five cities, taking the total number of trees planted to over 28,370 (2015 to 2019). In addition, CRISIL in collaboration with United Way Mumbai has adopted Dadar Chaitybhoomi beach. CRISIL volunteers completed beach clean-up drives, participated in sensitization sessions and interactions with shopkeepers and hawkers to reduce marine pollution.

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.

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 was invited by the Task Force constituted for the Development of Secondary Market for Corporate Loans

by Reserve Bank of India, to provide its perspective on activating this market. CRISIL had provided inputs, based on its extensive experience in the securitisation market, to the Committee on Development of Housing Finance Securitisation Market. In another instance, the regulator had sought CRISIL's views on the viability of and potential challenges of the government's partial credit guarantee scheme.

- CRISIL participated in meetings organised on topics related to the economy, and economic and monetary policies with various government forums including the NITI Aayog, Gol, and the RBI.
- 'The NBFC Reset – Re-orienting business models amid headwinds' 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-techs.
- CRISIL Infrastructure Advisory hosted the third edition of CRISIL India Infrastructure Conclave in New Delhi, which focused on the 'Central' role of states in India's infrastructure build-out where policymakers, industry leaders and other stakeholders got together to stimulate and yield ideas, actions and reforms to drive India's infrastructure agenda.
- CRISIL GR&A hosted an event on changing Model Risk Management (MRM) expectations due to the advent of new regulatory requirements and proposals such as TRIM, EBA's New Default Definition, FRTB and PRA's PS 7/18 for senior professionals from investment and commercial banks specialising in the domain of model risk management.
- CRISIL GR&A hosted an industry discussion forum titled Implementing Model Risk Management Practices at Insurers in New York. The panel discussion was structured around key issues like adoption and scope of MRM, model governance and workflow management initiatives and to discuss some of the best practices adopted by the industry.
- During the year, Coalition hosted its first annual roundtable breakfasts with presentations on the regional landscape for CIB across EMEA and the Americas. Both the London and New York events were attended by over 30 people from division leads and strategy across our top 15 clients. These were very successful and well-received.

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 the thought process and give direction to the market on key issues

impacting the sectors. 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.

CRISIL's association with S&P Global helps blend local and global perspectives. CRISIL and S&P Global Ratings jointly hosted the fourth edition of India Outlook Seminar in Mumbai. The theme of this year's seminar was Tracing the Grind-up. This seminar was a part of our unique platform CRISIL India Outlook where we share forecasts and insights on India's macro-economic indicators, commentary on the expected credit behaviour, and outlook on various sectors and industries.

CRISIL also partnered with S&P Global to organise an annual event on - India Credit Spotlight and it was conducted in 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 economist 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 22,000 representatives, including government officials, policymakers, regulators, corporates, banks, investment banks, MSMEs, industry associations, and financial intermediaries in India and global markets through 17 events and 24 webinars hosted by CRISIL, and 100+ events at which CRISIL experts participated as speakers or panellists.

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 employees participate in national and sub-committees set up for facilitating an enabling and conducive policy and regulatory framework for sectors.

## Principle No. 8

### Inclusive growth

CRISIL Foundation reaches out to socially and financially 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 Pilot MoneyWise Centres for Financial Literacy (CFL) Project.

### 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 approach to achieve these objectives is by creating a vibrant community cadre (Sakhis) and strengthening institutional infrastructure.

CRISIL Foundation designed and developed a comprehensive training programme to build the Sakhis' capability to facilitate awareness and linkages 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 - such as facilitating financial linkages, using e-wallets, securing identification documents, and enabling access to various government schemes - and has trained them to deliver all these services at the doorstep. Villagers, thus, benefitted from significant cost savings when accessing government schemes.

The 'basket of services' through extensive research has been expanded to include a diverse matrix of services. Most Sakhis are actively driving linkages and earning income through a service fee model and guided rate card for these services. The Sakhi is now treated as trusted cadre housed in community, providing doorstep delivery and the key channel for promoting financial and welfare schemes. Independent midline assessment through a third-party agency has also verified the impact on ground. In 2018, livelihood pilots were conducted for Eri silk, handlooms and areca nut in specific intervention locations in Assam. Eri silk and handlooms have now been scaled up to cover through partnerships with RGVN, Gramin Sahara, and corporate trusts. Support in Eri silk has been extended to cover 520 new beneficiaries. For handloom, CRISIL plans to create independent weaver entrepreneurs in collaboration with corporate trusts; under this 250 weavers will obtain support for the next three years.

### Mein Pragati scale-up in Rajasthan

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

The Foundation concluded Mein Pragati Phase I in Rajasthan, reaching over 60,000 women through the donor-NGO partner model to optimise resources. Phase II was initiated in 2018 with the key objective of developing a community cadre of Sakhis in Alwar and Dausa - within the Phase I geography - to sustain good practices, enabling linkages to financial services and social security/welfare schemes for the Phase I beneficiaries and community as a whole.

### GramShakti Certification Programme

Best practices from the Sakhi model have been captured in a first-of-its-kind training-cum-certification programme called "GramShakti" to help create a cadre of community workers to promote financial literacy and inclusion at the community level. The cadre undergoes capacity building through a mobile-based learning application, customised in regional languages, with interactive and engaging learning content - comprising both theory and practical assignments. The GramShakti certification is intended to elevate public perception of the cadre as certified and astute financial inclusion experts. The programme currently has over 500 end-users across project locations of CRISIL Foundation. The first batch of 80 Sakhis who have successfully passed the certification graduated in December 2019.

### MoneyWise Centres for Financial Literacy (CFL)

CRISIL's centres under the RBI's MoneyWise Centres for Financial Literacy have completed two years of operation in October 2019. Since inception, the centres (20 selected blocks of Haryana and Maharashtra) have reached out to over 3.7 lakh participants through training and awareness camps.

The centres have seen over 20,000 walk-ins with villagers looking to resolve queries and issues related to financial products and services, and avail of financial products and services. Given the programme's need for a hub and spoke model, more than 470 community volunteers have been onboarded and trained to actively provide local support in their respective villages.

The CFLs have received positive feedback from the regulator and other stakeholders. Over the course of two years, they have also become an integral component of the financial inclusion ecosystem in the districts. In August 2019, the RBI awarded CRISIL Foundation five additional tribal blocks of Rajasthan - thereby expanding the scope to 25 centres across three states.

### CRISIL Re

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

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 tackle environment conservation issues and promote financial inclusion of underprivileged communities. The 2019 edition

received 41 project applications from CRISILites, of which, 20 were shortlisted by internal panels. The projects were related to livelihood creation, financial literacy, health and sanitation, and education.

During 2019, employee donation drives were launched to support people in affected states of Assam, Bihar, Kerala, Maharashtra and Karnataka. While the employees donated a total of Rupees 12.50 lakh, CRISIL extended a matching grant in 1:4 ratio considering the scale and magnitude of damage. In addition, an in-kind collection drive was organised across CRISIL locations, through which 76 boxes of items were mobilised and delivered to Goonj collection centres.

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 overseeing 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 monthly MIS 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 correction, 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 corporates, SMEs, lenders, financial institutions, government bodies, and multilateral agencies. Irrespective of their business and bottomline, they 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. 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.

In 2019, CRISIL continued to participate in the net promoter score (NPS) survey across all businesses as a step towards

our objective to be customer and market-led and deliver an exceptional and differentiated customer experience. 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.

This year, CRISIL Ratings launched CRISIL Analytica, a monthly newsletter for its customers. The newsletter features periodic updates on the economy, various sectors, ratings upgrade and downgrade, etc. CRISIL Analytica is aimed at providing added value to our customers in the form of timely, interesting, and relevant content/ information. The credible, unbiased and independent opinions and analyses help customers make informed decisions.

CRISIL Ratings brings in transparency in service standards by publishing detailed rating rationales 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 also been publishing default and transition rates annually since 2004, a benchmark for quality of ratings, thus helping investors to quantify credit risk.

In 2019, CRISIL Coalition continued to develop and leverage its partnership with a leading global financial services consultancy. This year has seen the joint development and delivery of analytics that provide an in-depth view on financial resources for global and regional banks. It has also enabled clients to benefit from consultancy services based on Coalition's robust and thorough analytics across both corporate and investment bank divisions.

CRISIL conducts outreach programmes to continuously engage with clients and enable conversations with them on important industry events and regulatory developments. To augment our engagement with select investors and issuers, we leveraged the digital channel to disseminate our periodical publications, sectoral presentations and analytical reports. 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.

Each business receives and addresses customer complaints regularly. As of the end of the year, 2.2% 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 anticompetitive 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 Limited
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, 2019
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	Rupees 7.23 crore
2.	Total turnover	Rupees 1,178.68 crore
3.	Total profit after taxes	Rupees 266.29 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

	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
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?	Y	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	Y
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
Indicate the link for the policy to be viewed online	Whistleblower, 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

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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</b>	<b>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	

<b>Principle No. 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</b>	
1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	Section titled 'Sustainable services' in the Business Responsibility Report
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?	
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	
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?	

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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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|--|--|
| 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 <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so | Section titled 'Environment' in the Business Responsibility Report |
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**Principle No. 3: Businesses should promote the wellbeing of all employees**

- |  |  |
|--|--|
| 1. Please indicate the total number of employees   | Section titled 'Our employees' in the Business Responsibility Report |
| 2. Please indicate the total number of employees hired on temporary/contractual/casual basis   |  |
| 3. Please indicate the number of permanent women employees   |  |
| 4. Please indicate the number of permanent employees with disabilities   |  |
| 5. Do you have an employee association that is recognised by the management?   |  |
| 6. What percentage of your permanent employees are members of this employee association?   |  |
| 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 |  |
| 8. What percentage of the following employees were given safety & 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>        |  |
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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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|---|--|
| 1. Has the company mapped its internal and external stakeholders?   | Section titled 'Stakeholder engagement' and 'Sustainable Supply Chain' in the Business Responsibility Report |
| 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?  |  |
| 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 |  |
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**Principle No. 5: Businesses should respect and promote human rights**

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|---|---|
| 1. Does the policy of the company on human rights cover only the company or extend to the group / joint ventures / suppliers / contractors / NGOs / others? | Section titled 'Human rights' in the Business Responsibility Report |
| 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?            |   |
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**Principle No. 6: Businesses should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?	Section titled 'Environment' in the Business Responsibility Report
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.	
3. Does the company identify and assess potential environmental risks?	
4. Does the company have any project related to clean development mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	
5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for webpage etc.	
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?	
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	

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**Principle No. 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber association?	Section titled 'Public policy advocacy' in the Business Responsibility Report
2. If yes, name the major ones that your business deals with	
3. Have you advocated / lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others)	

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**Principle No. 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof	Section titled 'Inclusive growth' in the Business Responsibility Report
2. Are the programmes / projects undertaken through the in-house team?	
3. Have you done any impact assessment of your initiative?	
4. What is your company's direct contribution to community development projects? Amount in Rupees and the details of the projects undertaken	
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, please explain in 50 words, or so	

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**Principle No. 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Section titled 'Customer value' in the Business Responsibility Report
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Remarks (additional information)	
3. 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	
4. Did your company carry out any consumer survey/ consumer satisfaction survey?	

# Modern Slavery Act, 2015

## Statement

This statement is published by CRISIL Limited ("CRISIL") about and to enable 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.

## Organisational 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 4,000 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 suppliers, 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 accept 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 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, 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 suppliers employ persons who may be enslaved or trafficked and so, key performance indicators can be set only in respect of reasonable due diligence efforts once experience of the initial outputs of such exercises are collated and analysed.

This statement is made pursuant to Section 54(1) of the Modern Slavery Act, 2015, and constitutes our slavery and human trafficking statement.

# When it comes to risk management, domain expertise is invaluable.



CRISIL GR&A **helps banks manage changing regulations and adjust operating models** globally.



15 of the top 20 global banks partner with CRISIL GR&A to execute both **'run the bank'** and **'change the bank'** initiatives.



Work in the cross section of finance and ALL risk divisions of financial services institutions to **enable transformation.**



# Financial Statements

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# Independent Auditor's Report

To the Members of CRISIL Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

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, 2019, 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.
2. 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 branch auditor on separate financial statements and on the other financial information of the branch of a subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at December 31, 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditor in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the branch auditor on separate financial statements and on the other financial information of the branch of a subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Group's 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, independent equity research (IER) services, infrastructure advisory and risk management services. Refer Note 2.18 to the consolidated financial statements, for details of revenue recognised during the year.</p>	<p>Our audit of the recognition of contract revenue included, but was not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the revenue recognition policies adopted by the Group;</li> <li>• Obtained an understanding of management's processes and controls around adoption of IND AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>As described in Note 2.18 to the consolidated financial statements, effective January 1, 2019, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), during the year under audit, which is the new revenue accounting standard, and replaces the existing standard – Ind AS 18, Revenue. The Group has chosen to apply the new accounting standard using the cumulative catch-up transition method.</p> <p>The application of and transition to this accounting standard is complex and an area of focus in the audit, as the determination of transition impact involved application of significant judgements and estimates relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Due to the significance of the item to the financial statements, complexities involved, and management judgement involved for ensuring appropriateness of accounting treatment, this matter has been identified as a key audit matter for the current year's audit.</p>	<ul style="list-style-type: none"> <li>• Evaluated key controls around the recognition of contract revenue. Tested the design, implementation and operating effectiveness of these identified key controls during the year and as at the year-end.</li> <li>• Evaluated the appropriateness of accounting policies selected by the Group on adoption of IND AS 115 on the basis of our understanding of the Group, the nature and size of its operations, and the requirement of relevant accounting standards under the IND AS framework;</li> <li>• On a sample of contracts, tested the revenue recognition and our procedures included: <ul style="list-style-type: none"> <li>- reviewing the contract terms and conditions; <ul style="list-style-type: none"> <li>- evaluating the identification of performance obligations of the contract;</li> <li>- evaluating the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent recognition of revenue; and</li> <li>- evaluating the reasonableness of the estimates involved in the recognition of revenue from initial rating and surveillance services including testing the calculation of fee allocation to rating and surveillance, in determining revenue from infrastructure advisory and risk management services in accordance with the percentage of completion method etc.;</li> </ul> </li> </ul> </li> <li>• Tested revenue recognition for cut-off transactions on sample basis to assess whether the timing of revenue recognition is appropriate;</li> <li>• Assessed that the disclosures made by the management in respect of applicability of the new accounting standard and for revenue recorded during the year are adequate.</li> </ul>

#### Impairment of Goodwill

As described in Note 4 to the consolidated financial statements, as at December 31, 2019, the Group's goodwill balance of Rupees 28,861 lakhs, which has been allocated to the two Cash-generating units (CGUs) of the Group, represents 17% of total assets of the Group. The goodwill balance is tested for impairment by the management at least annually at the CGU level, in accordance with the applicable accounting standards.

The carrying values of goodwill will be recovered through future cash flows and there is a risk that the assets will be impaired if these cash flows do not meet the Group's expectations. The value-in-use of the CGUs has been derived from discounted cash flow (DCF) method.

The aforesaid assessment of the impairment involves exercising significant judgements relating to assumptions

Our audit procedures in relation to testing of goodwill impairment included, but was not limited to the following:

- Obtained an understanding of the management's process for impairment analysis including identification of CGUs, and test of impairment of goodwill allocated to these CGUs;
- Tested the design, implementation, and operating effectiveness of key internal controls over such identification and test of impairment;
- Evaluated and challenged the appropriateness of forecasted revenues and budgeted operating costs relating to the respective CGUs, based on our understanding of the business of the respective CGUs, past performance of CGUs and knowledge of the industry;

Key audit matter	How our audit addressed the key audit matter
<p>and estimates involved in forecasting future cash flows, including identification of cash-generating units, business plans and operating results. These assumptions include long-term growth rates, discount rates, terminal growth rates used, etc.</p> <p>A significant amount of audit effort was required, particularly as some of these assumptions are dependent on current economic conditions and trends, anticipated future economic and regulatory conditions, estimated future operating results, and trading conditions varying for different economic and geographical territories. Considering the significance of the amounts involved, degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation we have determined impairment of goodwill as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Tested the mathematical accuracy of the calculations used in management testing;</li> <li>• Evaluated the reasonableness of the assumptions used in the cash flow forecasts, including discount rates, long-term growth rates and terminal growth rates used;</li> <li>• Reconciled the cash flows to the business plans approved by the Board of Directors for the CGU;</li> <li>• Performed independent sensitivity analysis, which included assessing the effect of reasonably possible variations in significant assumptions on the currently estimated recoverable amount for respective CGUs; and</li> <li>• Evaluated the adequacy of disclosures given in the consolidated financial statements, including disclosures of significant assumptions, and judgements, in accordance with applicable accounting standards.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act

with respect to the preparation of these consolidated financial statements 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 changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

15. We did not audit the financial statements of one branch of a subsidiary, whose financial statements reflects total assets of Rupees 1,146.29 lakhs and net assets of Rupees 1,004.83 lakhs as at December 31, 2019, total revenues of Rupees 2,760.62 lakhs and net cash inflows amounting to Rupees 134.17 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the branch 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 branch, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch of a subsidiary is based solely on the audit report of the branch auditor.

Further, branch of the subsidiary referred above is located outside India, whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country and which have been audited by branch auditor under generally accepted auditing standards applicable in the respective country. The Holding Company's management has converted the financial statements of such branch located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such branch of a subsidiary located outside India is based on the report of the branch 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 reports of the branch auditor.

## Report on Other Legal and Regulatory Requirements

16. 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 two subsidiary companies covered under the Act has not paid or provided for any managerial remuneration during the year.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the branch auditor on separate financial statements and other financial information of the branch of a subsidiary we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the branch auditor;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor 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 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and
- 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 branch auditor on separate financial statements as also the other financial information of a branch of a subsidiary:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 36 A to the consolidated financial statements;
- ii. the Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at December 31, 2019;
- 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, during the year ended December 31, 2019; and

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 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

**UDIN: 20042423AAAABA9272**

Place: Mumbai

Date: February 11, 2020

## **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, 2019**

### **Annexure I**

#### **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, 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its three subsidiary companies, which are companies covered under the Act, as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its three 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 respective companies 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 ('the 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 for the Audit of the Internal Financial Controls**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, and its three subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI 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 three 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 Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Holding Company and its three 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, 2019, based on the internal control over financial reporting criteria established by the respective companies 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

**UDIN: 20042423AAAABA9272**

Place: Mumbai  
Date: February 11, 2020



# Consolidated Balance Sheet

as at December 31, 2019

(Rupees in lakhs)

Particulars	Notes	As at	
		December 31, 2019	December 31, 2018
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	3,512	4,104
(b) Goodwill	4	28,861	27,725
(c) Intangible assets	5	2,515	3,164
(d) Intangible assets under development		1,180	744
(e) Financial assets			
i. Investments	6	20,080	29,359
ii. Loans	7	3,421	3,674
iii. Other financial assets	8	87	42
(f) Deferred tax assets (net)	9	4,259	5,676
(g) Tax assets	10	7,396	5,605
(h) Other non-current assets	11	1,066	790
<b>2. Current assets</b>			
(a) Financial assets			
i. Investments	6	25,225	18,303
ii. Trade receivables	12	19,937	28,483
iii. Cash and cash equivalents	13	34,169	20,307
iv. Other bank balances	14	389	403
v. Loans	15	722	845
vi. Other financial assets	16	7,901	9,407
(b) Other current assets	17	7,835	4,427
<b>3. Asset held for sale</b>	18	318	318
<b>TOTAL ASSETS</b>		<b>168,873</b>	<b>163,376</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	19	723	721
(b) Other equity		116,469	112,904
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
i. Borrowings	20	4	8
ii. Other financial liabilities	21	782	774
(b) Provisions	22	1,514	1,376
<b>3. Current liabilities</b>			
(a) Financial liabilities			
i. Short term borrowings	23	258	246
ii. Trade payables	24		
- to micro enterprises and small enterprises		3	26
- to others		7,543	6,451
iii. Other financial liabilities	25	16,035	15,939
(b) Provisions	26	6,613	6,335
(c) Tax liabilities	27	1,530	1,176
(d) Other current liabilities	28	17,399	17,420
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>168,873</b>	<b>163,376</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 Chandio & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Date: February 11, 2020

Place: Mumbai

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

**John L. Berisford**

Chairman

[DIN: 07554902]

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

Date: February 11, 2020

Place: Mumbai

**M. Damodaran**

Director

[DIN: 02106990]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

**Sanjay Chakravarti**

Chief Financial Officer

**Vinita Bali**

Director

[DIN: 00032940]

**Ewout Steenbergen**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Notes	Year ended	Year ended
		December 31, 2019	December 31, 2018
<b>Income</b>			
Revenue from operations	29	173,172	174,849
Other income	30	7,284	7,341
<b>Total</b>		<b>180,456</b>	<b>182,190</b>
<b>Expenses</b>			
Employee benefit expenses	31	87,756	88,736
Finance cost	32	23	223
Depreciation and amortisation expenses	3,5	3,686	4,282
Other expenses	33	39,832	38,990
<b>Total</b>		<b>131,297</b>	<b>132,231</b>
<b>Profit before tax</b>		<b>49,159</b>	<b>49,959</b>
<b>Tax expense</b>	9		
Current tax		13,115	15,707
Deferred tax		1,649	(2,058)
<b>Total tax expense</b>		<b>14,764</b>	<b>13,649</b>
<b>Profit after tax for the year</b>		<b>34,395</b>	<b>36,310</b>
<b>Other comprehensive (income)/expense (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		(845)	(482)
The effective portion of gains or (loss) on hedging instruments in a cash flow hedge		290	1,100
Tax effect on above		(101)	(385)
<b>B. Items that will not be reclassified to profit or loss:</b>			
Remeasurements of the defined benefit plans		252	44
Equity instruments through other comprehensive income		9,279	9,252
Tax effect on above		(100)	(66)
<b>Total comprehensive income for the year</b>		<b>25,620</b>	<b>26,847</b>
<b>Profit attributable to:</b>			
Owners of the Company		34,395	36,310
Non-controlling interest		-	-
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		25,620	26,847
Non-controlling interest		-	-
Earnings per share : Nominal value of Rupee 1 per share	46		
Basic		47.61	50.50
Diluted		47.55	50.33
Number of equity shares used in computing earnings per share	46		
Basic		72,243,688	71,904,428
Diluted (Refer Note 46)		72,339,528	72,148,415
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 Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Khushroo B Panthaky**

Partner

Membership No.: 42423

Date: February 11, 2020

Place: Mumbai

**For and on behalf of the Board of Directors of CRISIL Limited**
**John L. Berisford**

Chairman

[DIN: 07554902]

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

Date: February 11, 2020

Place: Mumbai

**M. Damodaran**

Director

[DIN: 02106990]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

**Sanjay Chakravarti**

Chief Financial Officer

**Vinita Bali**

Director

[DIN: 00032940]

**Ewout Steenbergen**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Consolidated Cash Flow Statement

for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
<b>A. Cash flow from operating activities:</b>		
Profit before tax	49,159	49,959
<b>Adjustments for:</b>		
Depreciation	3,686	4,282
Interest income on financial assets carried at amortized cost	(230)	(275)
Monetary gain from hyperinflation (Refer Note 41)	142	(307)
Unrealised foreign exchange loss	192	(335)
(Profit)/ loss on sale of fixed assets	(27)	(86)
(Profit)/ loss on sale of current investments	(981)	(340)
(Profit)/ loss on fair valuation of current investments	(387)	(145)
Provision for doubtful debts / bad debts	-	3,754
Provision for doubtful security deposits	-	10
Excess provision written back	(349)	-
Interest on bank deposits	(109)	(86)
Interest on Income tax refund	(369)	-
Share based payment to employees	814	1,876
Dividend on investments	(777)	(1,457)
Interest expense/finance cost	23	223
<b>Operating profit before working capital changes</b>	<b>50,787</b>	<b>57,073</b>
Movements in working capital		
- (Increase)/decrease in trade receivables	8,579	(5,855)
- (Increase)/decrease in loans	616	24
- (Increase)/decrease in other non current assets	(389)	(256)
- (Increase)/decrease in other current financial assets	1,212	(213)
- (Increase)/decrease in other current assets	(3,379)	94
- Increase/(decrease) in trade payables	1,113	672
- Increase/(decrease) in provisions	347	349
- Increase/(decrease) in other current financial liabilities	210	699
- Increase/(decrease) in other current liabilities	34	1,832
- Increase/(decrease) in other non current financial liabilities	8	362
- Increase/(decrease) in other non current liabilities	-	(48)
<b>Cash generated from operations</b>	<b>59,138</b>	<b>54,733</b>
- Taxes paid	(14,552)	(16,881)
<b>Net cash generated from operating activities - (A)</b>	<b>44,586</b>	<b>37,852</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).	(2,906)	(3,347)
Proceeds from sale of property, plant and equipment and intangible assets	138	169
Investments in mutual funds (net of proceeds)	(5,554)	(3,923)
Payment made for acquisition of Pragmatix Services Private Limited (Refer Note 44)	-	(5,600)
Interest on Income tax refund	369	-
Interest on bank deposits	112	77
Fixed deposits placed	(33)	3,986
Dividend on investments	777	1,457
<b>Net cash used in investing activities - (B)</b>	<b>(7,097)</b>	<b>(7,181)</b>

# Consolidated Cash Flow Statement

for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
<b>C. Cash flow from financing activities :</b>		
Receipts from issuance of share capital on account of exercise of ESOS	2,295	4,995
Proceeds from /(repayment of) short term borrowings	-*	-
Proceeds from /(repayment of) borrowings	(4)	(55)
Dividend and dividend tax paid	(25,162)	(25,138)
Interest expense/finance cost	(23)	(126)
<b>Net cash generated used in financing activities - (C)</b>	<b>(22,894)</b>	<b>(20,324)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>14,595</b>	<b>10,347</b>
Add / (less) : adjustment towards acquisition / (divesture) - (D)	-	462
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>14,595</b>	<b>10,809</b>
Cash and cash equivalents - Opening balance	19,949	8,869
Add : Exchange difference on translation of foreign currency cash and cash equivalents	(633)	271
Cash and cash equivalents - Closing balance	33,911	19,949
<b>Net Increase in cash and cash equivalents</b>	<b>14,595</b>	<b>10,809</b>
Components of cash and cash equivalents :-		
Cash on hand and balances with banks on current account	11,636	9,407
Deposits with original maturity of less than three months	22,533	10,900
Bank and book overdraft	(258)	(358)
<b>Total</b>	<b>33,911</b>	<b>19,949</b>

\*-' in amounts' columns denote amount less than Rupees 50,000

The accompanying notes are an integral part of the consolidated financial statements.

This is the Consolidated Cash Flow of 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 11, 2020

Place: Mumbai

**For and on behalf of the Board of Directors of CRISIL Limited**
**John L. Berisford**

Chairman

[DIN: 07554902]

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ashu Suyash**

Managing Director and

Chief Executive Officer

[DIN: 00494515]

Date: February 11, 2020

Place: Mumbai

**M. Damodaran**

Director

[DIN: 02106990]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

**Sanjay Chakravarti**

Chief Financial Officer

**Vinita Bali**

Director

[DIN: 00032940]

**Ewout Steenbergen**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Statement of Changes in Consolidated Equity

for the year ended December 31, 2019

## A. Equity Share Capital

	(Rupees in lakhs)	
	Changes in equity share capital during the year (Refer Note 19)	Balance as at December 31, 2019
Balance as at January 1, 2019	2	723
		721
Balance as at January 1, 2018	4	721
		717

## B. Other equity

Particulars	Reserves & Surplus					Items of Other Comprehensive Income (OCI)				Total	
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Economic zone reinvestment reserve	Special Reserve	Retained earnings	Equity instruments through OCI		Currency fluctuation reserve
Balance as at January 1, 2019	27	16,915	14,115	6,753	-	450	90,481	(15,265)	(801)	229	112,904
Profit for the year	-	-	-	-	-	-	34,395	-	-	-	34,395
Additions during the year	-	2,293	-	-	-	-	-	-	-	-	2,293
Transfer to foreign exchange gain	-	-	-	-	-	-	-	-	-	-	-
Impact of hyperinflation (Refer Note 41)	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	(182)	(9,249)	845	(189)	(8,775)
Share based payment to employees	-	-	-	814	-	-	-	-	-	-	814
Final dividend	-	-	-	-	-	-	(7,938)	-	-	-	(7,938)
Interim dividend	-	-	-	-	-	-	(13,735)	-	-	-	(13,735)
Corporate dividend tax	-	-	-	-	-	-	(3,489)	-	-	-	(3,489)
Transfer to SEZ reinvestment reserve	-	-	-	-	-	(450)	450	-	-	-	-
Exercise of stock option	-	899	-	(899)	-	-	-	-	-	-	-
Balance as at December 31, 2019	27	20,107	14,115	6,668	-	-	99,982	(24,514)	44	40	116,469

# Statement of Changes in Consolidated Equity

for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Reserves & Surplus						Items of Other Comprehensive Income (OCI)				Total
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Economic Zone reinvestment reserve	Special Reserve	Retained earnings	Equity instruments through OCI	Currency fluctuation reserve	
<b>Balance as at January 1, 2018</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>
Profit for the year	-	-	-	-	-	-	36,310	-	-	-	36,310
Additions during the year	-	4,991	-	-	187	-	-	-	-	-	5,178
Impact of hyperinflation (Refer Note 41)	-	-	-	-	-	-	-	-	207	-	207
Share based payment to employees	-	-	-	1,877	-	-	-	-	-	-	1,877
Other comprehensive income	-	-	-	-	-	-	(23)	(9,207)	275	(715)	(9,670)
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>	<b>27</b>	<b>16,915</b>	<b>14,115</b>	<b>6,753</b>	<b>-</b>	<b>450</b>	<b>90,481</b>	<b>(15,265)</b>	<b>(801)</b>	<b>229</b>	<b>112,904</b>

(Refer Note 19)

The accompanying notes are an integral part of the consolidated financial statements.

This is the Consolidated 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/N500013

## Khushroo B Panthaky

Partner  
Membership No.: 42423

Date: February 11, 2020  
Place: Mumbai

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

**John L. Berisford**  
Chairman  
[DIN: 07554902]

**Girish Paranjpe**  
Director  
[DIN: 02172725]

**Ashu Suyash**  
Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

Date: February 11, 2020  
Place: Mumbai

**M. Damodaran**  
Director  
[DIN: 02106990]

**Arundhati Bhattacharya**  
Director  
[DIN: 02011213]

**Sanjay Chakravarti**  
Chief Financial Officer

**Vinita Bali**  
Director  
[DIN: 00032940]

**Ewout Steenbergen**  
Director  
[DIN: 07956962]

**Minal Bhosale**  
Company Secretary

## Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended December 31, 2019

### 1 Corporate information

CRISIL Limited ('the Company' or 'CRISIL' or 'Parent') (CIN: CIN L67120MH1987PLC042363) and its subsidiaries (collectively referred to as 'the Group') is a globally-diversified analytics 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, 2019 were approved by the Board of Directors on February 11, 2020.

S&P Global Inc. the ultimate holding company, through its subsidiaries owned 67.40% as on December 31, 2019 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 unrealized 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 realization in cash or cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

#### 2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the consolidated financial statements and the reported income and expenses for the years presented. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from

those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

**Estimates and assumptions are required in particular for:**

- **Useful life and residual value of property, plant and equipment (PPE) and intangible assets**

Useful lives of PPE and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- **Goodwill impairment**

The Group estimates the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and anticipated future economic and regulatory conditions

Goodwill is tested for impairment, relying on a number of factors including operating results, business plans and future cash flows. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimated cash flows are prepared using internal forecasts.

- **Revenue recognition**

Revenue from rendering of services is recognised when the obligation to render services based on agreements/arrangements with the customers are satisfied and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of delivery or upon formal customer acceptance depending on customer terms. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using percentage-of-completion method. The Group uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.

Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

- **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



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- **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 recognized 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 recognized in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognized as an expense is adjusted to reflect the impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

## 2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flow from operating, investing and financing activities are segregated.

## 2.6 The consolidated financial statements represent consolidation of accounts of the Company, its subsidiaries as detailed below:

Name of the entities	Country of incorporation	Ownership in % either directly or through subsidiaries	
		As at	As at
		December 31, 2019	December 31, 2018
CRISIL Risk and Infrastructure Solutions Limited	India	100%	100%
Pragmatix Services Private Limited (Refer Note 44)	India	100%	100%
CRISIL Ratings Limited (Refer Note 42)	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 of direct costs, related incidental expenses and attributable interest.

## 2.8 Intangibles

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure on development

eligible for capitalization 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/amortization is provided on straight line method (SLM) over useful life.

Particulars	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 amortized 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 prorata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the statement of profit and loss and is not reversed in the subsequent period.

#### (ii) Other non financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized 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 amortization or depreciation) had 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.

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## 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 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 recognized 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 recognized 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 recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

## 2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.14 Fair value of financial instruments

In determining the fair value of the financial instruments the Group uses variety of methods and assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine the fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All method of accessing fair value results in general approximation of value and such value may never actually be realised. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

## 2.15 Financial instruments

### Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### Subsequent measurement

#### a) Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

##### (ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount

outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized 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 amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**b) Derivative financial instruments**

The Group uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group uses hedging instruments that are governed by the policies of the Group.

**Hedge accounting**

The Group uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognised immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow

hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

**Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Group transfers amounts from this reserve to retained earnings when these equity instruments are derecognised. A financial liability (or a part of a financial liability) is derecognized 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 recognized 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 36. 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.

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## 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

Effective January 1, 2019, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of retrospectively applying this standard is recognised at the date of initial application (i.e. January 1, 2019). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the Statement of Profit and Loss is not restated. Refer Note 2.18 – Significant accounting policies – Revenue recognition in the Annual report of the Group for the year ended December 31, 2018, for revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

### Income from operations

Income from operations comprises income from initial rating and surveillance services, global research and analytical services, coalition business, customised research, special assignments and subscriptions to information products and services, IPO grading services, independent equity research (IER) services, infrastructure advisory and risk management services.

- Revenue from 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, coalition business and revenue from IER are accounted on a time proportion basis and revenue is straight lined over the period of performance.
- Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out in a time proportion basis.
- Global research and analytics revenue consists of time and material contracts which is recognised on output basis measured by number of hours/days/weeks worked at the rates specified in the agreements.
- Revenue from infrastructure advisory services

and risk management services are recognized in accordance with percentage completion method.

- Percentage of completion for infrastructure advisory is determined based on the project cost incurred to date as a percentage of total estimated project cost required to complete the project.
- Revenue from risk management services comprise of revenue from sale of software and annual maintenance contracts. Revenue from sale of software licenses are recognized upon delivery of these licenses which constitute transfer of all risks and rewards. Revenue from consultancy services and sale of software which involves customisation are recognised over execution period. Revenue from annual maintenance contracts are recognised on a time proportion basis.

Provision for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become certain based on the current estimates. Accrued revenue are classified as Unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms and is accordingly classified under 'other financial assets'. Accrued revenue where the right to consideration is conditional upon factors other than the passage of time are contract assets which are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones. Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period. Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

### Grant income

Export benefits from government authorities are received in the form of saleable scrips and are recognized 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 realization on transfer of scrips in the year of the sale. The related costs are recognised under 'other expense'.

**Interest income**

Interest income is recognized 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 are 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 recognizes expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.

The grant date fair value of options granted to employees is recognized 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 recognized in connection with share based payment transaction is presented as a separate component in equity under "Share based payment reserve". The amount recognized 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

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the currency of their countries of domicile. These consolidated financial statements are presented in Indian Rupees (rounded off to the nearest lakhs except otherwise indicated).

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 is converted to INR 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 rates prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

## Foreign currency translation

Assets and liabilities of the entities with functional currency other than the presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss has been translated using monthly average exchange rates prevailing during the year. Translation adjustment have been reported as foreign currency translation reserve in the statement of changes in equity.

## Exchange difference

In case of long term monetary items the exchange difference is amortised up to the date of settlement of such monetary items and charged to the statement of profit and loss. The unamortized 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 recognized 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 – Rating, Research and Advisory. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognised. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant policies.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

### Inter segment transfers:

The Group generally accounts for inter segment services and transfers as if the services or transfers were to third parties at arm length price.

### Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### Unallocated items:

Unallocable income and expenses includes general corporate income and expense items which are not identified to any business segment.

## 2.24 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as buy back, Employee Stock Option Scheme (ESOS), etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the Group has adopted treasury stock method to compute the new shares that can possibly be created by un-exercised stock options. The net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.25 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividend is recognised as a liability on the date of declaration by the Company's Board of Directors.

## 2.26 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criterias are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the balance sheet date. Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.



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## 2.27 Recent accounting pronouncements

### Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 'Leases' and related amendments to other Ind AS. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Group is in the process of analysing impact and finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Group will recognise with effect from January 1, 2020 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability.

### Ind AS 12 – Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or

events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements

Ind AS 19 – Plan Amendment, Curtailment or Settlement  
The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

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### 3. Property, plant and equipment

For the year ended December 31, 2019

Particulars	Carrying value				Accumulated depreciation				Net Block	
	As at January 1, 2019	Additions	Deductions	Currency translation reserve	As at December 31, 2019	For the year	Deductions	Currency translation reserve	Up to December 31, 2019	As at December 31, 2019
Buildings	10	-	-	-	10	-	-	-	10	-
Furniture and fixtures	1,054	41	33	(45)	1,017	176	27	(44)	699	318
Office equipments	1,794	171	95	(57)	1,813	295	72	(62)	1,207	606
Computers	5,834	1,508	389	(340)	6,613	1,295	375	(338)	4,799	1,814
Vehicles	947	128	221	(42)	812	214	166	(44)	528	284
Leasehold improvements	3,488	39	43	(4)	3,480	393	30	(5)	2,990	490
<b>Total</b>	<b>13,127</b>	<b>1,887</b>	<b>781</b>	<b>(488)</b>	<b>13,745</b>	<b>2,373</b>	<b>670</b>	<b>(493)</b>	<b>10,233</b>	<b>3,512</b>

(Rupees in lakhs)

For the year ended December 31, 2018

Particulars	Carrying value				Accumulated depreciation				Net Block	
	As at January 1, 2018	Additions	Deductions	Currency translation reserve	As at December 31, 2018	For the year	Deductions	Currency translation reserve	Up to December 31, 2018	As at December 31, 2018
Buildings	10	-	-	-	10	-	-	-	10	-
Furniture and fixtures	992	76	26	8	1,054	210	20	19	594	460
Office equipments	1,698	144	80	26	1,794	346	65	25	1,046	748
Computers	4,921	1,016	108	(67)	5,834	1,413	77	20	4,217	1,617
Vehicles	612	346	205	60	947	197	174	77	524	423
Leasehold improvements	3,261	396	1	(168)	3,488	891	1	(34)	2,632	856
<b>Total</b>	<b>11,494</b>	<b>1,978</b>	<b>420</b>	<b>(141)</b>	<b>13,127</b>	<b>3,057</b>	<b>337</b>	<b>107</b>	<b>9,023</b>	<b>4,104</b>

(Rupees in lakhs)

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## 4 Goodwill

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Carrying value at the beginning of the year	27,725	23,203
On acquisition of Pragmatix Services Private Limited (Refer Note 44)	-	3,621
Foreign currency exchange gain/(loss)	1,136	901
Carrying value at the end of the year	<b>28,861</b>	<b>27,725</b>
<b>Goodwill has been allocated as follows:</b>		
Research	25,240	24,104
Advisory	3,621	3,621
<b>Total</b>	<b>28,861</b>	<b>27,725</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 chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use, both of which are calculated by the Group using a discounted cash flow analysis. These calculations use pre tax cash flow projections over a period of five years, based on financial budgets approved by the management. For calculation of the recoverable amount, the Group has used the following rates:

Particulars	As at December 31, 2019		As at December 31, 2018	
	Growth rate	Discount rate	Growth rate	Discount rate
Research business	6%	13.50%	7%	15%
Advisory business	8%	13.50%	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, 2019, 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, 2019

(Rupees in lakhs)

Particulars	Carrying value				Accumulated depreciation				Net Block	
	As at January 1, 2019	Additions	Deductions	Currency translation reserve	As at December 31, 2019	For the year	Deductions	Currency translation reserve	Up to December 31, 2019	As at December 31, 2019
Technology	1,543	-	-	239	1,782	-	-	239	1,782	-
Database	726	-	-	112	838	-	-	112	838	-
Customer relationship	1,691	-	-	175	1,866	183	-	174	1,573	293
Tradename	381	-	-	37	418	63	-	36	418	-
Platform	985	-	-	-	985	197	-	-	381	604
Software	3,539	662	-	-	4,201	870	-	-	2,583	1,618
<b>Total</b>	<b>8,865</b>	<b>662</b>	<b>-</b>	<b>563</b>	<b>10,090</b>	<b>1,313</b>	<b>-</b>	<b>561</b>	<b>7,575</b>	<b>2,515</b>

For the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Carrying value				Accumulated depreciation				Net Block	
	As at January 1, 2018	Additions	Deductions	Currency translation reserve	As at December 31, 2018	For the year	Deductions	Currency translation reserve	Up to December 31, 2018	As at December 31, 2018
Technology	1,486	-	-	57	1,543	-	-	57	1,543	-
Database	699	-	-	27	726	-	-	27	726	-
Customer relationship	1,168	478	-	45	1,691	240	-	33	1,216	475
Tradename	367	-	-	14	381	109	-	6	319	62
Platform	-	985	-	-	985	184	-	-	184	801
Software	898	1,903	-	288	3,539	692	-	193	1,713	1,826
<b>Total</b>	<b>4,618</b>	<b>3,366</b>	<b>-</b>	<b>431</b>	<b>8,865</b>	<b>1,225</b>	<b>-</b>	<b>316</b>	<b>5,701</b>	<b>3,164</b>

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## 6. Investments

A. Non-current investments	As at December 31, 2019		As at December 31, 2018	
	No. of shares	Rupees in lakhs	No. of shares	Rupees in lakhs
<i>Unquoted equity investments carried at fair value through OCI (Refer Note 6.2)</i>				
Equity Shares of National Commodity and Derivative Exchange Limited of Rupees 10 each, fully paid up	1,875,000	3,204	1,875,000	3,359
Equity Shares of Caribbean Information and Credit Rating Agency of US \$ 1 each, fully paid up	300,000	120	300,000	124
<b>Sub - total (a)</b>		<b>3,324</b>		<b>3,483</b>
<i>Quoted equity investments carried at fair value through OCI (Refer Note 6.2)</i>				
Equity Share of ICRA Limited of Rupees 10 each, fully paid up (Refer Note 6.1)	1	-	1	-
Equity Share of CARE Ratings Limited of Rupees 10 each, fully paid up	2,622,431	16,756	2,622,431	25,876
<b>Sub - total (b)</b>		<b>16,756</b>		<b>25,876</b>
<b>Total non-current investments - (a + b)</b>		<b>20,080</b>		<b>29,359</b>

B. Current investments	As at December 31, 2019		As at December 31, 2018	
	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	255	2,500,000	257
Invesco India Short Term Fund - Direct Plan Growth	157,336	4,313	-	-
Axis Treasury Advantage Fund - Direct Growth	87,495	2,000	-	-
LIC MF Banking and PSU Debt Fund - Direct Plan - Growth	17,417,522	4,606	-	-
IDFC Bond Fund - Short Term Plan - Growth - (Direct Plan)	6,754,142	2,862	-	-
L&T Short Term Bond Fund - Direct Plan - Growth	14,588,155	2,863	-	-
L&T Money Market Fund - Direct Plan -Growth	19,892,581	4,001	-	-
DSP Short Term Fund - Direct Plan - Growth	5,104,208	1,797	-	-
DSP Corporate Bond Fund - Direct - Growth	4,325,447	501	-	-
Sundaram Corporate Bond Fund Direct Growth	7,064,600	2,027	-	-
<b>Total investments in mutual funds (c)</b>		<b>25,225</b>		<b>18,303</b>
<b>Total investments (a + b + c)</b>		<b>45,305</b>		<b>47,662</b>

The market value of quoted investments is equal to the carrying value

6.1 '-' in amounts' columns denote amount less than Rupees 50,000

6.2 The total dividend recognised pertaining to FVTOCI instruments for the year ended on December 31, 2019 was Rupees 761 lakhs and for the year ended December 31, 2018 was Rupees 1,448 lakhs. Dividend from equity investments designated at FVTOCI relates to investments held at the end of the reporting period. The Group recognises dividend in statement of profit and loss under the head "other income". For all the equity instruments that are classified by the Group as FVTOCI, fair value changes on the instrument, excluding dividends, are recognised in the OCI.

## 7. Loans (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Unsecured, considered good, unless otherwise stated		
- Security and other deposits	3,421	3,674
<b>Total</b>	<b>3,421</b>	<b>3,674</b>

## 8. Other financial assets (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Unsecured, considered good, unless otherwise stated		
Interest accrued on fixed deposits	2	2
- Deposits with more than 12 months maturity	85	40
[Deposit includes fixed deposits with banks Rupees 73 lakhs (Previous year: 2018 Rupees 36 lakhs) marked as lien for guarantees issued by banks on behalf of the Group (Refer Note 36)]		
<b>Total</b>	<b>87</b>	<b>42</b>

## 9. Income tax

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Current tax	13,115	15,707
Deferred tax	1,649	(2,058)
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>14,764</b>	<b>13,649</b>

The tax year for the companies incorporated in India being the year ended March 31, 2020, the tax expense for the year is the aggregate of the provision made for the three month period ended March 31, 2019 and the provision for the nine month period ended December 31, 2019. The tax provision for the nine month period has been arrived at using effective tax rate for the period April 1, 2019 to March 31, 2020.

The Company and its one Indian subsidiary, elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Law Amendment Act 2019. Accordingly, the Company and its one Indian subsidiary, has recognized the provision for income tax for the year ended December 31, 2019 basis the new tax rate of 25.17%, as applicable for Financial year 2019-20 for the entities in India including re-measurement of deferred tax asset. The impact of this change is recognised in the statement of profit and loss.

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 summarized below:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Profit before income tax	49,159	49,959
Enacted income tax rate in India for fiscal year ended March 31, 2020 and March 31, 2019. (%)	27.61%	34.94%
Computed expected tax expense	13,575	17,458
<b>Effect of:</b>		
Income exempt from tax	(259)	(1,449)
Expenses that are not deductible in determining taxable profit	357	344
Income subject to different tax rates	150	(800)
Tax expense of prior years	20	(1,637)

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## 9. Income tax (Contd..)

(Rupees in lakhs)

Particulars	Year ended	
	December 31, 2019	December 31, 2018
Impact due to change in rate	1,264	(44)
Others	(343)	(223)
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>14,764</b>	<b>13,649</b>

### 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, 2019

(Rupees in lakhs)

Particulars	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	674	-	(30)	-	-	644
Gains from mutual funds	50	41	0	-	-	91
Gains / losses on forward contract	115	-	(102)	-	-	13
Business combination	407	-	-	-	-	407
Property, plant and equipment and intangibles	370	49	-	-	(12)	407
Brought forward losses	-	10	-	-	(1)	9
Lease rent amortization	28	3	-	-	-*	31
<b>Gross deferred tax liability</b>	<b>1,644</b>	<b>103</b>	<b>(132)</b>	<b>-</b>	<b>(13)</b>	<b>1,602</b>
<b>Deferred tax asset on:</b>						
Provision for compensated absences	1,992	(591)	-	-	-	1,401
Provision for bonus and commission	1,028	(494)	-	-	(1)	534
Provision for gratuity	711	(173)	69	-	-	607
Provision for doubtful debts	1,214	(640)	-	-	1	575
Initial rating fees and other deferred revenue	597	(67)	-	-	-	530
Property, plant and equipment and intangibles	1,212	(68)	-	-	1	1,145
Unabsorbed depreciation	-	67	-	-	-	67
40A(ia) of the Income Tax Act, 1961 and other items	508	345	-	-	16	869
<b>Gross deferred tax asset</b>	<b>7,262</b>	<b>(1,622)</b>	<b>69</b>	<b>-</b>	<b>18</b>	<b>5,727</b>
<b>MAT credit entitlement</b>	<b>58</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134</b>
<b>Net deferred tax asset</b>	<b>5,676</b>	<b>(1,649)</b>	<b>201</b>	<b>-</b>	<b>31</b>	<b>4,259</b>

As at December 31, 2018

(Rupees in lakhs)

Particulars	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 amortization	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>

## 9. Income tax (Contd..)

As at December 31, 2018

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Acquisitions/ disposal	Exchange difference	Closing balance
<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 debts	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>
MAT credit entitlement	-	58	-	-	-	58
<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>

\* '-' in amounts' columns denote amount less than Rupees 50,000

Deferred tax liability on undistributed earnings of Rupees 8,025 lakhs (Previous year: 6,520 lakhs) 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 (Non-current)

(Rupees in lakhs)

Particulars	As at December 31, 2019	As at December 31, 2018
Advance income-tax (net of provision for taxation) [Provision of tax Rupees 120,740 lakhs (Previous year : Rupees 110,435 lakhs)]	7,396	5,605
<b>Total</b>	<b>7,396</b>	<b>5,605</b>

## 11. Other non-current assets

(Rupees in lakhs)

Particulars	As at December 31, 2019	As at December 31, 2018
Prepaid rent	573	139
Capital advance	55	168
Prepaid expenses	438	483
<b>Total</b>	<b>1,066</b>	<b>790</b>

## 12. Trade receivable (Current)

(Rupees in lakhs)

Particulars	As at December 31, 2019	As at December 31, 2018
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured (Refer Note 38)	19,937	28,483
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2,375	3,987
Less: Allowance for impairment loss	(2,375)	(3,987)
<b>Total</b>	<b>19,937</b>	<b>28,483</b>



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## 13. Cash and cash equivalents (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Cash on hand	5	2
Balances with banks :		
On current accounts	11,631	9,405
Deposits with maturity of less than three months	22,533	10,900
[Deposit includes fixed deposits with banks Rupees 12 lakhs (Previous year: Rupees 74 lakhs) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 36)]		
<b>Total</b>	<b>34,169</b>	<b>20,307</b>

## 14. Other bank balances (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
On unpaid dividend accounts	75	77
Deposit with original maturity for more than 3 months but less than 12 months	314	326
[Deposit includes fixed deposits with banks Rupees 239 lakhs (Previous year: Rupees 292 lakhs) marked as lien for guarantees issued by banks on behalf of the Group. (Refer Note 36)]		
<b>Total</b>	<b>389</b>	<b>403</b>

## 15. Loans (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<u>Unsecured, considered good, unless otherwise stated</u>		
Loans to employees	370	323
Security and other deposits		
- Considered good	352	522
- Considered doubtful	68	78
Less: Allowance for impairment loss	(68)	(78)
<b>Total</b>	<b>722</b>	<b>845</b>
<b>Sub-classification of loans:</b>		
Loan receivables considered good- Secured	-	-
Loan receivables considered good- Unsecured	722	845
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	68	78
Less: Allowance for impairment loss	(68)	(78)
<b>Total</b>	<b>722</b>	<b>845</b>

## 16. Other financial assets (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Unsecured, considered good, unless otherwise stated		
Unbilled receivables (Refer Note 16.1)	7,682	8,963
Interest accrued on deposits	19	22
Fair value of foreign currency forward contract (Refer Note 34.2)	53	344
Others	147	78
<b>Total</b>	<b>7,901</b>	<b>9,407</b>

16.1 The balance lying in unbilled receivables as at December 31, 2018 is fully billed during the current year.

## 17. Other current assets

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Prepaid rent	269	82
Prepaid expense	1,669	1,623
Balances with government authorities	2,336	1,734
Advances to suppliers and employees	1,165	988
Accrued revenue (Refer Note 17.1)	2,396	-
<b>Total</b>	<b>7,835</b>	<b>4,427</b>

17.1 The balance lying in accrued revenue as at December 31, 2018 is fully billed during the current year except for Rupees 11 lakhs.

## 18. Assets held for sale

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Building (Refer Note 18.1)	318	318
<b>Total</b>	<b>318</b>	<b>318</b>

18.1 The Group has classified a building premise as asset held for sale at its carrying value of Rupees 318 lakhs (Previous year: Rupees 318 lakhs). The Group has actively marketed the premise. The premise has been classified as unallocable as the Group believes that it is currently not practicable to allocate the premise to any segment.

## 19. Share capital

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Authorised capital:		
100,000,000 Equity shares of Rupee 1 each (Previous year: 100,000,000 equity shares of Rupee 1 each)	1,000	1,000
Issued, subscribed and paid up:		
72,304,326 equity shares of Rupee 1 each fully paid up (Previous year: 72,115,782 equity shares of Rupee 1 each)	723	721
<b>Total</b>	<b>723</b>	<b>721</b>

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## 19. Share capital

### (a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

#### Equity shares

Particulars	As at December 31, 2019	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	721	72,115,782
Add : Issued during the year-Under employee stock option scheme (ESOS) (Refer Note 45)	2	188,544
<b>Outstanding at the end of the year</b>	<b>723</b>	<b>72,304,326</b>

Particulars	As at December 31, 2018	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 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>

### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rupee 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding Company and their subsidiaries/ associates are as below:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<u>Group holding of the S&amp;P Global Inc.</u>		
31,209,480 equity shares of Rupee 1 each fully paid held by S&P India, LLC, fellow subsidiary (Previous year: 31,209,480 equity shares of Rupee 1 each)	312	312
11,523,106 equity shares of Rupee 1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (Previous year: 11,523,106 equity shares of Rupee 1 each)	115	115
6,000,000 equity shares of Rupee 1 are held by Standard & Poor's International LLC, fellow subsidiary (Previous year: 6,000,000 equity shares of Rupee 1 each)	60	60
<b>Total</b>	<b>487</b>	<b>487</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	As at
	December 31, 2019	December 31, 2018
<u>Equity shares bought back by the company</u>		
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

## 19. Share capital

### (e) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder	As at December 31, 2019	
	% holding in the class	Nos.
<u>Equity shares of Rupee 1 each fully paid</u>		
1. Group holding of the S&P Global Inc.		
a) S&P India, LLC	43.16%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.94%	11,523,106
c) Standard & Poor's International LLC	8.30%	6,000,000
2. Life Insurance Corporation of India	6.64%	4,797,793
3. Jhunjhunwala Rakesh and Rekha	5.48%	3,965,000

Name of the shareholder	As at December 31, 2018	
	% holding in the class	Nos.
<u>Equity shares of Rupee 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

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 requirements, as and when required.

#### 19.1 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 retained earnings.

##### b) Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve

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## 19.1 Explanation of reserves: (Contd..)

### 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 fair value changes in equity instruments, hedge reserve and currency fluctuation reserve through OCI.

### 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 recognized 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 utilized 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.

## 20. Borrowings (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Secured long term loan from Non-banking finance companies (NBFC)*		
9.63% Kotak Mahindra Prime Limited	9	13
Less: Current maturities of long term borrowing	(5)	(5)
<b>Total</b>	<b>4</b>	<b>8</b>

\*Nature of security for long term borrowing: Vehicle loans are secured by hypothecation of vehicles purchased against the loan

**20. Borrowings (Non-current) (Contd..)**

(Rupees in lakhs)

Terms of repayment of long term borrowings	As at	As at
	December 31, 2019	December 31, 2018
Name of the NBFC: Kotak Mahindra Prime Limited		
No. of vehicles for which loan has been availed	1	1
Equated monthly installment (EMI) (Rupees in lakhs)	0.45	0.45
No. of EMIs outstanding	21	33

**21. Other financial liabilities (Non-current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Employee related payables	734	653
Sundry deposits	48	121
<b>Total</b>	<b>782</b>	<b>774</b>

**22. Provisions (Non-current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Provision for gratuity (Refer Note 40)	1,514	1,376
<b>Total</b>	<b>1,514</b>	<b>1,376</b>

**23. Short term borrowings (Current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Bank overdraft (Refer Note 23.1)	258	246
<b>Total</b>	<b>258</b>	<b>246</b>

23.1 The Group has availed overdraft facility from a bank which is unsecured and is repayable on demand. Interest is payable at I - MCLR 6M + 0% spread per annum (as at December 31, 2019 rate 8.20%) on the principal amount of loan outstanding each day.

**24. Trade payables (Current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Total outstanding dues of micro enterprises and small enterprises (as per intimations received from suppliers)	3	26
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,543	6,451
<b>Total</b>	<b>7,546</b>	<b>6,477</b>

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## 24.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
- Principal amount remaining unpaid, but not due	3	26
- Interest due thereon as at year end	-	-
- Interest paid by the Group 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.

## 25. Other financial liabilities (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Employee related payables	15,662	15,421
Current maturities of long term borrowings	5	5
Book overdraft	-	112
Sundry deposits	75	69
Unpaid dividend (Investor Education and Protection Fund will be credited as and when due)	75	77
Others	218	255
<b>Total</b>	<b>16,035</b>	<b>15,939</b>

## 26. Provisions (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Provision for compensated absences (Refer Note 40)	5,822	5,642
Provision for gratuity (Refer Note 40)	791	693
<b>Total</b>	<b>6,613</b>	<b>6,335</b>

## 27. Tax liabilities (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Provision for tax (net of advance tax) [Advance Tax Rupees 6,625 lakhs (Previous year : Rupees 4,369 lakhs)]	1,530	1,176
<b>Total</b>	<b>1,530</b>	<b>1,176</b>

## 28. Other current liabilities

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Statutory liabilities	4,559	4,744
Advance received from customers (Refer Note 28.1)	382	375
Unearned revenue (Refer Note 28.1)	12,458	12,301
<b>Total</b>	<b>17,399</b>	<b>17,420</b>

28.1 The balance lying in 'Unearned revenue' and 'Advance received from customer' as at December 31, 2018 is fully recognised as revenue during the current year.

## 29. Revenue from operations

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Ratings services	54,481	50,730
Research services	104,440	110,601
Advisory services	14,251	13,518
<b>Total</b>	<b>173,172</b>	<b>174,849</b>

29.1 The Group disaggregates revenue from contracts with customers by nature of services. (Refer Note 37)

29.2 The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has right to consideration that corresponds directly with the value of entity's performance completed to date.

## 30. Other income

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Interest on:		
- Bank deposits	109	86
- Income tax refund	369	-
- Financial assets carried at amortized cost	230	275
Inflation adjustment results (Refer Note 41)	869	-
Profit on sale of fixed assets	27	86
Dividend on investments	777	1,457
Foreign exchange gain (net)	-	2,126
Profit on sale of current investments	981	340
Profit on fair valuation of current investments	387	145
Grant income	2,103	2,519
Excess provision written back	349	-
Miscellaneous income	1,083	307
<b>Total</b>	<b>7,284</b>	<b>7,341</b>

## 31. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Salaries, wages and bonus	78,750	78,467
Share based payment to employees	814	1,877
Contribution to provident and other funds	4,452	4,702
Contribution to gratuity fund (Refer Note 40)	771	706
Staff training and welfare expenses	2,969	2,984
<b>Total</b>	<b>87,756</b>	<b>88,736</b>



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## 32. Finance cost

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Inflation adjustment results (Refer Note 41)	-	97
Interest on term loan	1	6
Interest expense on bank overdraft	22	120
<b>Total</b>	<b>23</b>	<b>223</b>

## 33. Other expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Repairs and maintenance - Buildings	2,104	1,921
Repairs and maintenance - others	1,037	1,353
Electricity	1,076	1,170
Communication expenses	1,051	975
Insurance	69	83
Rent (Refer Note 39)	7,155	6,416
Rates and taxes	488	108
Printing and stationery	233	361
Conveyance and travelling	5,168	5,154
Books and periodicals	1,084	1,109
Remuneration to non-whole time directors (Refer Note 38)	157	146
Business promotion and advertisement	197	195
Foreign exchange loss	121	-
Professional fees	8,329	8,112
Associate service fees	7,264	4,853
Software purchase and maintenance expenses	1,007	716
Provision for doubtful debts / bad debts	-	3,754
Provision for doubtful deposits	-	10
Corporate social responsibility (CSR) expenses (Refer Note 48)	768	736
Auditors' remuneration	139	137
Recruitment expenses	757	408
Sales commission	785	85
Miscellaneous expenses	843	1,188
<b>Total</b>	<b>39,832</b>	<b>38,990</b>

## 34 Financial instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2019 are as follows:

(Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition				
				Designated	Mandatory			
<b>Assets</b>								
Investments								
Quoted equity investments	-	-	-	16,756	-	-	16,756	16,756
Unquoted equity investments	-	-	-	3,324	-	-	3,324	3,324
Mutual funds	-	-	25,225	-	-	-	25,225	25,225
Cash and cash equivalents	34,169	-	-	-	-	-	34,169	34,169

### 34 Financial instruments(Contd..)

The carrying value and fair value of financial instruments by categories as at December 31, 2019 are as follows:  
 (Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Other bank balances	389	-	-	-	-	-	389	389
Trade receivables	19,937	-	-	-	-	-	19,937	19,937
Loans	4,143	-	-	-	-	-	4,143	4,143
Other financial assets	7,935	-	-	-	-	53	7,988	7,988
<b>Total</b>	<b>66,573</b>	<b>-</b>	<b>25,225</b>	<b>20,080</b>	<b>-</b>	<b>53</b>	<b>111,931</b>	<b>111,931</b>
<b>Liabilities</b>								
Borrowings	262	-	-	-	-	-	262	262
Trade payables	7,546	-	-	-	-	-	7,546	7,546
Other financial liabilities	16,817	-	-	-	-	-	16,817	16,817
<b>Total</b>	<b>24,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,625</b>	<b>24,625</b>

The carrying value and fair value of financial instruments by categories as at December 31, 2018 are as follows:  
 (Rupees in lakhs)

Particulars	Amortised cost	Financial assets/liabilities at FVTPL		Financial assets/liabilities at FVTOCI		Derivative instruments in hedging relationship	Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
<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	403	-	-	-	-	-	403	403
Trade receivables	28,483	-	-	-	-	-	28,483	28,483
Loans	4,519	-	-	-	-	-	4,519	4,519
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>

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## 34.1 Fair value hierarchy

For financial reporting purpose, fair value measurements are categorized 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, 2019 and December 31, 2018.

(Rupees in lakhs)

Particulars	As at December 31, 2019			As at December 31, 2018		
	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	25,225	-	-	18,303	-	-
B. Investments at FVTOCI						
1. Quoted equity shares	16,756	-	-	25,876	-	-
2. Unquoted equity shares	-	-	3,324	-	-	3,483
C. Forward contracts receivable	-	53	-	-	344	-

## 34.2 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 USD, 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, 2019

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	48	52,744	38,667	Jan - Dec-20	73	159	(159)
	GBP	11	5,969	5,650	Jan - Dec-20	95	(163)	163
	EUR	12	3,459	2,918	Jan - Dec-20	84	57	(57)

**34.2 Derivative financial instruments and hedging activity (Contd..)**

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)

**Movement in cash flow hedging reserve**

(Rupees in lakhs)

Particulars	Foreign exchange forward contract
<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 January 1, 2019</b>	<b>229</b>
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	844
Less: Amounts reclassified to statement of profit or loss	(1,133)
Less: Tax relating to above (net)	101
<b>As at December 31, 2019</b>	<b>40</b>

The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. Hedge is broadly classified as revenue hedge.

Revenue hedge: For forecasted revenue transaction, the Group will adopt cash flow hedge and record mark to market through OCI. Effective hedge is routed through OCI in the balance sheet and the ineffective portion is immediately routed through the statement of profit and loss.

**Details of unhedged foreign exposure**

Particulars	As at December 31, 2019 (Foreign Currency in '000)		As at December 31, 2019 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
<b>Currency</b>				
<b>Monetary</b>				
USD	7,391	249	6,296	183
EUR	492	2	393	1
Others	5,048	662	639	165

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## 34.2 Derivative financial instruments and hedging activity (Contd..)

Particulars	As at December 31, 2018 (Foreign Currency in '000)		As at December 31, 2018 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
<b>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

## 35 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 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 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 summarized below:

### 35.1 Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rates, price and other market changes, the Group exposure to market risk is mainly due to foreign exchange rates and price risk.

#### Foreign currency exchange rate risk

Our exposure to market risk includes changes in foreign exchange rates. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD), EURO, and Pounds Sterling (GBP). As of December 31, 2019 and December 31, 2018, the Group has entered into foreign exchange forward contracts to hedge the effect of adverse fluctuations in foreign currency exchange rates. The details in respect of the outstanding foreign exchange forward contracts are given under Note 34.2.

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2019 (Foreign Currency in '000)		As at December 31, 2019 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	7,391	249	6,296	183
GBP	-	-	-	-
EURO	492	2	393	1
Others	5,048	662	639	165

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	-
EURO	1,668	9	1,341	7
Others	41,953	861	335	90

For the year ended December 31, 2019, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Group would impact operating margins by Rupees 349 lakhs (+/-0.77%). For the year ended December 31, 2018, operating margins would increase/decrease by Rupees 598 lakhs (+/-1.27%). 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 price risk arising mainly from investments in mutual funds recognized 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 Rupees 1,261 lakhs and Rupees 915 lakhs for the year ended December 31, 2019 and December 31, 2018 respectively.

The Group is exposed price risk arising mainly from investments in quoted equity instruments recognized 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, 2019 would increase/decrease by Rupees 838 lakhs and Rupees 1,294 lakhs for the year ended December 31, 2018.

## 35.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Group, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

### Liquidity risk management

The Group continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Group has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. Group's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are reviewed by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The short term treasury position of the Group is given below:

Financial liabilities maturing within one year:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Trade receivables	19,937	28,483
Cash and cash equivalents	34,169	20,307
Other bank balances	389	403
Loans	722	845
Investments in mutual funds	25,225	18,303
Other financial assets	7,901	9,407
<b>Total</b>	<b>88,343</b>	<b>77,748</b>

Financial liabilities maturing within one year:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Short term borrowings	258	246
Trade payables	7,546	6,477
Others	16,035	15,939
<b>Total</b>	<b>23,839</b>	<b>22,662</b>

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## 35.3 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.

(Rupees in lakhs)

Trade Receivables	As at	As at
	December 31, 2019	December 31, 2018
<= 6 months	20,255	27,749
> 6 months but <= 1 year	869	3,753
> 1 year	1,188	968
Provision for doubtful receivables	(2,375)	(3,987)

## 36 Details of contingent liabilities and capital commitments are as under

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<b>A. Contingent liabilities</b>		
1. Bank guarantee in the normal course of business	1,237	1,430
2. Disputed income tax, sales tax, service tax and GST demand:		
(i) Pending before appellate authorities in respect of which the Group is in appeal	8,502	4,670
(ii) Decided in the Group's favour by appellate authorities and department is in further appeal	1,263	1,300
3. Provident Fund		
Based on the judgement by the Honorable Supreme Court dated February 28 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Group with respect to timing and the components of its compensation structure. In absence of further clarification, the Group has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.		
The Group periodically receives notices and inquiries from income tax authorities related to the Group's operations in the jurisdictions of its operations. 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>11,002</b>	<b>7,400</b>

### 36 Details of contingent liabilities and capital commitments are as under (Contd..)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<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 judgements pending at various authorities.	145	148
<b>Total</b>	<b>11,147</b>	<b>7,548</b>

### 37 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 includes 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, customized research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

Advisory – CRISIL provides advisory services and a comprehensive range of risk management tools, analytics and solutions to financial institutions, banks and corporates in India

#### Segment reporting for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (Refer Note 29)	54,481	104,440	14,251	173,172
Segment results	21,954	23,368	1,273	46,595
Add / (less) unallocables:				
1. Unallocable income				
Interest income				708
Profit on sale of current investments				981
Profit on sale of fixed asset				27
Grant income				2,103
Others*				3,465
2. Unallocable expenditure				(1,034)
3. Depreciation/ amortisation				(3,686)
<b>Profit before exceptional item</b>				<b>49,159</b>
Exceptional item				-
<b>Profit before tax</b>				<b>49,159</b>
Tax expense				(14,764)
<b>Profit after tax</b>				<b>34,395</b>
Segment assets	4,735	73,985	12,637	91,357
Unallocable assets**				77,516
Segment liabilities	14,262	23,891	3,858	42,011
Unallocable liabilities**				9,670



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## Revenue and total assets by geographic segments

(Rupees in lakhs)

Geography	Revenue	Assets#
India	57,488	94,892
Europe	44,729	44,173
North America	54,457	11,688
Rest of the world	16,498	6,465
<b>Total</b>	<b>173,172</b>	<b>157,218</b>

## Segment reporting for the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Business segments			Total
	Ratings	Research	Advisory	
Operating revenue (Refer Note 29)	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*				4,035
2. Unallocable expenditure				(3,352)
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	5,342	66,945	13,289	85,576
Unallocable assets**				77,800
Segment liabilities	13,219	23,878	3,964	41,061
Unallocable liabilities**				8,690

## Revenue and total assets by geographic segments

(Rupees in lakhs)

Geography	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>

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 from operations of the Group.

The following table gives details in respect of revenues generated from top two customers:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Total revenue from top two customers who contributed to more than 10% of the revenue from operations in the respective years	34,803	36,378

### 38 List of related parties

Parties	Relationship
<b>Related parties where control exists</b>	
S&P Global Inc.	Ultimate Holding Company
CRISIL Foundation	Controlled trust
<b>Other related parties (to the extent where transactions have taken place)</b>	
S&P India, 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 Capital IQ (India) Private Limited	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
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
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
Martin Fraenkel	Director (with effect from April 18, 2019)
Ewout Steenberg	Director
Martina Cheung	Director (up to April 18, 2019)
John L Berisford	Chairman
Ravinder Singhania	Alternate Director (up to July 22, 2019)
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

#### Transactions with related parties

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended	As at and for the year ended
		December 31, 2019	December 31, 2018
S&P Global Canada Corp.	Professional services rendered	178	165
	Amount receivable	40	15
S&P Global Ratings Europe Limited	Professional services rendered	4,639	4,561
	Reimbursement of expenses paid	4	4
	Amount receivable	623	859

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## Transactions with related parties (Contd..)

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended December 31, 2019	As at and for the year ended December 31, 2018
Standard & Poor's Financial Services, LLC	Professional services rendered	11,766	11,495
	Amount receivable	884	-
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	714	640
	Amount receivable	55	63
Standard & Poor's Hong Kong Limited	Professional services rendered	876	507
	Amount receivable	147	62
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	470	416
	Amount receivable	40	47
S&P Global Market Intelligence LLC	Subscription fees paid	344	331
	Professional services rendered	450	532
	Amount payable	40	-
	Amount receivable	492	289
Standard & Poor's International LLC	Dividend paid	1,800	1,740
	Share capital outstanding	60	60
S&P India, LLC	Dividend paid	9,363	9,051
	Share capital outstanding	312	312
S&P Global Asian Holdings Pte. Limited	Dividend paid	3,457	3,198
	Share capital outstanding	115	115
S&P Capital IQ (India) Private Limited	Reimbursement of expenses received	92	-
	Amount receivable	17	-
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	1,008	204
	Amount receivable	196	50
S&P Ratings (China) Co. Ltd	Professional services rendered	11	6
Standard & Poor's Global Ratings Japan Inc.	Professional services rendered	235	167
	Amount receivable	19	23
Asia Index Private Limited	Reimbursement of expenses paid	2	-
S&P Global Inc.	Reimbursement of expenses paid	-*	-
	Reimbursement of expenses received	-	1
	Professional services rendered	41	131
	Rent paid	237	185
	Amount receivable	-	48
S&P Global Market Intelligence Inc.	Reimbursement of expenses paid	-	3
	Reimbursement of expenses received	52	50
	Sale of property, plant and equipment	-	1
	Amount receivable	4	-
S&P Global UK Limited	Rent paid	223	157
	Professional services rendered	443	397
	Professional fees paid	-	16
	Subscription fees paid	-	6
	Amount payable	23	-
	Amount receivable	236	223

**Transactions with related parties (Contd..)**

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended	As at and for the year ended
		December 31, 2019	December 31, 2018
CRISIL Foundation	Donation	1,070	857
	Reimbursement of expenses received	52	35
Fabindia Overseas Private Limited	Professional services rendered	2	1
Girish Paranjpe	Sitting fees and commission	40	38
Nachiket Mor	Sitting fees and commission	-	20
Arundhati Bhattacharya	Sitting fees and commission	35	8
Vinita Bali	Sitting fees and commission	41	41
M. Damodaran	Sitting fees and commission	41	39
Ashu Suyash**	Remuneration	559	571
	Options granted (nos.)	21,056	19,562
Amish Mehta**	Remuneration	364	315
	Options granted (nos.)	11,633	8,275
Sanjay Chakravarti**	Remuneration	155	182
	Options granted (nos.)	5,488	12,315
Minal Bhosale**	Remuneration	91	86
	Options granted (nos.)	1,039	918

-\* in amounts column denote amount less than Rupees 50,000

\*\*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.

**39 Operating lease**

The Group has taken certain office premises on non cancelable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Lease Payment recognised in the statement of profit and loss	7,155	6,416
<b>Future minimum lease payments</b>		
Not later than one year	6,519	5,704
Later than one year and not later than five years	15,768	18,378
Later than five years	2,950	2,604
<b>Total</b>	<b>25,237</b>	<b>26,686</b>

**40 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.

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## 40 Gratuity and other post employment benefits plans (Contd..)

Net employee benefit expense recognised in Statement of Profit and Loss and OCI:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Current service cost	659	613
Interest cost on defined benefit obligation	112	93
Re-measurement - actuarial (gain)/loss (recognised in OCI)	239	15
Expected return on plan assets (recognised in OCI)	13	29
<b>Net gratuity benefit expense</b>	<b>1,023</b>	<b>750</b>

Balance Sheet:

Details of provision for gratuity benefit

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Present value of funded obligations	4,862	4,330
Fair value of plan assets	(2,557)	(2,261)
<b>Net liability</b>	<b>2,305</b>	<b>2,069</b>

Changes in the present value of the defined benefit obligation are as follows:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Opening defined benefit obligation	4,330	3,833
Current service cost	659	613
Interest cost	300	282
Acquisitions (credit)/ cost	-	36
Actuarial (gain)/loss	(6)	(29)
Actuarial (gain)/loss (financial assumptions)	245	44
Benefits directly paid by company	(5)	-
Benefits paid	(661)	(449)
<b>Closing defined benefit obligation</b>	<b>4,862</b>	<b>4,330</b>

Changes in the fair value of plan assets are as follows:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Opening fair value of plan assets	2,261	1,891
Expected return on plan assets	(13)	(29)
Interest income on plan assets	188	189
Contribution by employer	782	659
Benefits paid	(661)	(449)
<b>Closing fair value of plan assets</b>	<b>2,557</b>	<b>2,261</b>

The defined benefit obligation shall mature after December 31, 2019 as follows:

Particulars	Rupees in lakhs
December 31, 2020	473
December 31, 2021	528
December 31, 2022	625
December 31, 2023	720
December 31, 2024	759
December 31, 2025 to December 31, 2030	4,273

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Group's plans is as below:

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Discount rate	6.80%	7.20%
Estimated rate of return on plan assets	7.50%	7.20%
<b>Expected employee turnover (in 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 2019 and 7% thereafter	10% for first 4 years starting 2018 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	791	693

Broad category of plan assets as per percentage of total plan assets of the gratuity:-

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Government securities	76%	68%
Fixed deposits, debentures and bonds	18%	23%
Others	6%	9%
<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	(173)
Effect on DBO due to 0.5% decrease in discount rate	186

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in salary escalation rate	153
Effect on DBO due to 0.5% decrease in salary escalation rate	(149)

#### Other benefits

The Group has recognised the following amounts in the statement of profit and loss:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
i. Contribution to provident fund	1,820	1,777
ii. Contribution to other funds	2,632	2,925

A provision of Rupees 5,822 lakhs has been made for compensated absences as at December 31, 2019 (Previous year: Rupees 5,642 lakhs).

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## 41 Application of Ind AS 29 in financial reporting of Argentina subsidiary

Ind AS 29 "Financial reporting in Hyperinflation Economies", which requires that the financial statements of entities whose functional currency is that of Hyperinflation economy to be adjusted for the effects of changes in a suitable general price index and to be expressed in terms of the current unit of measurement at the closing rate of the reporting period, is still applicable for the company's Argentine subsidiary. The inflation adjustment was calculated by means of conversion factor derived from the Argentine price indexes published by the Argentina's Official Statistics Bureau ('INDEC'). The average index for the year ended December 31, 2019, was 1.54 (Previous year average index: 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 income/cost under the caption "Inflation adjustment results".

The comparative figure as of December 31, 2018, have been stated as per changes in the general price index applicable to the financial reporting of the company's subsidiary with the Argentine peso as functional currency and, as result have been stated in terms of such currency as of the end of comparative reporting period.

**42** Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated

segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to, and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of CRISIL Limited. This transfer would be undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') to be approved by the Stock Exchanges and the National Company Law Tribunal (NCLT). Having received the requisite approvals from the Stock Exchanges, the Company has filed the Scheme with NCLT on October 25, 2019. NCLT has admitted the Scheme and has ordered convening of shareholders' meetings for approving the Scheme. A meeting of the equity shareholders has been convened on February 12, 2020, for approval of the Scheme.

**43** On December 19, 2019, CRISIL Irevna US LLC, a wholly owned subsidiary company has entered into a definitive agreement to acquire 100% of the equity share capital of Greenwich Associates LLC ('Greenwich'), a company based in Stamford, USA, and its subsidiaries, a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and asset and wealth managers.

## 44 Business Combination

On January 24, 2018, CRISIL completed the acquisition of 100% stake in Pragmatix Services Private Limited ('Pragmatix'). The business combination was conducted by entering into a share purchase agreement for a total consideration of Rupees 5,600 lakhs. Accordingly, Pragmatix became a wholly-owned subsidiary of CRISIL with effect from the said date.

The excess of purchase consideration over net assets and the identified intangible asset has been recognised as Goodwill. All assets, liabilities and reserves in the books of Pragmatix as on January 24, 2018 are recognised in the Group's books at their respective carrying values."

## 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 (Rupees)	Graded vesting period			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	03-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51
ESOS 2014 (6)	8-Jan-18*	8,000	1,919.25	2,666	2,666	2,667	623.48
ESOS 2014 (7)	24-Jan-18*	238,970	1,969.45	79,656	79,656	79,658	651.23
ESOS 2014 (8)	04-Apr-18	164,457	1,841.35	54,818	54,818	54,820	410.12
ESOS 2014 (9)	16-Apr-19	226,155	1,568.85	75,384	75,384	75,387	332.35

\* 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, ESOS 2014 (8) and ESOS 2014 (9) option vest over three years at each of the anniversaries. ESOS 2011 and ESOS 2012 are exercisable within three years from the date of vesting and are settled in equity on exercise. ESOS 2014 (8) and ESOS 2014 (9) are exercisable within two 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.

The summary for each scheme as at December 31, 2019

Name of the shareholder	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	220,600	2,157.53	74,030	1,804.92	1,356,879	1,547.24
Granted during the period	-	N.A.	-	N.A.	226,155	1,568.85
Forfeited during the period	-	N.A.	-	N.A.	246,193	1,795.83
Exercised during the period	-	N.A.	-	N.A.	188,544	1,217.20
Expired during the period	13,200	1,985.95	-	N.A.	35,359	1,217.20
Outstanding at the end of the period	207,400	2,168.45	74,030	1,804.92	1,112,938	1,563.03
Exercisable at the end of the period	207,400	2,168.45	74,030	1,804.92	607,682	1,367.84



# Consolidated Financial Statements

The summary for each scheme as at December 31, 2018

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	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 (Rupees)
Weighted average share price at the date of exercise.	Feb 12, 2019	1,655.59
	April 17, 2019	1,536.29
	July 23, 2019	1,433.22
	November 8, 2019	1,361.40

Particulars	Range of exercise prices Rupees	Wtd. avg. remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,119.85 to 1,217.25	450 days
	1,568.85 to 1,997.35	1480 days
	2,101.10 to 2,180.85	1102 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
Date of grant	April 16, 2019
Stock price (Rupees)	1,568.85
Volatility (%)	22.98
Riskfree rate (%)	6.86
Exercise price (Rupees)	1,568.85
Expected life (Time to maturity)	3.00
Dividend yield (%)	1.91
Fair value per option (Rupees)	332.35

The Company have used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

**Volatility:** Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualized 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.

**Riskfree rate:** The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

**Expected life of the options:** Expected Life of the options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company have calculated expected life as the average of the minimum and maximum life of the options.

**Dividend yield:** Expected dividend yield has been calculated as 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, 2019		Year ended December 31, 2018	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	188,544	2,295	410,854	4,995
<b>Total</b>	<b>188,544</b>	<b>2,295</b>	<b>410,854</b>	<b>4,995</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	As at December 31, 2019		As at December 31, 2018	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than two years	1,248,464	20,645	1,308,836	20,375
Later than two years & not later than five years	145,904	2,584	342,673	6,715
<b>Total</b>	<b>1,394,368</b>	<b>23,229</b>	<b>1,651,509</b>	<b>27,090</b>

## 46 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	Year ended
	December 31, 2019	December 31, 2018
Net profit for calculation of basic/diluted EPS	34,395	36,310

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Weighted average number of equity shares in calculating basic EPS	72,243,688	71,904,428
<b>Effect of dilution:</b>		
Add: weighted average stock options granted under ESOS	95,840	243,987
Weighted average number of equity shares in calculating diluted EPS	72,339,528	72,148,415

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Basic (Rupees)	47.61	50.50
Diluted (Rupees) (On account of ESOS, Refer Note 45)	47.55	50.33

The following potential equity shares are anti-dilutive and excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	As at	As at
	December 31, 2019 (Nos.)	December 31, 2018 (Nos.)
Options to purchase equity shares having anti-dilutive effect	263,247	136,911

# Consolidated Financial Statements

## 47 Dividend

Details of Dividend paid on equity shares are as under:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Final dividend for the year 2018 (Previous year: 2017) Rupees 11 per equity share of Rupee 1 each (Previous year: Rupees 10 per share)	7,938	7,173
Dividend distribution tax on final dividend	1,632	1,474
Interim dividend for the year 2019 (Previous year: 2018) Rupees 19 per equity share of Rupee 1 each (Previous year: Rupees 19 per share)	13,735	13,679
Dividend distribution tax on interim dividend	1,857	2,812
<b>Total</b>	<b>25,162</b>	<b>25,138</b>

### Proposed dividend

The Board of Directors at its meeting held on February 11, 2020 have recommended a final dividend of Rupees 13 per equity share of face value of Rupee 1 each for the financial year ended December 31, 2019. 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 (CSR) expenses for the year ended December 31, 2019, includes Rupees 768 lakhs (Previous year: Rupees 736 lakhs) which was 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 Rupees 737 lakhs (Previous year: Rupees 732 lakhs). Key CSR activities were “education and women empowerment – financial capability building” and “conservation of environment”.

## 49 Statement pursuant to details to be furnished for subsidiaries as prescribed by Companies Act, 2013

As at December 31, 2019

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	2	3	4	5	6	7	8	9
Parent: CRISIL Limited	65%	75,875	77%	26,629	109%	(9,594)	67%	17,035
<b>Subsidiaries</b>								
<b>Indian</b>								
1. CRISIL Risk and Infrastructure Solutions Limited	5%	5,456	2%	555	-*	(14)	2%	541
2. Pragmatix Services Private Limited	1%	1,710	1%	199	-*	2	1%	201
3. CRISIL Ratings Limited	-*	10	-	-	-	-	-	-

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	2	3	4	5	6	7	8
<b>Foreign</b>								
1. CRISIL Irevna Argentina S.A.	3%	3,203	3%	1,145	12%	(1,043)	-*	102
2. CRISIL Irevna Poland SP.Zo.o.	-*	307	-*	97	-*	(13)	-*	84
3. CRISIL Irevna UK Limited	36%	42,587	33%	11,378	(6)%	488	46%	11,866
4. CRISIL Irevna US LLC	1%	1,432	1%	182	-*	5	1%	187
5. CRISIL Irevna Information Technology (Hangzhou) Co. Ltd.	1%	642	1%	207	-*	(9)	1%	198
6. Coalition Development Limited	5%	5,680	30%	10,316	(3)%	250	41%	10,566
7. Coalition Development Singapore Pte Limited	-*	262	1%	313	-*	23	1%	336
Total elimination/ adjustment	(17)%	(19,972)	(48)%	(16,626)	(13)%	1,130	(60)%	(15,496)
<b>TOTAL</b>	<b>100%</b>	<b>117,192</b>	<b>100%</b>	<b>34,395</b>	<b>100%</b>	<b>(8,775)</b>	<b>100%</b>	<b>25,620</b>

\*"- " denotes less than 1%

# Consolidated Financial Statements

- 50** During the year ended December 31, 2018, the Group has made additional provision for receivables of Rupees 1,684 lakhs in the Advisory services segment, which was included under 'Other expenses'.
- 51** During the year, the Group received export benefits amounting to Rupees 2,093 lakhs (Previous year: Rupees 2,493 lakhs) 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 (Refer Note 30).
- 52** Personnel expenses to the extent of Rupees 33 lakhs (Previous year: Rupees 265 lakhs) is considered for capitalisation as intangible assets.
- 53** Previous year's figures have been regrouped where necessary to conform to current year classification.

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 11, 2020  
Place: Mumbai

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

**John L. Berisford**

Chairman  
[DIN: 07554902]

**Girish Paranjpe**

Director  
[DIN: 02172725]

**Ashu Suyash**

Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

Date: February 11, 2020

Place: Mumbai

**M. Damodaran**

Director  
[DIN: 02106990]

**Arundhati Bhattacharya**

Director  
[DIN: 02011213]

**Sanjay Chakravarti**

Chief Financial Officer

**Vinita Bali**

Director  
[DIN: 00032940]

**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	10
Particulars	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	CRISIL Ratings 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	3-Jun-19
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	December 31, 2019	March 31, 2020
Reporting currency	INR	ARS	PLN	GBP	USD	CNY	GBP	SGD	INR	INR
Exchange rate as on the last date (Rupees)	1.00	1.19	18.71	93.32	71.36	10.20	93.32	52.77	1.00	1.00
Share capital	500	172	9	4,441	712	247	151	-*	314	10
Reserves & surplus	4,956	3,031	298	38,146	720	395	5,529	262	1,396	-
Total assets	9,043	1,436	569	46,582	9,937	895	12,275	1,765	2,974	10
Total liabilities	9,043	1,436	569	46,582	9,937	895	12,275	1,765	2,974	10
Investments	-	-	-	27,374	-	-	-*	-	-	-
Turnover	9,409	4,910	1,590	27,810	17,425	2,101	31,432	5,708	4,805	-
Profit before taxation	807	1,229	135	11,523	709	238	12,775	366	327	-
Tax expense	252	84	38	145	527	31	2,459	53	128	-
Profit after taxation	555	1,145	97	11,378	182	207	10,316	313	199	-
Dividend Paid	-	-	454	4,306	-	402	10,336	786	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

\*'- in amounts' columns denote amount less than Rupees 50,000

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

**John L. Berisford**  
 Chairman  
 [DIN: 07554902]

**M. Damodaran**  
 Director  
 [DIN: 02106990]

**Vinita Bali**  
 Director  
 [DIN: 00032940]

**Girish Paranjpe**  
 Director  
 [DIN: 02172725]

**Arundhati Bhattacharya**  
 Director  
 [DIN: 02011213]

**Ewout Steenbergen**  
 Director  
 [DIN: 07956962]

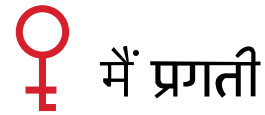
**Ashu Suyash**  
 Managing Director and  
 Chief Executive Officer  
 [DIN: 00494515]

**Sanjay Chakravarti**  
 Chief Financial Officer

**Minal Bhosale**  
 Company Secretary

Place: Mumbai  
 Date: February 11, 2020

# When social impact is sustainable, communities thrive.

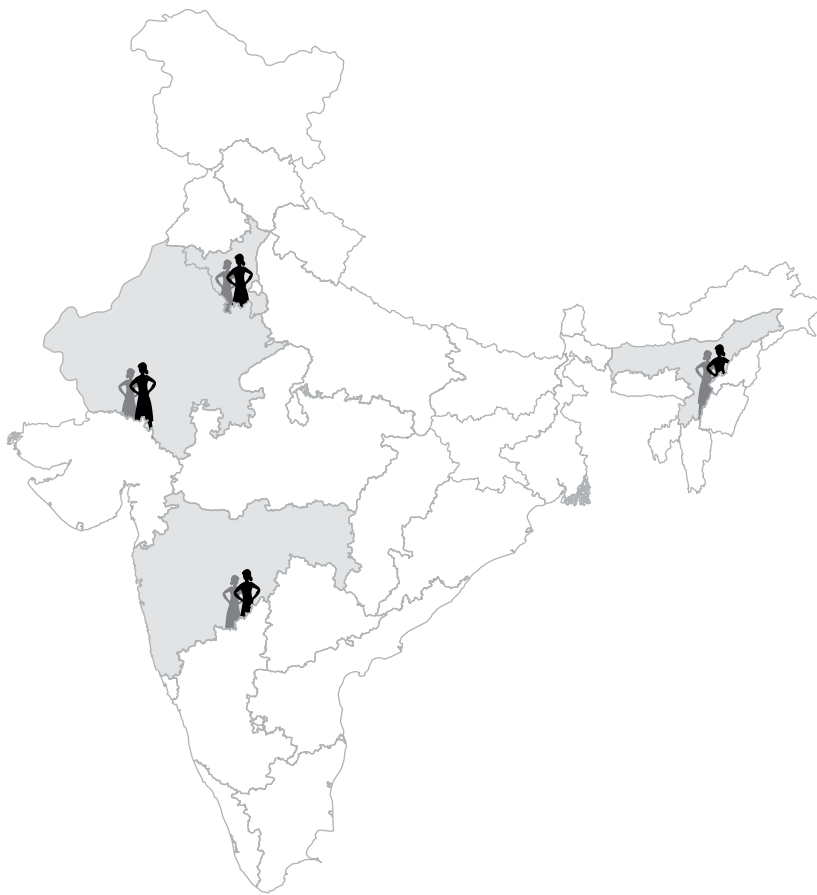


A **CRISIL** Programme

Empowering socially and economically disadvantaged sections of the society by imparting financial education and promoting financial inclusion to women in Assam and Rajasthan.



Driving financial literacy and inclusion with support of the Reserve Bank of India, NABARD and other banks across 3 states - Maharashtra, Haryana & Rajasthan.



**2700+**

Villages

**540,000+**

Villagers

**1100+**

Trained community  
cadre

**260,000+**

Applications  
facilitated



**CRISIL won the National CSR Award 2018** - the highest honour for corporate social responsibility, conferred by the Honourable President of India, Shri Ram Nath Kovind - for demonstrating sustainable social impact in challenging circumstances through Mein Pragati (Assam) its flagship programme in financial inclusion.

## TRUST Matters



# **Standalone Financial Statements**



# Independent Auditor's Report

To the Members of CRISIL Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of CRISIL Limited ('the Company'), which comprise the Balance Sheet as at December 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at December 31, 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>The Company's 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. Refer Note 2.14 to the standalone financial statements, for details of revenue recognised during the year.</p> <p>As described in Note 2.14 to the standalone financial statements, effective January 1, 2019, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), during the year under audit, which is the new revenue accounting standard, and replaces the existing standard – Ind AS 18, Revenue. The Company has chosen to apply the new accounting standard using the cumulative catch-up transition method.</p> <p>The application of and transition to this accounting standard is complex and an area of focus in the audit, as the determination of transition impact involved application</p>	<p>Our audit of the recognition of contract revenue included, but was not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the revenue and receivable business process, and assessed the appropriateness of the revenue recognition policies adopted by the Company;</li> <li>• Obtained an understanding of the management's processes and controls around adoption of IND AS 115. We sought explanations from the management for areas involving complex judgements or interpretations to assess its appropriateness.</li> <li>• Evaluated key controls around the recognition of contract revenue. Tested the design, implementation and operating effectiveness of these identified key controls during the year and as at the year-end.</li> <li>• Evaluated the appropriateness of accounting policies selected by the Company on adoption of IND AS 115 on the basis of our understanding of the Company, the nature and size of its operation, and the requirement of the relevant accounting standards under the IND AS framework;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>of significant judgements and estimates relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Due to the significance of the item to the financial statements, complexities involved, and management judgement involved for ensuring appropriateness of accounting treatment, this matter has been identified as a key audit matter for the current year's audit.</p>	<ul style="list-style-type: none"> <li>• On a sample of contracts, tested the revenue recognition and our procedures included: <ul style="list-style-type: none"> <li>- reviewing the contract terms and conditions;</li> <li>- evaluating the identification of performance obligations of the contract;</li> <li>- evaluating the appropriateness of management's assessment of manner of satisfaction of performance obligations and consequent recognition of revenue; and</li> <li>- evaluating the reasonableness of the estimates involved in the recognition of revenue from initial rating and surveillance services including testing the calculation of fee allocation to rating and surveillance etc.</li> </ul> </li> <li>• Tested revenue recognition for cut-off transactions on sample basis to assess whether the timing of revenue recognition is appropriate;</li> <li>• Assessed that the disclosures made by the management in respect of applicability of the new accounting standard and for revenue recorded during the year are adequate.</li> </ul>

### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
15. 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.

### **Report on Other Legal and Regulatory Requirements**

16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. 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, 2019 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, 2019 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 11, 2020 as per Annexure II expressed an unmodified opinion; and
  - 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 34A to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at December 31, 2019;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at December 31, 2019;
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2019; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 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

**UDIN: 20042423AAAAAY7336**

Place: Mumbai  
Date: February 11, 2020

## 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, 2019

### Annexure I

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 by engaging the outside expert and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (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 receipt of interest and payment of principal has been stipulated wherein the principal amount is repayable on demand and the repayment/receipts of the principal amount (demanded) and the interest are regular; and
- (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 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act in respect of 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 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, sales tax, value added 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 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 (Bombay)
		46	-	AY 2002-03	
		36	-	AY 2003-04	
		32	-	AY 2004-05	
		29	-	AY 2005-06	CIT (Appeals)
		17	10	AY 2006-07	
		832	-	AY 2007-08	

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
		75	-	AY 2007-08	CIT (Appeals)
		982	340	AY 2008-09	Income Tax Appellate Tribunal (ITAT)
		*	-	AY 2008-09	CIT (Appeals)
		1,441	810	AY 2009-10	ITAT
		63	-	AY 2009-10	CIT (Appeals)
		1,012	903	AY 2010-11	ITAT
		891	751	AY 2011-12	
		993	286	AY 2012-13	
		173	-	AY 2013-14	
		48	3	AY 2013-14	CIT (Appeals)
			8	AY 2014-15	
		115			
		186	19	AY 2015-16	
		3,461	-	AY 2016-17	
Finance Act, 1994	Service tax	279	-	FY 2013-14 to 2015-16	Assisstant Commissioner of Service Tax

\*represent amount lesser than Rupees 1 lakh

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) 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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Khushroo B. Panthaky**

Partner

Membership No.: 42423

**UDIN: 20042423AAAAAY7336**

Place: Mumbai

Date: February 11, 2020

## **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, 2019**

### **Annexure II**

#### **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, 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance 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 for the audit of Internal Financial Control**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as

at December 31, 2019, 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

**UDIN: 20042423AAAAAY7336**

Place: Mumbai  
Date: February 11, 2020



# Standalone Balance Sheet

as at December 31, 2019

(Rupees in lakhs)

Particulars	Notes	As at	
		December 31, 2019	December 31, 2018
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	2,829	3,209
(b) Intangible assets	4	1,087	1,663
(c) Intangible assets under development		1,180	457
(d) Financial assets			
i. Investments	5	38,373	47,642
ii. Loans	6	3,250	3,656
iii. Other financial assets	7	51	2
(e) Deferred tax assets (net)	8	2,836	4,540
(f) Tax assets	9	4,815	3,618
(g) Other non-current assets	10	1,031	767
<b>2. Current assets</b>			
(a) Financial assets			
i. Investments	5	25,225	18,303
ii. Trade receivables	11	13,887	16,482
iii. Cash and cash equivalents	12	7,127	4,886
iv. Other bank balances	13	167	214
v. Loans	14	715	921
vi. Other financial assets	15	5,126	3,319
(b) Other current assets	16	3,171	3,124
<b>3. Asset held for sale</b>			
	17	318	318
<b>TOTAL ASSETS</b>		<b>111,188</b>	<b>113,121</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	18	723	721
(b) Other equity		75,152	80,172
<b>2. Non-current liabilities</b>			
(a) Financial liabilities			
Other financial liabilities	20	537	774
(b) Provisions	21	1,358	1,298
<b>3. Current liabilities</b>			
(a) Financial liabilities			
i. Trade payables	22		
- to micro enterprises and small enterprises		3	9
- to others		6,755	5,198
ii. Other financial liabilities	23	8,053	6,829
(b) Provisions	24	5,687	5,481
(c) Other current liabilities	25	12,920	12,639
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>111,188</b>	<b>113,121</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 Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

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

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

Date: February 11, 2020  
Place: Mumbai

**John L. Berisford**  
Chairman  
[DIN: 07554902]

**Girish Paranjpe**  
Director  
[DIN: 02172725]

**Ashu Suyash**  
Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

Date: February 11, 2020  
Place: Mumbai

**M. Damodaran**  
Director  
[DIN: 02106990]

**Arundhati Bhattacharya**  
Director  
[DIN: 02011213]

**Sanjay Chakravarti**  
Chief Financial Officer

**Vinita Bali**  
Director  
[DIN: 00032940]

**Ewout Steenberg**  
Director  
[DIN: 07956962]

**Minal Bhosale**  
Company Secretary

# Standalone Statement of Profit and Loss

for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Notes	Year ended	Year ended
		December 31, 2019	December 31, 2018
<b>Income</b>			
Revenue from operations	26	117,868	118,199
Other income	27	12,904	8,887
<b>Total</b>		<b>130,772</b>	<b>127,086</b>
<b>Expenses</b>			
Employee benefits expenses	28	51,704	50,419
Finance cost	29	-	118
Depreciation and amortisation expenses	30	2,563	2,867
Other expenses	31	38,721	35,625
<b>Total</b>		<b>92,988</b>	<b>89,029</b>
<b>Profit before tax</b>		<b>37,784</b>	<b>38,057</b>
<b>Tax expense</b>	8		
Current tax		9,259	11,690
Deferred tax		1,896	(1,386)
<b>Total tax expense</b>		<b>11,155</b>	<b>10,304</b>
<b>Profit after tax for the year</b>		<b>26,629</b>	<b>27,753</b>
<b>Other comprehensive (income) / expense (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		293	1,102
Tax effect on above		(102)	(385)
<b>B. Items that will not be reclassified to profit or loss:</b>			
Remeasurements of the defined benefit plans		214	41
Equity instruments through other comprehensive income		9,279	9,252
Tax effect on above		(90)	(59)
<b>Total comprehensive income for the year</b>		<b>17,035</b>	<b>17,802</b>
Earnings per share : Nominal value of Rupee 1 per share	41		
Basic		36.86	38.60
Diluted		36.81	38.47
Number of equity shares used in computing earnings per share	41		
Basic		72,243,688	71,904,428
Diluted		72,339,528	72,148,415
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 11, 2020

Place: Mumbai

**For and on behalf of the Board of Directors of CRISIL Limited**
**John L. Berisford**

Chairman

[DIN: 07554902]

**Girish Paranjpe**

Director

[DIN: 02172725]

**Ashu Suyash**

 Managing Director and Chief Executive Officer  
 [DIN: 00494515]

Date: February 11, 2020

Place: Mumbai

**M. Damodaran**

Director

[DIN: 02106990]

**Arundhati Bhattacharya**

Director

[DIN: 02011213]

**Sanjay Chakravarti**

Chief Financial Officer

**Vinita Bali**

Director

[DIN: 00032940]

**Ewout Steenberg**

Director

[DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Standalone Cash Flow Statement

for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
<b>A. Cash flow from operating activities:</b>		
Profit before tax	37,784	38,057
<b>Adjustments for :</b>		
Depreciation	2,626	2,971
Interest income on financial assets carried at amortized cost	(227)	(275)
Unrealised foreign exchange gain	(243)	119
(Profit)/ loss on sale of fixed assets	(39)	(48)
(Profit)/ loss on fair valuation of current investments	(387)	(145)
(Profit)/ loss on sale of current investments	(981)	(329)
Finance cost	-	118
Provision for doubtful debts / bad debts	168	1,558
Provision for doubtful security deposits	4	15
Interest on income tax refund	(361)	-
Interest on bank deposits	(30)	(37)
Interest on loan from subsidiary	(10)	(56)
Dividend on investments	(5,485)	(1,457)
Share based payment to employees	356	1,109
<b>Operating profit before working capital changes</b>	<b>33,175</b>	<b>41,600</b>
Movements in working capital		
- (Increase)/decrease in trade receivables	2,690	(2,036)
- (Increase)/decrease in loans	660	51
- (Increase)/decrease in other non-current assets	(357)	(254)
- (Increase)/decrease in other current financial assets	(2,101)	(343)
- (Increase)/decrease in other current assets	(46)	104
- Increase/(decrease) in trade payables	1,537	529
- Increase/(decrease) in provisions	52	112
- Increase/(decrease) in other current financial liabilities	1,336	(559)
- Increase/(decrease) in other current liabilities	281	1,099
- Increase/(decrease) in other non-current financial liabilities	(237)	469
- Increase/(decrease) in other non-current liabilities	-	(48)
<b>Cash generated from operations</b>	<b>36,990</b>	<b>40,724</b>
- Taxes paid	(10,456)	(12,782)
<b>Net cash generated from operating activities - (A)</b>	<b>26,534</b>	<b>27,942</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)	(2,386)	(2,272)
Proceeds from sale of property, plant and equipment and intangible assets	125	85
Interest on loan from subsidiaries	10	97
Loan repaid by subsidiaries	175	3,020
Proceeds from / (investments in) mutual funds	(5,554)	(4,697)
Investment in Pragmatix Services Private Limited	-	(5,600)
Investment in CRISIL Ratings Limited	(10)	-
Fixed deposit placed	(2)	(51)
Interest on income tax refund	361	-
Interest on bank deposits	33	34
Dividend on investments	5,485	1,457
<b>Net cash used in investing activities - (B)</b>	<b>(1,763)</b>	<b>(7,927)</b>

# Standalone Cash Flow Statement

for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
<b>C. Cash flow from financing activities :</b>		
Receipts from issuance of share capital on account of exercise of ESOS	2,295	4,995
Receipts from subsidiaries for ESOS	458	768
Dividend and dividend tax paid	(25,162)	(25,138)
Finance cost	-	(118)
<b>Net cash used in financing activities - (C)</b>	<b>(22,409)</b>	<b>(19,493)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,362</b>	<b>522</b>
Cash and cash equivalents - Opening balance	4,774	4,221
Add : Exchange difference on translation of foreign currency cash and cash equivalents	(9)	31
Cash and cash equivalents - Closing balance	7,127	4,774
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,362</b>	<b>522</b>
Components of cash and cash equivalents		
Cash on hand and balances with banks on current account	6,727	4,886
Deposits with original maturity of less than three months	400	-
Book overdraft	-	(112)
<b>Total</b>	<b>7,127</b>	<b>4,774</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 11, 2020  
 Place: Mumbai

**For and on behalf of the Board of Directors of CRISIL Limited**
**John L. Berisford**

 Chairman  
 [DIN: 07554902]

**Girish Paranjpe**

 Director  
 [DIN: 02172725]

**Ashu Suyash**

 Managing Director and  
 Chief Executive Officer  
 [DIN: 00494515]

 Date: February 11, 2020  
 Place: Mumbai

**M. Damodaran**

 Director  
 [DIN: 02106990]

**Arundhati Bhattacharya**

 Director  
 [DIN: 02011213]

**Sanjay Chakravarti**

Chief Financial Officer

**Vinita Bali**

 Director  
 [DIN: 00032940]

**Ewout Steenbergen**

 Director  
 [DIN: 07956962]

**Minal Bhosale**

Company Secretary

# Statement of Changes in Equity

for the year ended December 31, 2019

## A. Equity share capital

	(Rupees in lakhs)	
	Changes in equity share capital during the year (Refer Note 18)	Balance as at December 31, 2019
Balance as at January 1, 2019	721	723
	2	

	(Rupees in lakhs)	
	Changes in equity share capital during the year (Refer Note 18)	Balance as at December 31, 2018
Balance as at January 1, 2018	717	721
	4	

## B. Other equity

Particulars	Reserves & Surplus						Items of Other			Total	
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Economic reinvestment reserve	Special Zone reserve	Equity Instruments through OCI		Hedge reserve
Balance as at January 1, 2019	27	16,915	14,115	6,753	-	56,950	450	-	(15,265)	227	80,172
Profit for the year	-	-	-	-	-	26,629	-	-	-	-	26,629
Additions during the year	-	2,293	-	-	-	-	-	-	-	-	2,293
Share based payment to employees	-	-	-	814	-	-	-	-	-	-	814
Other comprehensive income	-	-	-	-	-	(154)	-	-	(9,249)	(191)	(9,594)
Final dividend	-	-	-	-	-	(7,938)	-	-	-	-	(7,938)
Interim dividend	-	-	-	-	-	(13,735)	-	-	-	-	(13,735)
Corporate dividend tax	-	-	-	-	-	(3,489)	-	-	-	-	(3,489)
Transfer to SEZ reinvestment reserve	-	-	-	-	-	450	(450)	-	-	-	-
Exercise of stock option	-	899	-	(899)	-	-	-	-	-	-	-
Balance as at December 31, 2019	27	20,107	14,115	6,668	-	58,713	-	-	(24,514)	36	75,152

(Refer Note 18)

# Statement of Changes in Equity

for the year ended December 31, 2019

## B. Other equity (Contd..)

Particulars	(Rupees in lakhs)										
	Reserves & Surplus					Items of Other Comprehensive income (OCI)					Total
	Capital redemption reserve	Securities premium reserve	General reserve	Share-based payment reserve	Foreign currency monetary items translation	Retained earnings	Economic Zone reinvestment reserve	Special Reserve	Equity Instruments through OCI	Hedge reserve	
Balance as at January 1, 2018	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	-	-	-	-	-	(7173)	-	-	-	(7173)	
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>	<b>27</b>	<b>16,915</b>	<b>14,115</b>	<b>6,753</b>	<b>-</b>	<b>56,950</b>	<b>450</b>	<b>(15,265)</b>	<b>227</b>	<b>80,172</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 Chandiook & Co LLP

Chartered Accountants  
Firm Registration No.: 001076N/N500013

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

Date: February 11, 2020  
Place: Mumbai

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

**John L. Berisford**  
Chairman  
[DIN: 07554902]

**Girish Paranjpe**  
Director  
[DIN: 02172725]

**Ashu Suyash**  
Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

Date: February 11, 2020  
Place: Mumbai

**M. Damodaran**  
Director  
[DIN: 02106990]

**Arundhati Bhattacharya**  
Director  
[DIN: 02011213]

**Sanjay Chakravarti**  
Chief Financial Officer

**Vinita Bali**  
Director  
[DIN: 00032940]

**Ewout Steenbergen**  
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, 2019

### 1 Corporate information

CRISIL Limited ('the Company' or 'CRISIL') [CIN : L67120MH1987PLC042363] is a globally-diversified analytics 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 recognized stock exchanges in India- The Bombay Stock Exchange and the National Stock Exchange.

These standalone financial statements for the year ended December 31, 2019 were approved by the Board of Directors on February 11, 2020.

S&P Global Inc. the ultimate holding company, through its subsidiaries owned 67.40% as on December 31, 2019 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 realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

#### 2.3 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 to 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 capitalized and which components of the cost of the asset may be capitalized.

- **Revenue recognition**

Revenue from rendering of services is recognised when the obligation to render services based on agreements/arrangements with the customers are satisfied and when there are no longer any

unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of delivery or upon formal customer acceptance depending on customer terms. Revenue is recognised only to the extent that it is highly probable a significant reversal will not occur.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

- **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 recognized 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 recognized 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 recognized in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognized as an expense is adjusted to reflect the impact of the revision of original estimates based on number of options that are expected to vest, in the statement of profit and loss with a corresponding adjustment to equity.

## 2.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Amount capitalized 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 derecognized 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 recognized in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

## 2.5 Intangibles

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure on development



# Standalone Financial Statements

eligible for capitalization are carried as intangible assets under development where such assets are not yet ready for their intended use.

## 2.6 Depreciation / amortization

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 to the Companies Act, 2013. Depreciation/amortization 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 amortization period are reviewed at the end of each financial year and the depreciation and amortization method is revised to reflect the changed pattern, if any.

Leasehold improvements are amortized over the lease term or useful life of the asset, whichever is lower, over a period of 1 to 9 years.

## 2.7 Impairment

### a) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized 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 amortization or depreciation) had no impairment loss been recognised for the asset in the prior years. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows

that are largely independent of those from other assets or groups of assets. Value in use is the present value of an asset calculated by estimating its net future value including the disposal value. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### b) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are measured at amortized 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 recognizes 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.

## 2.8 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 recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Lease incentives received are recognized 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 realized. For all other financial instruments the carrying amounts approximates fair value due to short term maturity of those instruments.

## 2.11 Financial instruments

### Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized 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 amortized cost

A financial asset is subsequently measured at amortized cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

##### (ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the 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 recognized 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 amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

#### b) Derivative financial instruments

The Company uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognized 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 recognized directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognized immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the

# Standalone Financial Statements

hedging instrument recognized 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 recognized under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

## Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. The changes in fair value of equity investments designated at FVTOCI are accumulated within 'Equity instruments at OCI' reserve within equity. The Company transfers amounts from this reserve to retained earnings if these equity instruments are derecognized. A financial liability (or a part of a financial liability) is derecognized 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 recognized 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 recognized as a finance costs.

Contingent liabilities are disclosed in Note 34. 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

Effective January 1, 2019, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of retrospectively applying this standard is recognised at the date of initial application (i.e. January 1, 2019). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated. Refer Note 2.14 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended December 31, 2018, for revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

## 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.

- Revenue from 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 and revenue is straight lined over the period of performance.
- Revenue from customised research and IPO grading are recognised in the period in which such assignments are carried out in a time proportion basis.
- Global research and analytics revenue consists of time and material contracts which is recognised on output basis measured by number of hours/days/weeks worked at the rates specified in the agreements.

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.

Revenue from group companies is recognised based on transaction price which is at arm's length.

Accrued revenue are classified as Unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ('contract liability') is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and/or milestone based progress payments. Invoices are payable within contractually agreed credit period. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

#### **Grant income**

Export benefits from government authorities are received in the form of saleable scrips and are recognized 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 realization on transfer of scrips in the year of the sale. The related costs are recognised under 'other expense'.

#### **Interest income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **Dividend income**

Dividend Income is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized immediately in the statement of profit and loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### **Defined contribution plans**

Retirement benefits in the form of provident fund is a defined contribution plan and is charge to the statement

# Standalone Financial Statements

of profit and loss for each period of service rendered by the employees. Excess or short of contribution is recognized as an asset or liability in the financial statements. There are no other obligations other than the contribution payable to the respective authorities.

## Employee stock compensation cost

The Company recognizes expense relating to share based payment in net profit using fair value in accordance with Ind AS 102-Share Based Payment.

The grant date fair value of options granted to employees is recognized 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 recognized in connection with share based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognized 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 rates prevailing at the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognized 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 amortized up to the date of settlement of such monetary items and charged to the statement of profit and loss. The unamortized 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 recognized in the statement of profit and loss.

## 2.17 Taxes on income

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates items recognized 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 recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### Deferred tax

Deferred tax is recognized 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 recognized 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets includes 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 recognized 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 – Rating and Research. The reportable business segments are in line with the segment wise information which is being presented to the CODM. Geographical information on revenue and industry revenue information is collated based on individual customers invoices or in relation to which the revenue is otherwise recognized. 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 inter-segment 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 allocated overheads 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' 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 amortized.

## 2.23 Recent accounting pronouncement

### Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards)

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Amendment Rules, 2019 containing Ind AS 116 'Leases' and related amendments to other Ind AS. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Company is in the process of analysing impact and finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements. The Company will recognise with effect from January 1, 2020 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortisation charge for the right-to-use asset, and (b) interest accrued on lease liability.

## Ind AS 12 – Income taxes

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity

pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit /(tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit / (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

## Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

### 3. Property, plant and equipment

For the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Carrying value			Accumulated depreciation				Net block	
	As at January 1, 2019	Additions	Deductions	As at December 31, 2019	Up to January 1, 2019	For the year	Deductions	Up to December 31, 2019	As at December 31, 2019
Buildings	10	-	-	10	10	-	-	10	-
Furniture and fixtures	919	37	31	925	528	162	25	665	260
Office equipments	1,649	131	77	1,703	971	266	61	1,176	527
Computers	4,562	1,310	245	5,627	3,415	1,009	234	4,190	1,437
Vehicles	670	128	197	601	305	180	144	341	260
Leasehold improvements	3,052	18	-	3,070	2,424	301	-	2,725	345
<b>Total tangible assets</b>	<b>10,862</b>	<b>1,624</b>	<b>550</b>	<b>11,936</b>	<b>7,653</b>	<b>1,918</b>	<b>464</b>	<b>9,107</b>	<b>2,829</b>

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>

### 4. Intangible assets

For the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Carrying value			Accumulated depreciation				Net block	
	As at January 1, 2019	Additions	Deductions	As at December 31, 2019	Up to January 1, 2019	For the year	Deductions	Up to December 31, 2019	As at December 31, 2019
Software	2,463	132	-	2,595	800	708	-	1,508	1,087
<b>Total intangible assets</b>	<b>2,463</b>	<b>132</b>	<b>-</b>	<b>2,595</b>	<b>800</b>	<b>708</b>	<b>-</b>	<b>1,508</b>	<b>1,087</b>

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
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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## 5. Investments

A. Non-current investments	As at December 31, 2019		As at December 31, 2018	
	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 Rupee 1 each, fully paid up (Refer Note 5.1)	49,999,970	707	49,999,970	707
Equity Shares of CRISIL Irevna UK Limited, of £ 1 each, fully paid up (Refer Note 5.1)	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 (Refer Note 5.1)	704,018	147	704,018	147
100% Investment in the capital of CRISIL Irevna Information & Technology (Hangzhou) Co., Limited (Refer Note 5.1)	-	244	-	244
Equity Shares of Pragmatix Services Private Limited of Rupees 10 each, fully paid up (Refer Note 5.4)	3,140,000	5,600	3,140,000	5,600
Equity Shares of CRISIL Ratings Limited of Rupee 1 each, fully paid up (Refer Note 46)	1,000,000	10	-	-
<b>Sub - total (a)</b>		<b>18,293</b>		<b>18,283</b>
<b>Other investments</b>				
<i>Unquoted equity investments carried at fair value through OCI (Refer Notes 5.2 and 33)</i>				
Equity Shares of Caribbean Information and Credit Rating Agency of US \$1 each, fully paid up	300,000	120	300,000	124
Equity Shares of National Commodity and Derivative Exchange Limited of Rupees 10 each, fully paid up	1,875,000	3,204	1,875,000	3,359
<b>Sub - total (b)</b>		<b>3,324</b>		<b>3,483</b>
<i>Quoted equity investments carried at fair value through OCI (Refer Notes 5.2 and 33)</i>				
Equity Share of CARE Ratings Limited of Rupees 10 each, fully paid up	2,622,431	16,756	2,622,431	25,876
Equity Share of ICRA Limited of Rupees 10 each, fully paid up (Refer Note 5.3)	1	-	1	-
<b>Sub - total (c)</b>		<b>16,756</b>		<b>25,876</b>
<b>Total non-current investments - (a + b + c)</b>		<b>38,373</b>		<b>47,642</b>

B. Current investments	As at December 31, 2019		As at December 31, 2018	
	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 33)</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	255	2,500,000	257

## 5. Investments (Contd..)

B. Current investments	As at December 31, 2019		As at December 31, 2018	
	No. of units	Rupees in lakhs	No. of units	Rupees in lakhs
Invesco India Short Term Fund - Direct Plan Growth	157,336	4,313	-	-
Axis Treasury Advantage Fund - Direct Growth	87,495	2,000	-	-
LIC MF Banking and PSU Debt Fund - Direct Plan - Growth	17,417,522	4,606	-	-
IDFC Bond Fund - Short Term Plan - Growth - (Direct Plan)	6,754,142	2,862	-	-
L&T Short Term Bond Fund - Direct Plan - Growth	14,588,155	2,863	-	-
L&T Money Market Fund - Direct Plan - Growth	19,892,581	4,001	-	-
DSP Short Term Fund - Direct Plan - Growth	5,104,208	1,797	-	-
DSP Corporate Bond Fund - Direct - Growth	4,325,447	501	-	-
Sundaram Corporate Bond Fund Direct Growth	7,064,600	2,027	-	-
<b>Total investments in mutual funds (d)</b>		<b>25,225</b>		<b>18,303</b>
<b>Total investments (a + b + c + d)</b>		<b>63,598</b>		<b>65,945</b>

The market value of quoted investments is equal to the carrying value.

**5.1** Includes deemed investment on account of share based payment recharge for employees of subsidiary companies.

**5.2** The total dividend recognized pertaining to FVTOCI instruments for the year ended on December 31, 2019 was Rupees 761 lakhs and for the year ended December 31, 2018 was Rupees 1,448 lakhs. Dividend from equity investments designated at FVTOCI relates to investments held at the end of the reporting period. For all the equity instruments that are classified by the Company as FVTOCI, fair value changes on the instrument, excluding dividends, are recognized in the OCI. The Company recognizes dividend in statement of profit and loss under the head "other income".

**5.3** '-' in amounts' columns denote amounts less than Rupees 50,000.

**5.4** On January 24, 2018, CRISIL Limited acquired 100% stake in Pragmatix Services Private Limited.

## 6. Loans (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<i>Unsecured, considered good, unless otherwise stated</i>		
Security deposits	3,250	3,656
<b>Total</b>	<b>3,250</b>	<b>3,656</b>

## 7. Other financial assets (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<i>Unsecured, considered good, unless otherwise stated</i>		
Bank deposits with original maturity for more than 12 months [Deposit includes fixed deposits with banks Rupees 37 lakhs (Previous year : Nil) marked as lien for guarantees issued by banks on behalf of the Company (Refer Note 34)]	51	2
<b>Total</b>	<b>51</b>	<b>2</b>

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## 8. Income tax

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Current tax	9,259	11,690
Deferred tax	1,896	(1,386)
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>11,155</b>	<b>10,304</b>

The tax year for the Company being the year ending March 31, 2020, the tax expense for the year is the aggregate of the provision made for the three month period ended March 31, 2019 and the provision for the nine month period ended December 31, 2019. The tax provision for the nine month period has been arrived at using effective tax rate for the period April 1, 2019 to March 31, 2020.

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Law Amendment Act 2019. Accordingly, the Company has recognized the provision for income tax for the year ended December 31, 2019 basis the new tax rate of 25.17%, as applicable for Financial year 2019-20 for the entities in India including re-measurement of deferred tax asset. The impact of this change is recognised in the statement of profit and loss.

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Profit before tax	37,784	38,057
Enacted income tax rate in India for fiscal years ended March 31, 2020 and March 31, 2019. (%)	27.61%	34.94%
Computed expected tax expense	10,433	13,297
<b>Effect of:</b>		
Income exempt from tax	(292)	(1,449)
Expenses that are not deductible in determining taxable profit	289	300
Tax expense/(reversal) of prior years	66	(1,688)
Income subject to different tax rates	(477)	-
Change in income tax rate	1,247	-
Others	(111)	(156)
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>11,155</b>	<b>10,304</b>

### 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, 2019

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
<b>Deferred tax liability on :</b>				
Gains from other investments	672	-	(30)	642
Gains from mutual funds	50	41	0	91
Gains / losses on forward contracts	115	-	(102)	13
<b>Gross deferred tax liability</b>	<b>837</b>	<b>41</b>	<b>(132)</b>	<b>746</b>
<b>Deferred tax asset on :</b>				
Lease rent amortization	11	1	-	12
Provision for compensated absences	1,826	(588)	-	1,238
Provision for bonus and commission	634	(511)	-	123
Provision for gratuity	662	(187)	60	535

**8. Income tax (Contd..)**

(Rupees in lakhs)

Particulars	Opening balance	Recognised in profit and loss	Recognised in OCI	Closing balance
Provision for doubtful debts	620	(359)	-	261
Unearned revenue	598	(67)	-	531
40A(ia) of the Income Tax Act, 1961 and other items	36	7	-	43
Property, plant and equipment and intangibles	990	(151)	-	839
<b>Gross deferred tax asset</b>	<b>5,377</b>	<b>(1,855)</b>	<b>60</b>	<b>3,582</b>
<b>Net deferred tax asset</b>	<b>4,540</b>	<b>(1,896)</b>	<b>192</b>	<b>2,836</b>

As at December 31, 2018

(Rupees in lakhs)

Particulars	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 amortization	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 debts	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>

**9. Tax assets (Non-current)**

(Rupees in lakhs)

Particulars	As at December 31, 2019	As at December 31, 2018
Advance income-tax (net of provision for taxation)	4,815	3,618
[Provision of tax Rupees 114,122 lakhs (Previous year : Rupees 104,863 lakhs)]		
<b>Total</b>	<b>4,815</b>	<b>3,618</b>

**10. Other non-current assets**

(Rupees in lakhs)

Particulars	As at December 31, 2019	As at December 31, 2018
Prepaid rent	558	139
Capital advance	55	148
Prepaid expenses	418	480
<b>Total</b>	<b>1,031</b>	<b>767</b>

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## 11. Trade receivable (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Trade Receivables considered good- Secured	-	-
Trade Receivables considered good- Unsecured (Refer Note 37)	13,887	16,482
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	1,008	1,755
Less: Allowance for impairment loss	(1,008)	(1,755)
<b>Total</b>	<b>13,887</b>	<b>16,482</b>

## 12. Cash and cash equivalents (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Balances with banks:		
On current accounts	6,727	4,886
Deposits with original maturity of less than 3 months	400	-
<b>Total</b>	<b>7,127</b>	<b>4,886</b>

## 13. Other bank balances (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
On unpaid dividend accounts	75	77
Deposit with original maturity for more than 3 months but less than 12 months [(Deposit includes fixed deposits with banks Rupees 29 lakhs (Previous year Rupees 84 lakhs) marked as lien for guarantees issued by banks on behalf of the Company. (Refer Note 34)]	92	137
<b>Total</b>	<b>167</b>	<b>214</b>

## 14. Loans (Current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<i>Unsecured, considered good, unless otherwise stated</i>		
Loan to subsidiaries (Refer Notes 37 and 38)	325	500
Loans to employees	323	268
Security deposits		
- Considered good	67	153
- Considered doubtful	27	23
Less: Allowance for impairment loss	(27)	(23)
<b>Total</b>	<b>715</b>	<b>921</b>
<b>Sub-classification of Loans:</b>		
Loan receivables considered good- Secured	-	-
Loan receivables considered good- Unsecured	715	921
Loan receivables which have significant increase in credit risk	-	-
Loan receivables - credit impaired	27	23
Less: Allowance for impairment loss	(27)	(23)
<b>Total</b>	<b>715</b>	<b>921</b>

**15. Other financial assets (Current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Unsecured, considered good, unless otherwise stated		
Advances recoverable (Refer Note 37)	2,129	1,394
Unbilled receivables (Refer Note 15.1)	2,939	1,572
Accrued interest on fixed deposit	8	11
Interest accrued on loan to subsidiaries	1	1
Fair value of foreign currency forward contract (Refer Note 33)	49	341
<b>Total</b>	<b>5,126</b>	<b>3,319</b>

15.1 The balance lying in unbilled receivables as at December 31, 2018 is fully billed during the current year.

**16. Other current assets**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Prepaid rent	246	82
Prepaid expense	1,426	1,408
Balances with government authorities	931	896
Advances to suppliers and employees	568	738
<b>Total</b>	<b>3,171</b>	<b>3,124</b>

**17. Asset held for sale**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Building (Refer Note 17.1)	318	318
<b>Total</b>	<b>318</b>	<b>318</b>

17.1 The Company has classified a building premise as asset held for sale at its carrying value. 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. Equity share capital**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<b>Authorised capital:</b>		
100,000,000 equity shares of Rupee 1 each (Previous year 100,000,000 equity shares of Rupee 1 each)	1,000	1,000
<b>Issued, subscribed and paid up:</b>		
72,304,326 equity shares of Rupee 1 each fully paid up (Previous year 72,115,782 equity shares of Rupee 1 each)	723	721
<b>Total</b>	<b>723</b>	<b>721</b>

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## 18. Equity share capital (Contd..)

### (a) Reconciliation of shares outstanding at the beginning and at the end of the year

#### Equity shares

Particulars	As at December 31, 2019	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 1 per share)	721	72,115,782
Add : Issued during the year - Under employee stock option scheme (ESOS) (Refer Note 45)	2	188,544
<b>Outstanding at the end of the year</b>	<b>723</b>	<b>72,304,326</b>

Particulars	As at December 31, 2018	
	Rupees in lakhs	Nos.
At the beginning of the year (face value of Rupee 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>

### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rupee 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Shares held by holding/ultimate holding and/ or their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<b>Group holding of the S&amp;P Global Inc.</b>		
31,209,480 equity shares of Rupee 1 each fully paid held by S&P India, LLC, fellow subsidiary (Previous year 31,209,480 equity shares of Rupee 1 each)	312	312
11,523,106 equity shares of Rupee 1 each fully paid held by S&P Global Asian Holdings Pte. Limited, fellow subsidiary (Previous year 11,523,106 equity shares of Rupee 1 each)	115	115
6,000,000 equity shares of Rupee 1 are held by Standard & Poor's International LLC, fellow subsidiary (Previous year 6,000,000 equity shares of Rupee 1 each)	60	60
<b>Total</b>	<b>487</b>	<b>487</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

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<b>Equity shares bought back by the Company</b>		
Aggregate number of equity shares bought back by the Company	511,932	511,932
Aggregate number of bonus shares and shares issued for consideration other than cash by the Company.	Nil	Nil

## 18. Equity share capital (Contd..)

### (e) Details of shareholders holding more than 5% shares in the Company.

Name of the shareholder	As at December 31, 2019	
	% holding in the class	Nos.
<b>Equity shares of Rupee 1 each fully paid</b>		
1. Group holding of the S&P Global Inc.		
a) S&P India, LLC	43.16%	31,209,480
b) S&P Global Asian Holdings Pte. Limited	15.94%	11,523,106
c) Standard & Poor's International LLC	8.30%	6,000,000
2. Life Insurance Corporation of India	6.64%	4,797,793
3. Jhunjhunwala Rakesh and Rekha	5.48%	3,965,000

Name of the shareholder	As at December 31, 2018	
	% holding in the class	Nos.
<b>Equity shares of Rupee 1 each fully paid</b>		
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

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 Company is predominantly equity financed and continues to maintain adequate amount of liquidity to meet strategic and growth objectives. The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to its stakeholders. The Company has ensured a balance between earning adequate returns on treasury asset and need to cover financial and business risk. The Company actively monitors its portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy. The Company has a overdraft facility with banks to support any temporary funding requirements which has not been utilised as at December 31, 2019.

## 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 retained earnings.

### b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium.



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## 19. Explanation of reserves (Contd..)

### 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 exercise of stock options by employees.

### e) Other comprehensive income (OCI)

Other comprehensive income includes fair value changes in equity instruments and hedge reserve through OCI.

### 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 recognized 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 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) 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 utilized 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 (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Employee related payables	489	653
Sundry deposits	48	121
<b>Total</b>	<b>537</b>	<b>774</b>

## 21. Provisions (Non-current)

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Gratuity (Refer Note 40)	1,358	1,298
<b>Total</b>	<b>1,358</b>	<b>1,298</b>

**22. Trade payables (Current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Total outstanding dues of micro enterprises and small enterprises (as per intimation received from suppliers)	3	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,755	5,198
<b>Total</b>	<b>6,758</b>	<b>5,207</b>

**22.1 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 is provided as under**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
- Principal amount remaining unpaid, but not due	3	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.

**23. Other financial liabilities (Current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Employee related payables	7,903	6,571
Book overdraft	-	112
Unpaid dividend (Investor Education and Protection Fund will be credited as and when due)	75	77
Sundry deposits	75	69
<b>Total</b>	<b>8,053</b>	<b>6,829</b>

**24. Provisions (Current)**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Compensated absences (Refer Note 40)	4,920	4,822
Gratuity (Refer Note 40)	767	659
<b>Total</b>	<b>5,687</b>	<b>5,481</b>

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## 25. Other current liabilities

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Statutory liabilities	2,253	1,883
Advance received from customers (Refer Note 25.1)	382	375
Unearned revenue (Refer Note 25.1)	10,285	10,381
<b>Total</b>	<b>12,920</b>	<b>12,639</b>

**25.1** The balance lying in 'Unearned revenue' and 'Advance received from customer' as at December 31, 2018 is fully recognised as revenue during the current year.

## 26. Revenue from operations

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Ratings services	54,481	50,730
Research services	63,387	67,469
<b>Total</b>	<b>117,868</b>	<b>118,199</b>

**26.1** The Company disaggregates revenue from contracts with customers by nature of services. (Refer Note 36)

**26.2** The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has right to consideration that corresponds directly with the value of entity's performance completed to date.

## 27. Other income

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Interest on :		
- Income tax refund	361	-
- Bank deposits	30	37
- Loan to subsidiaries	10	56
- Financial assets carried at amortized cost	227	275
Grant income	2,025	2,417
Profit on sale of fixed assets (net)	39	48
Dividend on investments (Refer Note 37)	5,485	1,457
Foreign exchange gain (net)	375	1,675
Profit on sale of current investments	981	329
Profit on fair valuation of current investments	387	145
Support and management fees	1,973	2,249
Miscellaneous income	1,011	199
<b>Total</b>	<b>12,904</b>	<b>8,887</b>

## 28. Employee benefits expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Salaries, wages and bonus	47,785	46,063
Share based payment to employees	356	1,109
Contribution to provident and other funds	1,635	1,558
Contribution to gratuity fund (Refer Note 40)	717	637
Staff training and welfare expenses	1,761	1,602
Less : Recoveries from subsidiaries towards allocation of overheads	(550)	(550)
<b>Total</b>	<b>51,704</b>	<b>50,419</b>

## 29. Finance cost

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Interest expense on bank overdraft	-	118
<b>Total</b>	<b>-</b>	<b>118</b>

## 30. Depreciation and amortisation

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Depreciation and amortisation on tangible and intangible assets (Refer Notes 3 & 4)	2,626	2,971
Less : Recoveries from subsidiaries towards depreciation	(63)	(104)
<b>Total</b>	<b>2,563</b>	<b>2,867</b>

## 31. Other expenses

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Repairs and maintenance - buildings	1,870	1,639
Repairs and maintenance - others	866	1,063
Electricity	990	1,042
Communication expenses	784	689
Insurance	59	62
Rent (Refer Note 39)	5,058	4,608
Rates and taxes	14	32
Printing and stationery	158	251
Conveyance and travelling	2,700	2,755
Books and periodicals	748	707
Vehicle expenses	3	3
Remuneration to non-whole time directors (Refer Note 37)	157	146
Business promotion and advertisement	46	103
Professional fees	19,802	15,038
Associate service fees	3,620	3,714
Software purchase and maintenance expenses	963	657
Provision for doubtful deposits	4	15
Provision for doubtful debts / bad debts	168	1,558
Corporate social responsibility (CSR) expenses (Refer Note 43)	761	727
Donation	328	140
Auditors' remuneration (Refer Note 35)	66	68
Recruitment expenses	286	172
Miscellaneous expenses	319	759
Less : Recoveries from subsidiaries towards allocation of overheads	(1,049)	(323)
<b>Total</b>	<b>38,721</b>	<b>35,625</b>

## 32. Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 33. The main types of risks are market risk (foreign currency exchange rate risk and price risk), business and credit risks and liquidity risk. The Company has in place a robust risk management policy with overall governance and oversight from the Audit Committee and Board of Directors. Risk assessment is conducted periodically and the Company has a mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

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## 32. Financial risk management (Contd..)

The policies for managing specific risk are summarized below:

### 32.1 Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market price. Such changes may result from changes in foreign currency exchange rates, interest rate, price and other market changes. The Company's exposure to market risk is mainly due to foreign exchange rates and price risk.

#### Foreign currency exchange rate risk

The Company's exposure to market risk includes changes in foreign exchange rates. Most of the Company's transactions are carried out in INR. Exposures to currency exchange rates arise from the Company's overseas operations, which are primarily denominated in US dollars (USD), EURO and Pounds Sterling (GBP). As of December 31, 2019 and December 31, 2018, the Company has 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 33.2)

Following is the currency profile of non-derivative financial assets and financial liabilities:

Particulars	As at December 31, 2019 (Foreign Currency in '000)		As at December 31, 2019 (Rupees in lakhs)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	19,717	3,363	14,070	2,400
GBP	2,786	-	2,599	-
EURO	679	12	541	9
Others	1,695	2,839	891	371

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	-
EURO	653	19	525	15
Others	855	26,317	393	1,195

For the year ended December 31, 2019, every 5% increase/decrease of the respective foreign currencies compared to functional currency of the Company would impact operating margins by Rupees 766 lakhs (+/-2.79 %). For the year ended December 31, 2018, operating margins would increase/decrease by Rupees 503 lakhs (+/-1.56%). 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 recognized 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 Rupees 1,261 lakhs and Rupees 915 lakhs for the year ended December 31, 2019 and for the year ended December 31, 2018 respectively.

The Company is also exposed to price risk arising mainly from investments in equity instruments recognized 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, 2019 would increase/decrease by Rupees 838 lakhs and Rupees 1,294 lakhs for the year ended December 31, 2018.

## 32. Financial risk management (Contd..)

### 32.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. For the Company, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

#### Liquidity risk management

The Company continues to maintain adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets and the need to cover financial and business risks. The Company's treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are reviewed 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:

Financial assets maturing within one year:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Trade receivables	13,887	16,482
Cash and cash equivalents	7,127	4,886
Other bank balances	167	214
Loans	715	921
Investments in mutual funds	25,225	18,303
Others	5,126	3,319
<b>Total</b>	<b>52,247</b>	<b>44,125</b>

Financial liabilities maturing within one year:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Trade payables	6,758	5,207
Others	8,053	6,829
<b>Total</b>	<b>14,811</b>	<b>12,036</b>

### 32.3 Business and credit risks

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

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to this risk for receivables from customers.

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company uses a provision margin to compute the expected credit loss allowance for trade receivable. Trade receivables are monitored on periodic basis for any non-recoverability of the dues. Bank balances are held with only high rated banks.

(Rupees in lakhs)

Trade receivables	As at	As at
	December 31, 2019	December 31, 2018
<= 6 months	14,432	15,867
> 6 months but <= 1 year	391	1,988
> 1 year	72	382
Provision for doubtful receivables	(1,008)	(1,755)

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## 33 Financial Instruments

The carrying value and fair value of financial instruments by categories as at December 31, 2019 are as follows:

(Rupees in lakhs)

Particulars	Amortized 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	-	-	-	16,756	-	-	16,756	16,756
Unquoted equity investments	-	-	-	3,324	-	-	3,324	3,324
Mutual funds	-	-	25,225	-	-	-	25,225	25,225
Cash and cash equivalents	7,127	-	-	-	-	-	7,127	7,127
Other bank balances	167	-	-	-	-	-	167	167
Trade receivables	13,887	-	-	-	-	-	13,887	13,887
Loans	3,965	-	-	-	-	-	3,965	3,965
Other financial assets	5,128	-	-	-	-	49	5,177	5,177
<b>Total</b>	<b>30,274</b>	<b>-</b>	<b>25,225</b>	<b>20,080</b>	<b>-</b>	<b>49</b>	<b>75,628</b>	<b>75,628</b>
<b>Liabilities</b>								
Trade payables	6,758	-	-	-	-	-	6,758	6,758
Other financial liabilities	8,590	-	-	-	-	-	8,590	8,590
<b>Total</b>	<b>15,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,348</b>	<b>15,348</b>

The carrying value and fair value of financial instruments by categories as at December 31, 2018 are as follows:

(Rupees in lakhs)

Particulars	Amortized 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>

### 33.1 Fair value hierarchy

For financial reporting purpose, fair value measurements are categorized 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).

### 33 Financial Instruments (Contd..)

**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, 2019 and December 31, 2018.

(Rupees in lakhs)

Particulars	As at December 31, 2019			As at December 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>						
A Investments at FVTPL						
1. Mutual Funds	25,225	-	-	18,303	-	-
B Investments at FVTOCI						
1. Quoted equity shares	16,756	-	-	25,876	-	-
2. Unquoted equity shares	-	-	3,324	-	-	3,483
C Forward contracts receivable	-	49	-	-	341	-

#### 33.2 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 USD, 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, 2019

(Rupees in lakhs)

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	24	51,415	37,692	Jan - Dec-20	73	155	(155)
	GBP	11	5,969	5,650	Jan - Dec-20	95	(163)	163
	EUR	12	3,459	2,918	Jan - Dec-20	84	57	(57)

##### As at December 31, 2018

(Rupees in lakhs)

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	19	57,058	40,615	Jan - Dec-19	71	(34)	34
	GBP	11	4,512	4,374	Jan - Dec-19	97	247	(247)
	EUR	12	3,370	2,932	Jan - Dec-19	87	128	(128)



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## 33 Financial Instruments (Contd..)

### Movement in cash flow hedging reserve

Particulars	(Rupees in lakhs)	
		Foreign exchange forward contract
<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 January 1, 2019</b>		<b>227</b>
Add: Changes in fair value of effective portion of outstanding forecasted cash flow hedge	841	
Less: Amounts reclassified to profit or loss	(1,133)	
Less: Tax relating to above (net)	102	
<b>As at December 31, 2019</b>		<b>36</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.

### Details of unhedged foreign exposure

Particulars	As at December 31, 2019 (Foreign Currency in '000)		As at December 31, 2019 (Rupees in lakhs)	
	Assets	Liabilities	Assets	Liabilities
	<b>Currency Monetary</b>			
USD	19,717	3,363	14,070	2,400
GBP	2,786	-	2,599	-
EUR	679	12	541	9
Others	1,695	2,839	891	371
<b>Investment</b>				
USD	430	-	225	-
GBP	14,240	-	11,390	-
Others	796	-	105	-

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	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	-
Others	796	-	105	-

**34 Details of contingent liabilities and capital commitments are as under :**

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
<b>A. Contingent liabilities</b>		
1. Bank guarantee in the normal course of business	132	431
<b>2. Disputed income tax, sales tax, service tax and GST demand:</b>		
(i) Pending before appellate authorities in respect of which the Company is in appeal	8,158	4,306
(ii) Decided in Company's favour by appellate authorities and department is in further appeal	1,146	1,185
<b>3. Provident Fund</b>		
Based on the judgement by the Honorable Supreme Court dated February 28 2019, past provident fund liability, is not determinable at present, in view of uncertainty on the applicability of the judgement to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been legally advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.		
The Company periodically receives notices and inquiries from income tax authorities related to the Company's operations in the jurisdictions of its operations. 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>9,436</b>	<b>5,922</b>
<b>B. Capital commitment</b>		
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for.	138	133
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.		
<b>Total</b>	<b>9,574</b>	<b>6,055</b>

**35 Auditors' remuneration includes :**

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Audit fees (including limited review fees)	52	52
<b>In any other matter:</b>		
Certification work	10	6
Out of pocket expenses	4	10
<b>Total</b>	<b>66</b>	<b>68</b>

**36 Segment reporting**
**Business segments:**

The Company has two major business segment: Rating and Research.

A description of the types of products and services provided by each reportable segment is as follows:

- Rating services includes credit ratings for corporates, banks, bank loans, small and medium enterprises (SME), credit analysis services, grading services and global analytical services.
- Research segments includes global research and analytical services, industry reports, customized research assignments, subscription to data services, independent equity research (IER), IPO gradings and training.

# Standalone Financial Statements

## 36 Segment reporting (Contd..)

### Segment reporting for the year ended December 31, 2019

(Rupees in lakhs)

Particulars	Business segments		Total
	Ratings	Research	
Operating revenue (Refer Note 26)	54,481	63,387	117,868
Segment results	21,878	9,216	31,094
Add / (less) unallocables:			
1. Unallocable income			
Interest income			401
Profit on sale of current investments			981
Profit on sale of fixed asset			39
Grant income			2,025
Others*			9,458
2. Unallocable expenditure			(3,651)
3. Depreciation/ amortization			(2,563)
Profit before exceptional item			<b>37,784</b>
Exceptional item			-
Profit before tax			<b>37,784</b>
Tax expense			(11,155)
Profit after tax			<b>26,629</b>
Segment assets	4,735	26,348	31,083
Unallocable assets**			80,105
Segment liabilities	14,262	12,960	27,222
Unallocable liabilities**			8,091

### Revenue and total assets by geographic segments

(Rupees in lakhs)

Geography	Revenue	Assets#
India	49,476	79,671
Europe	24,654	14,682
North America	34,822	7,308
Rest of the world	8,916	1,876
<b>Total</b>	<b>117,868</b>	<b>103,537</b>

### Segment reporting for the year ended December 31, 2018

(Rupees in lakhs)

Particulars	Business segments		Total
	Ratings	Research	
Operating revenue (Refer Note 26)	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			2,417
Others*			6,000
2. Unallocable expenditure			(5,341)
3. Depreciation/ amortization			(2,867)
Profit before exceptional item			<b>38,057</b>
Exceptional item			-
Profit before tax			<b>38,057</b>

### 36 Segment reporting (Contd..)

(Rupees in lakhs)

Particulars	Business segments		Total
	Ratings	Research	
Tax expense			(10,304)
Profit after tax			<b>27,753</b>
Segment assets	5,342	26,121	31,463
Unallocable assets**			81,658
Segment liabilities	13,219	11,657	24,876
Unallocable liabilities**			7,352

Revenue and total assets by geographic segments

(Rupees in lakhs)

Geography	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>

#### Notes to segmental results :

\*Other income which have been allocated to business segments have not been considered in determining unallocable income.

\*\*Assets and liabilities used interchangeably between business segments have been classified as unallocable. The Company believes that it is currently not practical to allocate these assets and liabilities since a meaningful segregation of the available data is not feasible.

#Total asset for the purpose of geographical segment does not include deferred tax asset and tax asset.

The Company recovered certain common expenses from subsidiaries based on management estimates and the same form a part of the segment results.

The top two customers contributed to more than 10% of the standalone revenue from operations of the Company. The following table gives details in respect of revenues generated from top two customers:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Total revenue from top two customers (Previous year : three) who contributed to more than 10% of the revenue from operations.	35,316	60,747

### 37 List of related parties

Parties	Relationship
<b>Related parties where control exists</b>	
S&P Global Inc.	Ultimate Holding Company
CRISIL Risk and Infrastructure Solutions Limited ('CRIS')	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	Subsidiary (with effect from January 24, 2018)
CRISIL Ratings Limited (Refer Note 46)	Subsidiary (with effect from June 3, 2019)
CRISIL Foundation	Controlled Trust

# Standalone Financial Statements

## 37 List of related parties (Contd..)

Parties	Relationship
<b>Other related parties (to the extent where transaction have taken place)</b>	
S&P India, 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 UK Limited	Fellow subsidiary
S&P Capital IQ (India) Private Limited	Fellow subsidiary
S&P Global Ratings Europe Limited (formerly 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
S&P Ratings (China) Co. Ltd	Fellow subsidiary
Asia Index Private Limited	Fellow subsidiary
S&P Global Market Intelligence Inc.	Fellow subsidiary
Fabindia Overseas Private Limited	Common Director
<b>Key Management Personnel</b>	
Girish Paranjpe	Independent Director
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
Ewout Steenbergen	Director
Martin Fraenkel	Director (with effect from April 18, 2019)
Martina Cheung	Director (up to April 18, 2019)
John L Berisford	Chairman
Ravinder Singhania	Alternate Director (up to July 22, 2019)
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

Name of the related party	Nature of transaction / outstanding balances	(Rupees in lakhs)	
		As at and for the year ended December 31, 2019	As at and for the year ended December 31, 2018
S&P Global UK Limited	Professional services rendered	362	336
	Amount receivable	216	161
S&P Global Canada Corp.	Professional services rendered	178	165
	Amount receivable	40	15

**37 List of related parties (Contd..)**

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended	As at and for the year ended
		December 31, 2019	December 31, 2018
S&P Global Ratings Europe Limited	Professional services rendered	4,639	4,561
	Reimbursement of expenses received	-	1
	Amount receivable	622	859
Standard & Poor's Financial Services, LLC	Professional services rendered	11,766	11,495
	Amount receivable	884	-
Standard & Poor's Singapore Pte. Ltd.	Professional services rendered	714	640
	Amount receivable	55	63
Standard & Poor's Hong Kong Limited	Professional services rendered	876	507
	Amount receivable	147	62
Standard & Poor's (Australia) Pty. Ltd.	Professional services rendered	470	416
	Amount receivable	40	47
Standard & Poor's Global Ratings Japan Inc.	Professional services rendered	235	167
	Amount receivable	19	23
Standard & Poor's South Asia Services Private Limited	Reimbursement of expenses received	1,008	204
	Amount receivable	196	50
S&P Capital IQ (India) Private Limited	Reimbursement of expenses received	92	-
	Amount receivable	17	-
S&P Global Market Intelligence LLC	Subscription fees paid	81	93
	Professional services rendered	14	-
	Amount payable	40	-
	Amount receivable	14	-
S&P Ratings (China) Co. Ltd	Professional services rendered	11	6
S&P India, LLC	Dividend paid	9,363	9,051
	Share capital outstanding	312	312
Standard & Poor's International LLC	Dividend paid	1,800	1,740
	Share capital outstanding	60	60
S&P Global Asian Holdings Pte. Limited	Dividend paid	3,457	3,198
	Share capital outstanding	115	115
S&P Global Inc.	Professional services rendered	2	2
	Reimbursement of expenses received	-	1
Asia Index Private Limited	Reimbursement of expenses paid	2	-
Fabindia Overseas Private Limited	Professional services rendered	2	1
CRISIL Risk and Infrastructure Solutions Limited	Professional services rendered	-*	2
	Support and management fee	72	108
	Professional fees paid	-	14
	Expenses recovered	583	503
	Share of overhead expenses received	1,000	873
	Reimbursement of expenses paid	-	4
	Reimbursement of expense received (ESOS)	9	95
	Transfer of employee related liabilities	98	-
	Sale of property, plant and equipment	15	-

# Standalone Financial Statements

## 37 List of related parties (Contd..)

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the	As at and for the
		year ended December 31, 2019	year ended December 31, 2018
	Purchase of property, plant and equipment	2	-
	Loan given	150	500
	Loan repaid	600	-
	Loan outstanding	50	500
	Interest on loan received	8	1
	Interest receivable	1	1
	Investment outstanding	707	707
	Amount receivable	386	459
CRISIL Irevna UK Limited	Professional services rendered	16,438	20,623
	Support and management fee	227	281
	Reimbursement of expenses received	24	39
	Reimbursement of expense received (ESOS)	18	12
	Dividend income	4,306	-
	Loan repaid	-	3,511
	Interest income	-	54
	Investment outstanding	11,585	11,585
CRISIL Irevna US LLC	Amount receivable	1,319	1,223
	Professional services rendered	5,251	22,174
	Remittance of revenue (billing transfer)	16,377	1,674
	Professional fees paid	5,904	644
	Support and management fee	510	583
	Reimbursement of expenses received	12	15
	Sale of property, plant and equipment	-	1
	Reimbursement of expense received (ESOS)	32	54
	Amount receivable (net)	2,924	6,261
CRISIL Irevna Argentina, S.A.	Professional fees paid	4,910	5,665
	Investment outstanding	147	147
	Amount payable	376	363
CRISIL Irevna Poland Sp.zo.o	Professional fees paid	1,537	1,707
	Reimbursement of expenses received	4	5
	Reimbursement of expense received (ESOS)	-*	2
	Amount payable	161	367
	Amount receivable	-	15
CRISIL Irevna Information & Technology (Hangzhou) Co. Limited	Dividend income	402	-
	Professional fees paid	2,101	2,037
	Reimbursement of expenses received	1	-
	Sale of property, plant and equipment	1	-
	Investment outstanding	244	244
	Amount payable	161	386
	Amount receivable	2	-

**37 List of related parties (Contd..)**

(Rupees in lakhs)

Name of the related party	Nature of transaction / outstanding balances	As at and for the year ended	As at and for the year ended
		December 31, 2019	December 31, 2018
Coalition Development Limited	Professional services rendered	1,253	470
	Support and management fee	1,092	910
	Reimbursement of expense received (ESOS)	310	530
	Reimbursement of expense received	1	4
	Amount receivable	568	238
Coalition Development Singapore Pte Limited	Professional services rendered	4,319	3,837
	Reimbursement of expense received (ESOS)	26	16
	Professional fees paid	173	48
	Amount receivable	888	366
	Amount payable	16	23
CRISIL Foundation	Donation	1,070	850
	Reimbursement of expenses received	52	35
Pragmatix Services Private Limited	Support and management fee	72	367
	Professional fees paid	2	33
	Expenses recovered	258	255
	Share of overhead expenses received	599	-
	Reimbursement of expense received (ESOS)	62	59
	Transfer of employee related liabilities	7	-
	Sale of property, plant and equipment	4	-
	Loan given	485	100
	Loan repaid	210	-
	Interest on loan received	1	1
	Loan outstanding	275	-
	Investment outstanding	5,600	5,600
	Interest receivable	-*	-
	Amount receivable (net)	-	271
Amount payable (net)	28	-	
CRISIL Ratings Limited	Investment made during the year	10	-
Girish Paranjpe	Sitting fees and commission	40	38
Nachiket Mor	Sitting fees and commission	-	20
Arundhati Bhattacharya	Sitting fees and commission	35	8
Vinita Bali	Sitting fees and commission	41	41
M. Damodaran	Sitting fees and commission	41	39
Ashu Suyash**	Remuneration	559	571
	Options granted (nos.)	21,056	19,562
Amish Mehta**	Remuneration	364	315
	Options granted (nos.)	11,633	8,275
Sanjay Chakravarti**	Remuneration	155	182
	Options granted (nos.)	5,488	12,315
Minal Bhosale**	Remuneration	91	86
	Options granted (nos.)	1,039	918

\*in amounts column denote amount less than Rupees 50,000

\*\*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.



# Standalone Financial Statements

## 38 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, 2019	Amount outstanding as at December 31, 2018	Maximum amount outstanding during the year
CRISIL Risk and Infrastructure Solutions Limited (CRIS)	100% subsidiary	Operational	Loan given by CRISIL to CRIS for financing operations. The loan is repayable on demand. These loans carry interest @ 12.5% per annum.	50	500	500
Pragmatix Services Private Limited (PSPL)	100% subsidiary	Operational	Loan given by CRISIL to PSPL for financing operations. The loan is repayable on demand. These loans carry interest as per ICICI Bank Limited's six months MCLR rate.	275	-	275

For details of investments and advances provided to related parties Refer Note 37

## 39 Operating lease

The Company has taken certain office premises on non cancelable operating lease basis. Some of these agreements have a price escalation clause. Details as regards payments and future commitments are as under :

(Rupees in lakhs)

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
Lease payment recognised in the statement of profit and loss	5,058	4,608
Future minimum lease payments :		
Not later than one year	5,225	5,030
Later than one year and not later than five years	12,125	16,631
Later than five years	118	-
<b>Total</b>	<b>17,468</b>	<b>21,661</b>

## 40 Gratuity and other post employment benefits plans

In accordance with the Payment of Gratuity Act, 1972, CRISIL provides for gratuity, a defined benefit retirement plan covering eligible employees (completed continuous services of five years or more) of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment at fifteen days salary of an amount based on the respective employee's salary and tenure of employment with the Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefit expense recognised in statement of Profit and Loss and OCI:

(Rupees in lakhs)

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
Current service cost	592	546
Interest cost on defined benefit obligation	104	91
Re-measurement - actuarial (gain)/loss (recognized in OCI)	201	13
Expected return on plan assets (recognized in OCI)	13	28
Adjustment	21	-
<b>Net gratuity benefit expense</b>	<b>931</b>	<b>678</b>

#### 40 Gratuity and other post employment benefits plans (Contd..)

##### Balance Sheet:

Details of provision for gratuity benefit

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Present value of funded obligations	4,445	3,965
Fair value of plan assets	(2,320)	(2,008)
<b>Net liability</b>	<b>2,125</b>	<b>1,957</b>

Changes in the present value of the defined benefit obligation are as follows:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Opening defined benefit obligation	3,965	3,561
Current service cost	592	546
Interest cost	275	260
Acquisitions (credit)/ cost	25	20
Actuarial (gain)/loss	(24)	(22)
Actuarial (gain)/loss (financial assumptions)	225	35
Benefits paid	(613)	(436)
<b>Closing defined benefit obligation</b>	<b>4,445</b>	<b>3,965</b>

Changes in the fair value of plan assets are as follows:

(Rupees in lakhs)

Particulars	As at	As at
	December 31, 2019	December 31, 2018
Opening fair value of plan assets	2,008	1,643
Expected return on plan assets	(13)	(28)
Interest (Income) / expense on plan assets	171	170
Contribution by employer	767	659
Benefits paid	(613)	(436)
<b>Closing fair value of plan assets</b>	<b>2,320</b>	<b>2,008</b>

The defined benefit obligation shall mature after December 31, 2019 as follows:

Particulars	Rupees in lakhs
December 31, 2020	432
December 31, 2021	479
December 31, 2022	567
December 31, 2023	655
December 31, 2024	678
December 31, 2025 to December 31, 2029	3867

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at	As at
	December 31, 2019	December 31, 2018
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

## 40 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, 2019	Year ended December 31, 2018
Discount rate	6.8%	7.30%
Rate of return on plan assets	7.5%	7.30%
<b>Expected employee turnover</b>		
<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 2019 and 7% thereafter	10% for First 4 years starting 2018 and 7% thereafter
Expected employer's contribution next year (Rupees in lakhs)	767	659

Broad category of plan assets as per percentage of total plan assets of the gratuity

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
Government securities	76%	68%
Fixed deposits, debentures and bonds	18%	23%
Others	6%	9%
<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	(159)
Effect on DBO due to 0.5% decrease in discount rate	171

Salary escalation rate	Rupees in lakhs
Effect on DBO due to 0.5% increase in salary escalation rate	141
Effect on DBO due to 0.5% decrease in salary escalation rate	(137)

### Other benefits

The Company has recognised the following amounts in the statement of profit and loss:

(Rupees in lakhs)

Particulars	Year ended December 31, 2019	Year ended December 31, 2018
i. Contribution to provident fund	1,455	1,403
ii. Contribution to other funds	180	155
<b>Total</b>	<b>1,635</b>	<b>1,558</b>

A provision of Rupees 4,920 lakhs has been made for compensated absences as at December 31, 2019 (Previous year: Rupees 4,822 lakhs).

## 41 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, 2019	Year ended December 31, 2018
Net profit for calculation of basic/diluted EPS	26,629	27,753

#### 41 Earning per share (Contd..)

Particulars	Year ended	Year ended
	December 31, 2019 (Nos.)	December 31, 2018 (Nos.)
Weighted average number of equity shares in calculating basic EPS	72,243,688	71,904,428
<b>Effect of dilution:</b>		
Add: weighted average stock options granted under ESOS	95,840	243,987
Weighted average number of equity shares in calculating diluted EPS	72,339,528	72,148,415

Earnings per share : Nominal value of Rupee 1	Year ended	Year ended
	December 31, 2019 (Rupees)	December 31, 2018 (Rupees)
Basic	36.86	38.60
Diluted (On account of ESOS, Refer Note 45)	36.81	38.47

The following potential equity shares are anti-dilutive and excluded from the weighted average number of equity shares for the purpose of diluted EPS

Particulars	As at	As at
	December 31, 2019 (Nos.)	December 31, 2018 (Nos.)
Options to purchase equity shares having anti-dilutive effect	263,247	136,911

#### 42 Dividend

Details of dividend paid on equity shares are as under:

(Rupees in lakhs)

Particulars	Year ended	Year ended
	December 31, 2019	December 31, 2018
Final dividend for the year 2018 (Previous year: 2017) Rupees 11 per equity share (Previous year Rupees 10 per share) of Rupee 1 each	7,938	7,173
Dividend distribution tax on final dividend	1,632	1,474
Interim dividend for the year 2019 (Previous year: 2018) Rupees 19 per equity share (Previous year Rupees 19 per share) of Rupee 1 each	13,735	13,679
Dividend distribution tax on interim dividend	1,857	2,812
<b>Total</b>	<b>25,162</b>	<b>25,138</b>

#### Proposed dividend

The Board of Directors at its meeting held on February 11, 2020 have recommended a final dividend of Rupees 13 per equity share of face value of Rupee 1 each for the financial year ended December 31, 2019. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**43** Corporate Social Responsibility (CSR) expenses for the year ended December 31, 2019 includes Rupees 761 lakhs (Previous year Rupees 727 lakhs) which was 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 Rupees 733 lakhs (Previous year Rupees 723 lakhs). Key CSR activities were "education and women empowerment – financial capability building" and "conservation of environment".

**44** Personnel expenses to the extent of Rupees Nil (Previous year Rupees 160 lakhs) is considered for capitalisation as intangible assets.

# Standalone Financial Statements

## 45 Employee stock option scheme (“ESOS”)

The Company has formulated an ESOS based on which employees are granted options to acquire the equity shares of the Company that vests in a graded manner. The options are granted at the closing market price prevailing on the stock exchange, immediately prior to the date of grant. Details of the ESOS granted are as under :

Details	Date of grant	No. of options granted	Exercise price (Rupees)	Graded vesting period :			Weighted average price (Rupees)**
				1st Year	2nd Year	3rd Year	
ESOS 2014 (1)	17-Apr-14 *	2,860,300	1,217.20	953,433	953,433	953,434	469.48
ESOS 2014 (2)	01-Jun-15 *	71,507	2,101.10	23,835	23,835	23,837	708.36
ESOS 2012 (1)	16-Apr-12	903,150	1,060.00	180,630	361,260	361,260	320.59
ESOS 2012 (2)	16-Apr-12	5,125	1,060.00	5,125	-	-	230.97
ESOS 2012 (3)	14-Feb-14	123,000	1,119.85	24,600	49,200	49,200	334.20
ESOS 2011 (1)	14-Feb-11	1,161,000	579.88	232,200	464,400	464,400	185.21
ESOS 2011 (2)	14-Feb-11	23,750	579.88	23,750	-	-	149.41
ESOS 2011 (3)	3-Oct-14	33,000	1,985.95	6,600	13,200	13,200	583.69
ESOS 2011 (4)	25-Feb-15	22,000	2,025.20	4,400	8,800	8,800	515.78
ESOS 2011 (5)	16-Dec-16	194,200	2,180.85	38,840	77,680	77,680	621.74
ESOS 2012 (4)	16-Dec-16	47,800	2,180.85	9,560	19,120	19,120	621.74
ESOS 2014 (3)	16-Dec-16*	82,100	2,180.85	27,093	27,093	27,914	734.46
ESOS 2014 (4)	09-Mar-17*	13,400	1,997.35	4,422	4,422	4,556	680.28
ESOS 2014 (5)	17-Jul-17*	25,000	1,956.55	8,250	8,250	8,500	626.51
ESOS 2014 (6)	08-Jan-18*	8,000	1,919.25	2,666	2,666	2,667	623.48
ESOS 2014 (7)	24-Jan-18*	238,970	1,969.45	79,656	79,656	79,658	651.23
ESOS 2014 (8)	4-Apr-18	164,457	1,841.35	54,818	54,818	54,820	410.12
ESOS 2014 (9)	16-Apr-19	226,155	1,568.85	75,384	75,384	75,387	332.35

\*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, ESOS 2014 (8) and ESOS 2014 (9) option vest over three years at each of the anniversaries. ESOS 2011 and ESOS 2012 are exercisable within three years from the date of vesting and are settled in equity on exercise. ESOS 2014 (8) and ESOS 2014 (9) are exercisable within two 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.

The summary for each scheme as at December 31, 2019.

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	220,600	2,157.53	74,030	1,804.92	1,356,879	1,547.24
Granted during the period	-	N.A.	-	N.A.	226,155	1,568.85
Forfeited during the period	-	N.A.	-	N.A.	246,193	1,795.83
Exercised during the period	-	N.A.	-	N.A.	188,544	1,217.20
Expired during the period	13,200	1,985.95	-	N.A.	35,359	1,217.20
Outstanding at the end of the period	207,400	2,168.45	74,030	1,804.92	1,112,938	1,563.03
Exercisable at the end of the period	207,400	2,168.45	74,030	1,804.92	607,682	1,367.84

The summary for each scheme as at December 31, 2018.

Particulars	ESOS - 2011		ESOS - 2012		ESOS - 2014	
	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)	Number of options	Wtd. avg. exercise price (Rupees)
Outstanding at the beginning of the period	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 (Rupees)
Weighted average share price at the date of exercise.	Feb 12, 2019	1,655.59
	April 17, 2019	1,536.29
	July 23, 2019	1,433.22
	November 8, 2019	1,361.40

Particulars	Range of exercise prices Rupees	Wtd. avg remaining contractual life
Range of exercise prices and weighted average remaining contractual life.	1,119.85 to 1,217.25	450 days
	1,568.85 to 1,997.35	1480 days
	2,101.10 to 2,180.85	1102 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
Date of grant	April 16, 2019
Stock price (Rupees)	1,568.85
Volatility (%)	22.98
Riskfree rate (%)	6.86
Exercise price (Rupees)	1,568.85
Expected life (Time to maturity)	3.00
Dividend yield (%)	1.91
Fair value per option (Rupees)	332.35

The Company have used Black-Scholes option pricing model for the purpose estimating fair value of the options granted during the year.

**Volatility:** Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualized 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

## 45 Employee stock option scheme (“ESOS”) (Contd..)

**Riskfree rate:** The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

**Expected life of the options:** Expected Life of the options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life of the option is the maximum period after which the options cannot be exercised. The Company has calculated expected life as the average of the minimum and maximum life of the options.

**Dividend yield:** Expected dividend yield has been calculated as 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, 2019		Year ended December 31, 2018	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Exercised during the year	188,544	2,295	410,854	4,995
<b>Total</b>	<b>188,544</b>	<b>2,295</b>	<b>410,854</b>	<b>4,995</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	As at December 31, 2019		As at December 31, 2018	
	Numbers	Rupees in lakhs	Numbers	Rupees in lakhs
Not later than two years	1,248,464	20,645	1,308,836	20,375
Later than two years & not later than five years	145,904	2,584	342,673	6,715
<b>Total</b>	<b>1,394,368</b>	<b>23,229</b>	<b>1,651,509</b>	<b>27,090</b>

**46** Securities and Exchange Board of India (SEBI) notifications dated May 30, 2018 and September 19, 2018, under the SEBI (Credit Rating Agencies) Regulations, 1999, have mandated segregation of Ratings and Non-Ratings businesses of Credit Rating Agencies. Pursuant to, and in order to comply with these notifications, CRISIL's Board of Directors approved transfer of the Ratings business to CRISIL Ratings Limited, (incorporated on June 3, 2019), a wholly owned subsidiary of CRISIL Limited. This transfer would be undertaken through a 'Scheme of arrangement in terms of Section 230 to 232 of the Companies Act, 2013' ('Scheme') to be approved by the Stock Exchanges and the National Company Law Tribunal (NCLT). Having received the requisite approvals from the Stock Exchanges, the Company has filed the Scheme with NCLT on October 25, 2019. NCLT has admitted the Scheme and has ordered convening of shareholders' meeting. A meeting of the equity shareholders has been convened on February 12, 2020, for approval of the Scheme.

- 47** On December 19, 2019, CRISIL through its wholly owned subsidiary company has entered into a definitive agreement to acquire 100% of the equity share capital of Greenwich Associates LLC ('Greenwich'), a company based in Stamford, USA, and its subsidiaries, a leading provider of proprietary benchmarking data, analytics and qualitative, actionable insights that helps financial services firms worldwide measure and improve business performance. The acquisition will complement CRISIL's existing portfolio of products and expand offerings to new segments across financial services including commercial banks and assets and wealth managers. The transaction is at a total consideration of USD 40 million (Rupees 28,000 lakhs approximately).
- 48** During the year, the Company received export benefits amounting to Rupees 2,025 lakhs (Previous year: Rupees 2,417 lakhs) 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 (Refer Note 27).
- 49** Previous year's figures have been regrouped where necessary to conform to current year classification.

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 11, 2020  
Place: Mumbai

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

**John L. Berisford**

Chairman  
[DIN: 07554902]

**Girish Paranjpe**

Director  
[DIN: 02172725]

**Ashu Suyash**

Managing Director and  
Chief Executive Officer  
[DIN: 00494515]

Date: February 11, 2020  
Place: Mumbai

**M. Damodaran**

Director  
[DIN: 02106990]

**Arundhati Bhattacharya**

Director  
[DIN: 02011213]

**Sanjay Chakravarti**

Chief Financial Officer

**Vinita Bali**

Director  
[DIN: 00032940]

**Ewout Steenbergen**

Director  
[DIN: 07956962]

**Minal Bhosale**

Company Secretary



# NOTICE

NOTICE is hereby given that the Thirty-Third Annual General Meeting of the members of CRISIL Limited (the Company) will be held on Tuesday, April 21, 2020 at 4.00 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, 2019, 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, 2019, together with the Report of the Auditors thereon.

### 2. Declaration of dividend

To declare final dividend on equity shares of Rs. 13 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, 2019.

### 3. Re-appointment of Mr. Ewout Steenbergen

To appoint a Director in place of Mr. Ewout Steenbergen (DIN 07956962), who retires by rotation and, being eligible, seeks re-appointment.

## SPECIAL BUSINESS:

### 4. Appointment of Mr. Martin Fraenkel as a Non-Executive Director, liable to retire by rotation

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Martin Fraenkel (DIN 08410263), who was appointed as an Additional Director of the Company with effect from April 18, 2019 by the Board of Directors of the Company pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

### 5. Re-appointment of Ms. Ashu Suyash as Managing Director & Chief Executive Officer and approving the terms and conditions of the re-appointment

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as ‘Act’), and the Company’s Articles of Association, approval of the members be and is hereby accorded to, re-appoint Ms. Ashu Suyash, (DIN 00494515) as the Managing Director (MD) & Chief Executive Officer (CEO) of the Company for a period of five years, with effect from June 1, 2020, on the terms and conditions specified hereunder:

- (a) **Nature of Duties:** Ms. Ashu Suyash shall carry out such duties as may be entrusted to her subject to the supervision and control of the Board from time to time.
- (b) **Base Pay:** Ms. Ashu Suyash shall be entitled to receive a minimum salary of Rs. 390 lakh per year, subject to such annual increments, as may be decided by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee or any other Committee constituted by it from time to time. The base pay includes salary, allowances, reimbursements and retirement benefits. She would be allowed to fix various components of salary within the overall limit as stated above and also to avail / encash the benefits in accordance with the schemes and rules of the Company for its staff as applicable from time to time.
- (c) **Variable Pay:** Ms. Ashu Suyash shall be entitled, in each year, to variable pay at a percentage of Base Pay based on the level of performance which will be decided by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee or any other Committee constituted by it from time to time.
- (d) **Perquisites:** In addition to the remuneration, Ms. Ashu Suyash would also be eligible to perquisites in the form Company car with driver, Group Medical health cover and leave encashment.

- (e) **Other benefits:** Ms. Ashu Suyash would be eligible to benefits under any Long Term Incentive Plan, Employee Stock Option Plan, excess contribution, life insurance and other benefits in accordance with the schemes and rules of the Company for its staff as applicable from time to time.
- (f) **Other terms and conditions:** Perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- (g) **Termination:** The employment may be terminated by either party giving to the other party three months' notice or gross salary in lieu thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of appointment and / or remuneration, subject to the overall remuneration not exceeding the limits specified under Section 197, read with Schedule V of the Act as may be prescribed from time to time, in such manner as may be agreed between the Board and Ms. Ashu Suyash.

RESOLVED FURTHER THAT where in any financial year, during the currency of tenure of Ms. Ashu Suyash as MD & CEO, the Company incurs a loss or its profits are inadequate, the Company shall pay to Ms. Ashu Suyash, the above remuneration by way of base pay, variable pay, stock options, perquisites, allowances and other benefits as a minimum remuneration, after complying with the limits and obtaining necessary approvals as specified in Schedule V of the Act, or such other limits as may be prescribed by Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may necessary for obtaining any approvals – statutory, contractual or otherwise, in relation to the above, and to do all the acts, deeds, matters and things which are necessary, proper, expedient and incidental for giving effect to this resolution.”

By order of the Board  
For **CRISIL Limited**

**Minal Bhosale**  
Company Secretary  
ACS 12999  
Mumbai, February 11, 2020

# 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 7, 2020 to Wednesday, April 8, 2020 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the Annual General Meeting.
6. Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, shall be paid on Monday, April 27, 2020:

(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 6, 2020; 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 6, 2020.

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 upto 2012 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 2013 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 2019, 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 2019, 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 upto 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 KFin Technologies 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:-<br>a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID<br>b) For CDSL :- 16 digits beneficiary ID<br>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 Friday, April 17, 2020 at 10:00 a.m. and end on Monday, April 20, 2020 at 5:00 p.m. Members, holding shares either in dematerialised form or physical form as on Cut-Off date, Tuesday, April 14, 2020, may cast their vote electronically during this period. The remote e-voting module shall be disabled at 5.00 p.m. on April 20, 2020. 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

KFin Technologies Private Limited (KFin) e-voting platform. The system will prompt you to change your password and update any contact details like mobile number, email ID etc. on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi) You need to login again with the new credentials.
  - vii) On successful login, the system will prompt to select the 'Event' i.e., 'Company Name'.
  - viii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and cast your vote earlier for any company, then your existing login ID and password are to be used.
  - ix) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
  - x) After selecting the resolution you have decided to vote on, click "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click "OK", else to change your vote, click "CANCEL" and accordingly, modify your vote.
  - xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - xii) Corporate / Institutional Members (Corporate/ FIs / FIs / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to 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 (KFin) 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 KFin's toll free number 1-800-34-54-001 for any further clarifications.
16. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on Tuesday, April 14, 2020 ("Cut-Off Date").

Any person who acquires shares of the Company after dispatch of this Notice and holds shares as of the Cut-Off Date i.e. as on Tuesday, April 14, 2020, 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 KFin 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 for scrutinising 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 KFin 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. Ewout Steenbergen:**

Mr. Ewout Steenbergen (age 50 years) was appointed as a director of the Company w.e.f. October 17, 2017.

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, 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. Steenbergen is a member of the Stakeholders' Relationship Committee of the Board of Directors of CRISIL Limited.

Mr. Steenbergen will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which he is a member/Chairperson or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of Mr. Steenbergen's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

## 2. Mr. Martin Fraenkel:

Mr. Martin Fraenkel, (age 59 years) was appointed on the Board of CRISIL Limited as an additional director with effect from April 18, 2019.

Mr. Martin Fraenkel is President of S&P Global Platts, a division of S&P Global and the leading independent provider of information and benchmark prices for the commodities and energy markets. Based in London, Mr. Fraenkel is a member of the S&P Global Operating Committee.

He was appointed President of Platts in September 2016, having joined as Global Head of Content in 2015. Previously, Mr. Fraenkel served as Managing Director and Global Head of Energy at CME Group. Before this, Mr. Fraenkel held senior roles managing global sales and trading businesses for top-tier investment banks, such as Credit Agricole CIB, NM Rothschild and Dresdner Kleinwort as Global Head of Commodities and for JP Morgan Chase as Global Head of Energy, Agriculture and Base Metals Trading and Head of Commodities for EMEA. He has also provided consulting services to leading exchanges, hedge funds, trade houses and proprietary traders. Mr. Fraenkel has chaired the London Gold Market, the operator of the global gold price benchmark and served on the board of the London Bullion Market Association. He began his career in New York in 1984 as a base metals trader.

Mr. Fraenkel has an MBA from INSEAD in Fontainebleau, France; a Master's degree from the School of Advanced International Studies of The Johns Hopkins University in Washington, DC, USA and Bologna, Italy; and a Bachelor's degree in Philosophy, Politics and Economics from Balliol College, University of Oxford, UK.

He is a Trustee of the Endowment of the Wiener Library, London.

Mr. Fraenkel is a member of the Audit Committee of the Board of Directors of CRISIL Limited.

Mr. Fraenkel 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. Fraenkel's attendance of the Board and the Committee meetings have been given elsewhere in this Annual Report.

## 3. Ms. Ashu Suyash:

Ms. Ashu Suyash (age 53 years) is the Managing Director & Chief Executive Officer of the Company. She was appointed to this position on June 1, 2015.

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. She also serves as a member of the Operating Committee for S&P Global.

Ms. Ashu Suyash has successfully pivoted CRISIL to become a leading agile, innovative global analytics company. Under her leadership, CRISIL has strengthened its market position in each of its business lines and continues to retain its impeccable credibility in the market place. CRISIL has also built a solid organisation with management depth and strong leadership. Under Ms. Suyash's leadership, the Company has seen steadfast focus on new products creation and monetization. Resultantly a number of integrated solutions such as Quantix, SMART, SPARC, ICON have enabled the much required shift towards tech-enabled client delivery. Strong commitment to analytical rigour and best in class standards has helped consolidate CRISIL's premier position in Ratings and in Global Benchmarking Analytics. In times of significant media and public scrutiny on the Ratings industry, CRISIL has maintained a distinguished position and immaculate track record as also stood out as a reliable and independent player.

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 Primary Market Advisory Committee of SEBI. 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.

Ms. Suyash is a member of the Corporate Social Responsibility, Stakeholders' Relationship and Risk Management Committees of the CRISIL Board.

Ms. Suyash's last drawn remuneration has been indicated in the Directors' Report. The terms and conditions of her re-appointment along with details of remuneration sought to be paid to her upon re-appointment is stated in the resolution at item no. 5 of the Notice, read with explanatory statement thereto. She holds 1,12,125 employee stock options granted

to her under the Company's ESOP plans, during her present tenure. She does not hold any shares in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way. The details of her 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:**

Mr. Martin Fraenkel who has been appointed as an Additional Director of the Company under Section 161(1) of the Companies Act, 2013 effective April 18, 2019 holds office up to the date of this Annual General Meeting, and is eligible for appointment as Director as provided under Article 129 of the Articles of Association of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Mr. Martin Fraenkel for the office of Director. A brief resume of Mr. Martin Fraenkel and other details, as required to be given pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been given elsewhere in this Notice.

Mr. Martin Fraenkel is not a director of any other public limited company in India. He is a member of the Audit Committee of the Board of Directors of CRISIL Limited. He does not hold any share in the Company and is not related to any Director or Key Managerial Personnel of the Company in any way.

The Board of Directors considers it in the interest of the Company to appoint Mr. Martin Fraenkel as a Director. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Martin Fraenkel, 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.

#### **Item No. 5:**

The Board of Directors at its meeting held on February 11, 2020, has re-appointed Ms. Ashu Suyash (DIN:00494515) as the Managing Director & Chief Executive Officer of the Company, for a further period of 5 (five) years with effect from June 1, 2020, on terms and conditions as specified in the resolution at Item no. 5 of the Notice. Ms. Suyash will complete her present term on May 31, 2020.

The proposed re-appointment and terms and conditions have been approved by the Nomination and Remuneration Committee of the Company. Her appointment and remuneration is fixed in accordance with Section 196, 197 and Schedule V of the Companies Act, 2013.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Ms. Suyash as Managing Director & Chief Executive Officer, in terms of the applicable provisions of the Act.

Brief profile of Ms. Suyash, her experience, qualifications and other details, have been included in the Notes to this Notice. The terms and conditions of her re-appointment are specified in the resolution at Item no. 5 of the Notice. Ms. Suyash satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for this re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board considers it in the interest of the Company to re-appoint Ms. Ashu Suyash as the Managing Director & Chief Executive Officer of the Company and accordingly, recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

The above may be treated as a written memorandum setting out the terms of re-appointment of Ms. Ashu Suyash under Section 190 of the Act.

Ms. Ashu Suyash is not a director of any other public limited company in India. None of the Directors and Key Managerial Personnel of the Company or their relatives are, except Ms. Ashu Suyash, in any way concerned or interested, in the resolution.

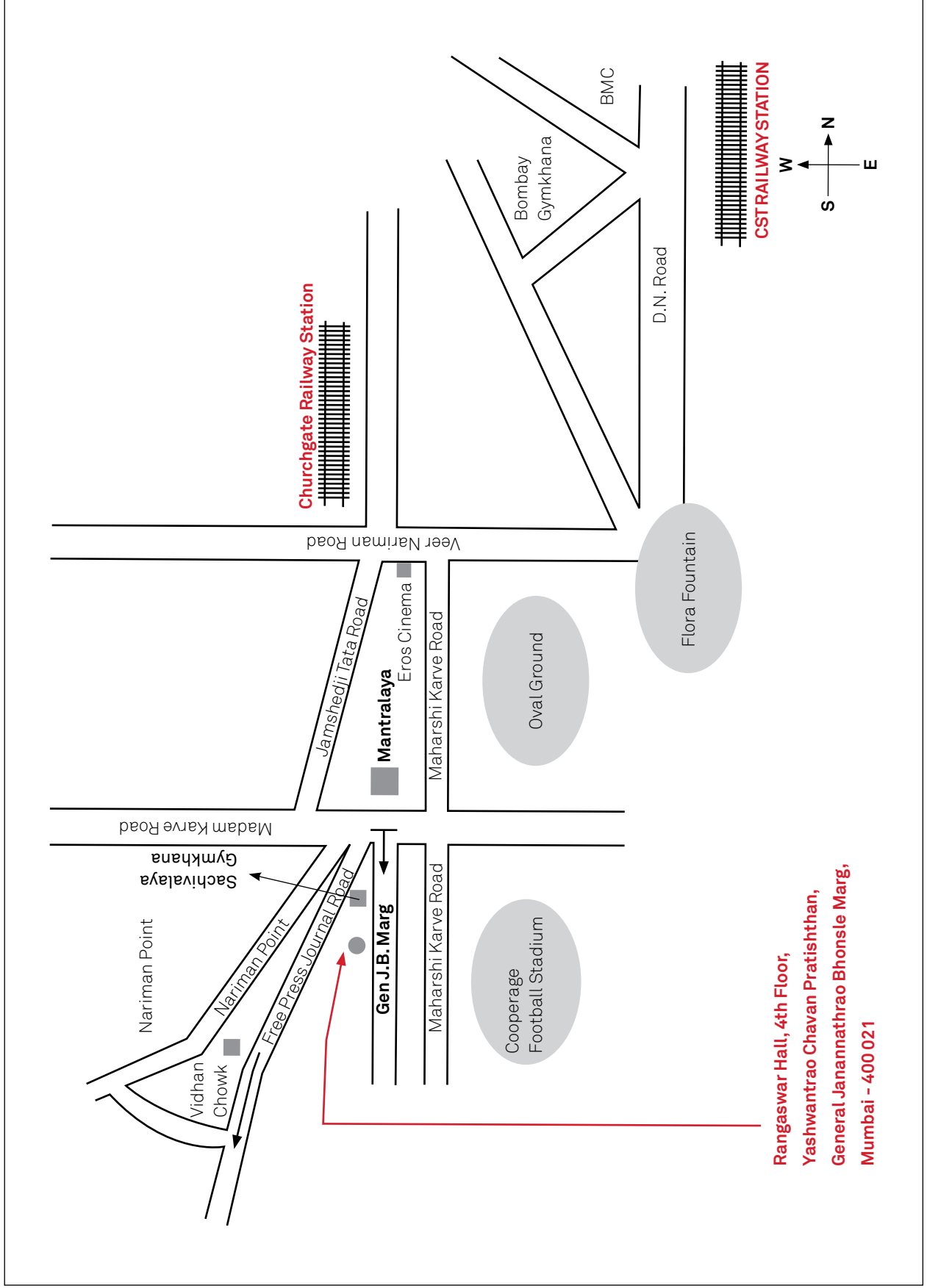
The Board recommends the resolution set out at Item No. 5 of the Notice for approval by the members.

By order of the Board  
For **CRISIL Limited**

**Minal Bhosale**  
Company Secretary  
ACS 12999  
Mumbai, February 11, 2020



ROUTE MAP TO VENUE OF THE ANNUAL GENERAL MEETING



**Rangaswar Hall, 4th Floor,  
Yashwantrao Chavan Pratishthan,  
General Janannathrao Bhonsle Marg,  
Mumbai - 400 021**

# 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: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company to be held on Tuesday, April 21, 2020 at 4.00 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. Ewout Steenbergen

#### Special Business:

4. Appointment of Mr. Martin Fraenkel as a Non-Executive Director, liable to retire by rotation
5. Re-appointment of Ms. Ashu Suyash as Managing Director & Chief Executive Officer and approving the terms and conditions of the re-appointment

Signed this ..... day of ....., 2020

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  
Asia Pacific India

## Argentina

### Buenos Aires

CRISIL Irevna Argentina S.A.  
Avenida del Libertador General San  
Martin 174, 1st,5th & 10th floor.  
Vicente López, Buenos Aires,  
Argentina B1638AIE  
Phone : +54 11 4718 5100

## China

### Hangzhou

CRISIL Irevna Information Technology  
(Hangzhou) Co.Ltd. 1603 & 1606,  
Hengxin Mansion, #588, JiangNan Road,  
Binjiang  
Hangzhou 310052  
Phone : +86 571 8106 9801

## India

### Ahmedabad

D-709/710, The First,  
Near Keshavbag, Off. 132" Ring Road,  
Vastrapur, Ahmedabad 380 015  
Phone : +91 79 4024 4500

### Bengaluru

W - 101, 1st floor, Sunrise Chambers,  
22, Ulsoor Road, Bengaluru 560 042  
Phone : +91 80 4244 5399,

### Chennai

Thapar House, Mezzanine Floor,  
No. 37 Montieth Road, Egmore,  
Chennai 600 008  
Phone : +91 44 6656 3100 /  
+91 44 4905 3100

3rd & 7th Floors, Tower-II,  
TVH -Beliciaa Towers, Block No.94,  
MRC Nagar, Chennai 600 028  
Phone : +91 44 4226 3400 /  
+91 44 4041 6100

## Gurugram

Plot No. 46, Sector 44,  
Opp PF Office, Gurugram 122 003,  
Haryana  
Phone : +91 0124 672 2000

## Hyderabad

Uma Chambers, 3rd Floor, Plot No. 9 &  
10, Nagarjuna Hills, Near Punjagutta  
Cross Road, Hyderabad 500 082  
Phone : +91 40 2335 8103 - 05

Workafella, Western Aqua Building,  
12th floor Hitech City, Kondapur,  
Hyderabad 500 084

## Kolkata

CRISIL Limited  
Unit no 1002,10th Floor, Biowonder  
Building, 789 Anandapur Road,  
Kolkata 700107  
Phone : +91 33 4011 8200

## Marol

1st Floor, Fleet House, Andheri Kurla  
Road, Next to Marol Metro Station.  
Gamdevi, Marol Naka,  
Mumbai 400059.

## Mumbai SEZ

Unit no. 104 & 201, Kensington, A wing,  
IT/ITES-SEZ, Hiranandani Business  
Park, Powai, Mumbai 400 076  
Phone : +91 22 4047 2100

## 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 / 4151 6764

## 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

1187/17, Ghole Road, Shivaji Nagar,  
Pune 411 005  
Phone : +91 20 4018 1900

## Poland

### Wroctaw

CRISIL Irevna Poland Sp. z.o.o  
Renaissance Business Centre,  
Sw. Mikotaja 7, 50-125 Wroctaw, 6th floor  
Phone : +48 71 3232660

## Singapore

Coalition Development Singapore Pte. Ltd.  
60 Robinson Road, # 11-01, BEA  
Building,  
Singapore 068892  
Phone : +65 6222 1845 / 6227 6123 /  
6227 7180

## UAE

### Dubai

Pragmatix Services Pvt. Ltd.  
Office No. 201, Oud Metha  
Plot No.14-0  
Office Court Building  
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

Coalition Development Limited  
S&P Global 20, Canada Square,  
Canary Wharf, 8th floor,  
London E 145LH

## USA

### New York

CRISIL Irevna US LLC  
S & P Global, 34th Floor, 55 Water  
Street, New York 10041  
Phone : +1(646) 292-3520

Coalition Division  
52nd Floor, Suite 5250,  
Empire State Building,  
350 Fifth Avenue, New York,  
NY 10118  
Phone : +1(646) 741 4992





**CRISIL**  
An **S&P Global** Company

**CRISIL LIMITED**

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